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From: **Viswanathan Palaniappan** <viswanathanpalani99@gmail.com>

Date: Thu, Dec 29, 2016 at 12:41 AM

Subject: Suspected foul play in determination of Exit Price in ECE Industries delisting process

To: chairman@sebi.gov.in

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URGENT

To
Mr. U.K. Sinha,
Chairman,
SEBI,
Mumbai.

Respected Sir,

Further to my mail dated 24th December regarding certain issues in Delisting of ECE Industries shares I would like to point out to you the following for close scrutiny of SEBI/NSE:

1. The company in consultation with Lead managers have determined Rs. 202/56 as the Floor price which as per the prospectus is based on **20 days Volume Weighted Average price** preceeding the **Reference date** and **neither there is any definition for Reference date nor there is any computation to justify arrival of Rs. 202/56** which is **pathetically low compared to the reality and does not seem to match with any trade figures under any stretch of imagination.**
2. In the prospectus the company has stated that they have made a **PA** (Pubic Announcement) in **Business Standard** and it never makes **any mention about the date of pubication** for the reasons best known to them.
3. NSDL sends out a communication on 23rd December to all public shareholders that **Offer Price is Rs. 202/56** and it further stated that they were sending the communication **on behalf of the company** whereas **it is not Offer Price (where there is no option for the shareholders to quote higher price) and it is only Floor price (where shareholders have an option to quote higher prices).** After the **matter was taken up with all concerned by the undersigned NSDL sends out a corrigendum on 27th correcting the mistake.**
4. **On 21st December even during the worst period post demonitisation effect ECE Industries scrip closed at Rs. 323/25** and whereas today the scrip on 28th December (when delisting window is open) **closed to as low as Rs. 229/80 loosing about 35% of the worst price post demonitisation.**

5. As per NSE website today until 3.30 PM a **total of 20 shareholders have tendered 9,29,951 shares with their bids** out of which **8 shareholders have tendered their bids for a whopping total 9,26,892 shares representing 99.7% of the bids so far which needs to be investigated** as to the **nature of those shareholders and whether they are connected to promoters either directly or indirectly or whether are working on their behalf**. Out of those 8 shareholders 1 shareholder itself is for as much as 3,04,995 shares and another 5 shareholders for 5,53,664 shares all submitting their bids around Rs. 202/56 per share only.

6. I do not understand the **real motive behind these 8 so called public shareholders representing 9.27 lakh shares** (out of the minimum of 16,92,552 shares required to be acquired by the promoter to successfully close the delisting process) **representing 99.7% of the bids received so far for a pathetically low price of Rs. 202.56 to Rs. 203.50 while the price prevailing in the market during the last 3 months was well above Rs. 325/-**.

I wish and pray that SEBI quickly institutes a close scrutiny or thorough investigation into the above allegations at a rapid speed before the issue closes on 30th so that the small investor interest is protected at all costs.

Sincerely Yours,
V. Palaniappan

Copy to 1. ECE Industries

2. M/s Corporate Professionals, Lead Managers

3. Independent Directors of ECE Industries

4, Hon'ble Union Finance Minister of Corporate Affairs, Shri. Arun Jetley