

## **ECE INDUSTRIES LIMITED**

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## 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.

THE BUY-BACK 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 Company's own fully paid up Equity Shares of Rs. 10/- each (hereinafter referred to as the "Bu Back") in accordance with the provisions contained in the Article 13 of the Articles of Association of the Company, Section 68, 69 and 7 and other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder and other applicable laws Regulations, approval(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 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/o any person(s) as may be authorized by the Board of Directors, hereinafter referred to as the "Board").
The Buy-Back is being proposed with an objective of reducing outstanding number of equity shares and enhance overall shareholder value.

by returning surplus funds to shareholders in an efficient and investor friendly manner without compromising on the high growth opportunitie available to the Company. The Buy-Back will also result 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 or net worth, return on assets and other financial ratios, subject to the prevailing business conditions. The Buy-Back will also provide sonable exit opportunity to those shareholders who so desire

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 turnove 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 standalone 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 by 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.

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 dosing 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 not impair the growth of the Company and will rather contribute to the overall enhancement of shareholders' value.

The Company intends to deploy a minimum of Rs. 5,95,00,000 (Rupees Five Crore Ninety Five Lakhs only) being 50% of the Maximu

Offer Size is determined to be the Minimum Offer Size ("Minimum Offer Size").

The number of Equity Shares bought back would depend upon the average price paid for Equity Shares bought back and aggregate the number of Equity Shares because the number of Equity Sha 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 th Act, Buy-back Regulations and Maximum Buy-back Size.

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 unto Rs. 1 190I acs, 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 th As per the provisions of the Companies Act, 2013, the maximum number of equity shares permitted to be bought back in any financia

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 equit

shares of the Company.

The Buy-Back offer is proposed to 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, a

y be permitted by law from time to time.

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 48,67,229 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.

The Promoter and Promoter Group have not sold or purchased any equity shares during the period of last six months proceeding

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 Purchases From Open Market

|   |  | Sr.<br>No. | Name of the<br>Promoter/ Promoter Group | Date of<br>purchase |      | % of total Equity<br>Share capital | Average price (In Rs.) |  |  |  |
|---|--|------------|---|---------------------|------|------------------------------------|------------------------|--|--|--|
|   |  | 1.         | Bhiragacha Finance Company Private Ltd  | 20.11.2015          | 1000 | 0.01%                              | 139.15                 |  |  |  |
| 1 | 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 the Company hereby confirms that there are no defaults subsisting in the repayment of any Deposits or interest payment thereor redemption of debentures or Preference Shares or repayment 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.

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 the

that it has made the necessary and full inquiry into the affairs and prospects of the Company and has formed the opinion that a) that immediately following the date of the Board meeting, there will be no grounds on which the Company could be found unabled

b) 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 beir wound up under the provisions of the Act (including prospective and contingent liabilities).

The text of the report dated March 23, 2016 received from M/s. VSD & Associates, Chartered Accountants, the Company's Statutor Auditors addressed to the Board of Directors is reproduced below

The Board of Directors

ECE Industries Limited ECE House, 28A, K.G. Marg, New Delhi-110001

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 tim ("Buy-Back Regulations"), and based on the information, explanations and representations given to us and on the basis of suc 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.1190.00 Jacs ("Maximum Offer Size") a a price not exceeding Rs. 170/- per equity share ("Maximum Offer Price"). In our view, the amount of permissible capital paymen (including premium) towards Buy-Back of equity shares as computed below 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 o

| D-st-ul-u-   |        | Amount (Rs, in Lacs) |
|--|--------|----------------------|
| Particulars  |        | Amount (RS, In Lacs) |
| Total Paid up capital as on March 31, 2015                             |        |                      |
| 77,25,925 Equity Shares of Rs. 10 each fully paid up                   | 772.59 |                      |
| Forfeited Shares money   | 0.17   | 772.76               |
| Free Reserves as on March 31, 2015 comprising of                       |        |                      |
| Securities Premium Account   |        | 2892.65              |
| General Reserve  |        | 5742.89              |
| Profit and Loss Account  |        | 4523.32              |
| Total of Paid up capital and Free Reserve as at March 31, 2015         |        | 13931.62             |
| 10% thereof, being permissible limit for buyback of equity shares with |        | 1393.16              |
| Boards' approval   |        |                      |
| Amount approved by the Board for Buyback                               |        | 1190,00              |
| b) Maximum limit of buyback of equity shares in a financial year       |        |                      |
| Particulars  |        | No, of Shares        |
| Total Paid up capital as at March 31, 2015                             |        | 7725925              |
| 250/ thought hains maying a guity agaital aliaible for burbank         |        | 4004404              |

Maximum shares approved by the Board for Buyback The Board of Directors at their meeting held on March 23, 2016 has formed an opinion as specified in Clause (x) in Part A o 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.

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 of to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior

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(VINOD SAHNI) Place: New Delhi Membership No. 086666

Unquote 1.15 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.

1.16 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.

1.17 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 66(8) of the Companies Act, 2013, the Company shall not make thirther 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 and the substitution of the substitution shares or debentures into equity shares as may be permitted under applicable law by regulatory authorities including the SEBI.

1.19 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.
 1.20 In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held

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.

1.23 In terms of the provisions contained under Bay -Back Regulations and proviso to Section 68(2)(g) of the Act, the Company of 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 no

being made within a period of one year reckoned from the date of the closure of preceeding 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 there under.

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 Crore Ninety Five Lakhs only) being 50% of the Maximum Offer Size is determined to be the Minimum Offer Size ("Minimum Offer Size" THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS

AND COST OF FINANCING THE BUY-BACK

The Company will utilize, save and except the event mentioned in Regulation 15B(8) of the Buy-Back Regulations, a minimum of Rs. 5,95,00,000 (Rupees Five Crore 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 Equil Shares that the Company may Buy-Back, representing 9.06% of the outstanding Equity Shares of the Company as on date of this Publi 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.

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.

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 as at March 31, 2015 (the date of the latest audited account

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

ate of commencement of the Buy-Back n 15 Days of the relevant payout dates of the Stock Exchanges n 15 days of acceptance of Equity Shares as above. Further, all t Equity Shares bought back will be extinguished within 7 days of the last ate of completion of Buy-Back Last Date for the Buy-Back 10.3 when the Company completes the Buy- Back to the extent of

7,00,000 Equity Shares; or
ii) 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 regulation

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.

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.

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 a stock broker, who is a member of NSE by indicating to their broker details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for buy back of Equity Shares. The trade would be executed at the price at which the 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.

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/ documents to his/her broker for settlemen

rithin 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

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. 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 were received by Shares bought-back, other than in the physical form, during the calendar week in which such Equity Shares were received by The price of Equity Shares tendered during the first calendar week of the Buy-Back shall be the volume weighted average market

price of 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: INE588B01014). 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 for 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 nate any process in relation to the Buy-Back, if so permissible by law

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

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 NSF

The Company shall complete the verification of acceptances within fifteen days of the pay-out. 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

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 wide 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 & Harvan 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

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

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 1,75,385 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 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  |                      | Year Ended  |             |             | 12.3 As per Regulation 15(b) of the Buy-Back Regulations, the Buy-Back of Equity Shares shall not be made from the Promoter and Promoter Group of the Company. The shareholding/voting rights of the Promoter and Promoter Group as a result of the Buy-Back may |
|--|----------------------|-------------|-------------|-------------|--|
|  |                      | 31.03.2015  |             |             | increase to a maximum of 69.28% from 63% of the total paid up share capital of the Company, as explained in para 11.3 and 11.4 of this   |
|  | December<br>31, 2015 | (12 Months) | (12 Months) | (12 Months) | Public Announcement.   |
|  |                      | (8 Pr. D    | / A 124 13  | (A P. 1)    | 12.4 The Buy-Back of Shares will not result in a change in control or otherwise affect the existing management structure of the  |
| INCOME   | (Unaudited)          | (Audited)   | (Audited)   | (Audited)   | Company.   |
| INCOME   | 44.050.70            | 40.505.40   | 40.004.04   | 44,000,00   | 12.5 Consequent to the Buy-Back and based on the number of equity shares bought back from the non-resident shareholders, non-  |
| Turnover (Gross)   | 11,653.72            | 19,535.46   | 12,284.64   | 14,832.06   | resident Indian (NRI) shareholders, foreign institutional investors (FIIs), Indian financial institutions, banks, mutual funds and the public  |
| Less: Excise Duty  | 1,114.67             | 1,652.27    | 959.31      | 1,241.75    | including other bodies corporate, the shareholding pattern of the Company may undergo a consequential change.  |
| Turnover (Net)   | 10,539.05            | 17,883.19   | 11,325.33   | 13,590.31   | 12.6 The debt-equity ratio post Buy-Back will be within the limit of 2:1, as prescribed under the Companies Act, 2013.   |
| Other Income   | 969.91               | 1,032.37    | 1,152.56    | 1,218.40    | 12.7 It is confirmed that in terms of Regulation 19(2) of the Buy-Back Regulations, there is no pendency of any scheme of amalgamation   |
| Total Income   | 11,508.96            | 18,915.56   | 12,477.89   | 14,808.71   | or compromise or arrangement pursuant to the provisions of the Act outstanding as on date of this Public Announcement.   |
| EXPENDITURE  | 00.04                | 00.05       | 05.40       | 407.00      | 12.8 The Promoter and Promoter Group shall not deal in the shares of the Company during the period the Buy-Back is open.   |
| Purchases of Traded Goods                                      | 69.94                | 69.95       | 85.13       | 127.93      | 12.9 As per provisions of regulation 19(1)(b) of the Buy-Back Regulations, the Company shall not issue and allot any Equity Shares or  |
| Raw Materials, Stores and Other Materials consumed             | 8,647.15             | 13,505.25   | 8,163.92    | 9,072.61    | other specified securities, including by way of bonus, till the date of closure of this Buy-Back   |
| Changes in Inventories of Finished Goods, Work-in-Progress and | 1                    |             |             | 1           |  |
| Stock-in-Trade   | (856.27)             | 413.42      | (231.42)    | 468.32      | 12.10 As per the provisions of Section 66(8) of the Act, the Company shall not make further issue of the same kind of shares or other  |
| Employee Benefit Expense                                       | 1,486.99             | 1,611.51    | 1,323.74    | 1,278.49    | 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  |
| Operating and Other Expenses                                   | 2,708.33             | 3,106.35    | 2,591.70    | 2,702.65    | of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or   |
| Managerial Remuneration/ Director's Commission                 | 115.00               | 132.50      | 120.00      | 111.88      | debentures into equity shares as may be permitted under applicable law by regulatory authorities including the SEBI. Further, as per   |
| Depreciation/ Amortization                                     | 167.92               | 264.49      | 235.54      | 222.73      | provisions of regulations 19(1)(f) of the Buy-Back Regulations, the Company shall not raise further Capital for a period of one year from the  |
| Finance Cost   | 147.84               | 215.86      | 163.44      | 162.28      | Closure of Buy-Back, except in discharge of its subsisting obligations.  |
| Total Expenditure  | 12,486.90            | 19,319.32   | 12,452.05   | 14,146.90   | 12.11 The Company shall not withdraw the offer of Buy-Back after the Public Announcement is made.  |
| Profit before Exceptional Item and Tax                         | (977.94)             | (403.76)    | 25.84       | 661.81      | 12.12 The Company shall not Buy-Back its shares so as to delist its shares from the Stock Exchange(s).   |
| (Less)/Add: Exceptional Items                                  | 818.01               | 451.50      | 0.00        | (437.51)    | 13. STATUTORY APPROVALS  |
| Profit before Tax  | (159.93)             | 47.74       | 25,84       | 224,30      | 13.1 The present Offer of Buy-Back of Equity Shares of the Company from the open market through the methodology of "Buy-back   |
| Total Tax expense (net of deferred tax)                        | 0.00                 | (51.13)     | 8.06        | 130.25      | through the Stock Exchange", has been duly authorized by the resolution passed by the Board of Directors of the Company at their   |
| Net Profit for the Year  | (159.93)             | 98.87       | 17.78       | 94.05       | Meeting held on March 23, 2016.  |
| Key Ratios   | 1                    |             |             |             | 13.2 The Buy-Back of Equity Shares from Non-Resident shareholders will be subject to approvals, if any, of the appropriate authorities   |
| Earnings per Share (Rs.)                                       | 2.07                 | 1.28        | 0.23        | 1.20        | as applicable including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and   |
| Book value per Share (Rs.)                                     | 181.35               | 182.36      | 181.46      | 182.53      | regulations framed thereunder.   |
| Return on Net Worth (%)  | (1.14%)              | 0.70%       | 0.13%       | 0.67%       | 13.3 The Buy-Back shall be subject to approval(s)/ observations/ comments/ remarks as may be necessary from time to time from  |
| Long Term Debt/Equity Ratio                                    | 0.00                 | 0.00        | 0.00        | 0.00        | statutory authorities  |
|  |                      |             |             |             |  |

ESCROW ACCOUNT:

Towards security for performance of its obligations and in compliance with Regulation 15B of the Buy-Back Regulations, the Compan as security for perioriance of its objective to the companies with regulation and of the bury-back regulations, in exompany assets an exorow arrangement in the form of Cash Escrow and Bank Guarantee, the details of the same arrowded 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. 29,75,000 (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

9.1.2 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 2,67,75,000 (Rupees Two Crores Sixty Seven Lacs Eighty Five Thousand only), ("Bank Guarantee") being 22.5% 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.

9.1.3 The Company's escrow arrangement consisting of Cash Escrow and Bank Guarantee aggregating to Rs. 2,97,50,000 (Rupeer 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 Max

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 upto a um of 2.50% of the Maximum Offer Size, shall be liable for forfeiture in compliance with the provisions of the Buy-Back

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

LISTING DETAILS AND STOCK MARKET DATA

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited ("NSE"). Trading Code: ECEIND.

The high, low and average market prices for the preceding three years i.e. 2013-14, 2014-15 and 2015-16 during the period April-March of each year and the monthly high and low market prices for the six full months preceding the date of this Public Announcement and also during the period April 01, 2016 to April 03, 2016 and the corresponding volumes on NSE are as follows:

| Period                           | High<br>(Rs.) | Date of<br>High | Number<br>of Shares<br>Traded<br>on that date | Low<br>(Rs.) | Date of<br>Low | Number<br>of Shares<br>Traded<br>on that date | #Average<br>Price (Rs.) | Total Volume<br>Traded in<br>the period<br>(No. of Shares) |
|----------------------------------|---------------|-----------------|---|--------------|----------------|---|-------------------------|--|
| Last 3 Years                     |               |                 |   |              |                |   |                         |  |
| Year 2013-14                     | 138.00        | 21-May-13       | 2833  | 73.00        | 22-Aug-13      | 780   | 105.50                  | 2076110  |
| Year 2014-15                     | 188.80        | 19-Nov-14       | 46920   | 85.05        | 13-May-14      | 6925  | 136.93                  | 1501470  |
| Year 2015-16                     | 196.80        | 08-Jan-16       | 24786   | 118.00       | 25-Aug-15      | 53767   | 157.40                  | 2033510  |
| Last 6 months                    |               |                 |   |              |                |   |                         |  |
| October -15                      | 146.50        | 28-Oct-15       | 5074  | 130.00       | 01-Oct-15      | 360   | 138.25                  | 55623  |
|                                  | 146.50        | 29-Oct-15       | 6043  |              |                |   |                         |  |
| November-15                      | 148.80        | 03-Nov-15       | 4683  | 127.00       | 09-Nov-15      | 1702  | 137.90                  | 74469  |
| December-15                      | 151.45        | 31-Dec-15       | 1726  | 131.90       | 10-Dec-15      | 26824   | 141.68                  | 64765  |
| January- 16                      | 196.80        | 08-Jan-16       | 24786   | 125.05       | 19-Jan-16      | 1061  | 160.93                  | 608440   |
| February-16                      | 163.40        | 01-Feb-16       | 719   | 129.00       | 12-Feb-16      | 305   | 146.20                  | 20342  |
| March-16                         | 188.00        | 28-Mar-16       | 12120   | 143.00       | 01-Mar-16      | 351553  | 155.90                  | 507899   |
| April 01, 2016 to April 03, 2016 | 167.00        | 01-Apr-16       | 3617  | 160.00       | 01-Apr-16      | 3617  | 163.50                  | 3617   |

(Source: www.nseindia.com) #Arithmetic average of high & low prices

| Date of<br>Change | Particulars        | Date of<br>Transaction | High<br>(Rs.) | Low<br>(Rs.) | Closing<br>(Rs.) | Weighted<br>Average<br>Price (Rs.) | Total Number<br>of Shares<br>Traded |
|-------------------|--------------------|------------------------|---------------|--------------|------------------|------------------------------------|-------------------------------------|
| April 3, 2013     | Extinguishment of  | April 02, 2013         | 124.95        | 118.55       | 121.00           | 120.31                             | 442                                 |
| '                 | Shares pursuant to | April 03, 2013         | 124.90        | 117.15       | 120.00           | 119.50                             | 120                                 |
|                   | Buy-Back           | April 04, 2013         | 123.40        | 115.80       | 121.00           | 119.88                             | 423                                 |

entioned above, there have been no other changes in the capital structure of the company from April 01, 2013 on The number of fully Paid up Equity Shares as on the date of Public Announcement are 77.25,925

| 3 Stock Price Data | Stock Price Data for relevant dates  |            |           |               |  |  |  |  |  |
|--------------------|--|------------|-----------|---------------|--|--|--|--|--|
| Date               | Description  | NSE        |           |               |  |  |  |  |  |
|                    |  | High (Rs.) | Low (Rs.) | Closing (Rs.) |  |  |  |  |  |
| March 17, 2016     | Trading day Prior to Notice of Board Meeting to consider Buy-Back Proposal | 135.00     | 127.00    | 133.05        |  |  |  |  |  |
|                    | Day on which Notice of Board Meeting to consider Buy-Back Proposal         | 135.55     | 127.35    | 131.70        |  |  |  |  |  |
| March 23, 2016     | Board Meeting day  | 137.00     | 130.00    | 131,50        |  |  |  |  |  |
| March 28, 2016     | First Trading Day post Board Meeting day                                   | 136.00     | 132.00    | 135.45        |  |  |  |  |  |

CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

| The Share Capital of the Company as on date of this Public Announcement is as | s follows: |              |                |
|---|------------|--------------|----------------|
| Particulars   |            | Amount       | (Rs. In Lacs)  |
| rai liculai s   |            | Pre Buy-Back | Post Buy-Back# |
| Authorized Capital  |            |              |                |
| 1,45,00,000 Equity Shares of Rs.10/- each                                     | 1450.00    |              |                |
| 50,000 Redeemable Cumulative Preference Shares of Rs.100/- each               | 50.00      | 1500.00      | 1500.00        |
| Issued Capital  |            |              |                |
| 77,71,155 Equity Shares of Rs. 10/- each fully paid-up                        |            | 777.12       | 707.12         |
| Subscribed and Paid up Capital  |            |              |                |
| 77,25,925 Equity Shares of Rs. 10/- each fully paid-up                        |            | 772.59       | 702.59         |
| Forfeited Shares Money  |            | 0.17         | 0.17           |
| Total   |            | 772.76       | 702.76         |

#Assuming complete Buy- Back of 7,00,000 Equity Shares by the Company. The shareholding pattern, post proposed Buy-Back, differ depending upon the actual number of Equity Shares bought back.

There are no partly paid-up or locked-in or non-transferable shares. There are no outstanding instruments convertible into shares. The shareholding pattern of the Company as on March 23, 2016 and after the proposed Buy-Back shall be as follows

| Category of Shareholder                                | No. of Equity<br>Shares held as<br>on March<br>23, 2016 | % of the<br>Existing Equity<br>Share Capital<br>as on March<br>23, 2016 | No. of Equity<br>Shares post<br>proposed<br>Buy-Back * | % of holding<br>Post proposed<br>Buy-Back* |
|--|---|---|--|--|
| Promoters Shareholding                                 |   |   |  |  |
| Promoter and Promoter Group                            | 4867229   | 63.00%  | 4867229  | 69.28%                                     |
| Public Shareholding                                    |   |   |  |  |
| Financial Institutions/ Banks                          | 909   | 0.01%   |  |  |
| Insurance Companies                                    | 343808  | 4.45%   |  |  |
| FII  | 211500  | 2.74%   | 2158696  | 30.72%                                     |
| Individuals  | 1449706   | 18.76%  |  |  |
| NBFCs registered with RBI                              | 25  | 0.00%   |  | 1  |
| Others   | 852748  | 11.04%  |  |  |
| TOTAL  | 7725925   | 100.00%   | 7025925  | 100.00%                                    |
| *Assuming complete Buy- Back of 7.00.000 Equity Shares | by the Company. The                                     | shareholding patte  | rn, post propose                                       | d Buv-Back, mav                            |

differ depending upon the actual number of Equity Shares bought back.

Pursuant to the proposed Buy-Back of Equity Shares and depending on the response to the Buy-Back, the voting rights of the Promote and Promoter Group may increase by over 5% of the outstanding equity capital (assuming that the entire 7,00,000 Equity Shares are bought back). The Promoter and Promoter Group are already in control over the Company and therefore such further increase in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company. Further, the Promoter and Promote Group who are Directors of the Company, in their capacity as Directors, had abstained from voting on the resolution at the Board of Directors meeting held on March 23, 2016 where the proposal for Buy-Back was passed under sections 68, 69 and 70 of the Companies Act. Therefore, in terms of regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, despite the increase in voting rights of the Promoter and Promoter Group by over 5%, the Promoter and Promoter Group are exempt from an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Moreover, such increase in Promoter and Promoter Group's holding will be consequential and indirect in nature and the resultant holding of the Promoter and Promoter. Group after the Buy Back offer shall be within the maximum limit of 75% for non public shareholding in the Company as prescribed under the Listing Agreement entered into with the NSE read with the Securities Contracts (Regulations) Rules, 1957. The aggregate shareholding of the Promoter and Promoter Group as on date of this Public Annou

constituting 63% of the paid-up share capital of the Company, details of which are as under

| SI, No. | Name                                   | Equity Shares | % of Total Paid up<br>Equity Shares Capital |
|---------|--|---------------|---|
| Promote | er                                     |               |   |
| 1.      | Jayashree Mohta                        | 11688         | 0.15%                                       |
| Promote | er Group                               | •             | •   |
| 2.      | Parvati Tea Company Private Limited    | 2709997       | 35.08%                                      |
| 3.      | Prakash Kumar Mohta                    | 1348158       | 17.45%                                      |
| 4.      | Jayashree Finvest Private Limited      | 449124        | 5.81%                                       |
| 5.      | Bhiragacha Finance Company Private Ltd | 255482        | 3.31%                                       |
| 6.      | Essel Mining And Industries Limited    | 85730         | 1.11%                                       |
| 7.      | Kumar Mangalam Birla                   | 6750          | 0.09%                                       |
| 8.      | Sakate Khaitan                         | 200           | 0.00%                                       |
| 9.      | Moulishree Gani                        | 100           | 0.00%                                       |
|         | Total                                  | 4867229       | 63.00%                                      |

The Promoter of M/s ECE Industries Limited is an Individual and is not a corporate entity.

There has been no purchase or sale of Equity Shares of the Company by the Promoter and Promoter Group, during the period of twelve months preceding the date of the Public Announcement, save and except the sale and purchase of Equity Shares of the Company a

| Purchases From Open Market |   |                  |                         |                                    |                                 |  |  |  |  |
|----------------------------|---|------------------|-------------------------|------------------------------------|---------------------------------|--|--|--|--|
| Sr.<br>No.                 | Name of the<br>Promoter/ Promoter Group | Date of purchase | No. of shares<br>bought | % of total Equity<br>Share capital | Average Purchase price (In Rs.) |  |  |  |  |
| 1.                         | Prakash Kumar Mohta                     | 30.03.2015       | 316842                  | 4.10%                              | 102.36                          |  |  |  |  |
|                            |   | 31.03.2015       | 56800                   | 0.74%                              | 107.34                          |  |  |  |  |
|                            |   | 24.04.2015       | 919                     | 0.01%                              | 139.15                          |  |  |  |  |
|                            |   | 12.06.2015       | 699                     | 0.01%                              | 126.75                          |  |  |  |  |
| 2.                         | Bhiragacha Finance Company Private Ltd  | 20.11.2015       | 1000                    | 0.01%                              | 132.85                          |  |  |  |  |

Sale price (In Rs.) Promoter/ Promoter Group Share capital

140.08

Bhiragacha Finance Company Private Ltd 24.04.2015 MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

The Buy-Back is not likely to cause any material impact on the operations of the Company The Buy-Back is expected to optimize returns to the shareholders and result in overall enhancement of the shareholders' value As per Regulation 15(b) of the Buy-Back Regulations, the Buy-Back of Equity Shares shall not be made from the Promoter and Promoter Group of the Company. The shareholding/voting rights of the Promoter and Promoter Group as a result of the Buy-Back may increase to a maximum of 69.28% from 63% of the total paid up share capital of the Company, as explained in para 11.3 and 11.4 of this

The Buy-Back shall be subject to approval(s)/ observations/ comments/ remarks as may be necessary from time to time from COMPLIANCE OFFICER AND INVESTORS SERVICE CENTRE

In case of any query, clarification or for redressal of grievances, a shareholder may contact at the following address, from Monda



Mr. Piyush Agarwal Company Secretary and Compliance Officer **Tel No.**: 011-23314237/8/9

Fax: 011-23310410 E-mail: grievances@eceindustriesltd.com Website: www.eceindustriesltd.com

Registrar To The Company **MAS Services Limited** <u>M</u>5353 T-34, 2nd Floor, Okhla Industrial Area Phase-II, New Delhi-110020 Tel No.: 011-26387281/2/3 Fax No.: 011-26387384

Contact Person: Mr. Sharwan Mangla Email Id: info@masserv.Com Website: www.masserv.Com SEBI Registration Number: INR000000049

MANAGER TO THE BUY-BACK OFFER



-2 Bhupen Chambers, Ground Floor, Dalal Street, Fort, Mumbai - 400001 Tel. No.: +91 22 - 4050 9999

Fax No.: +91 22 - 4050 9900 Website: www.focl.in

Contact Person : Mr. Satish Sheth Email id: satish@focl.in, investorcomplaints@focl.in SEBI Registration Number: MB/INM000003671

DIRECTOR'S RESPONSIBILITY The Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors of ECE Industries Limited

(PRAKASH KUMAR MOHTA) (VIKRAM PRAKASH) man and Managing Director

(PIYUSH AGARWAL) Company Secretary & Compliance Officer ICSI Membership No.: A25165

Place: New Delhi

Date : April 04, 2016