

PUBLIC ANNOUNCEMENT FOR BUY BACK OF EQUITY SHARES OF EON ELECTRIC LIMITED

(FORMERLY KNOWN AS INDO ASIAN FUSEGEAR LIMITED)

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FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF EON ELECTRIC LIMITED (Hereinafter referred to as "EEL")

This Public Announcement ("PA") is made pursuant to the provisions of Regulations 8(1) read with Regulation 15(c) of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 for the time being in force 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.

OFFER FOR BUY-BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

Eon Electric Limited (formerly Indo Asian Fusegear Limited) ("the Company") published a Public Notice dated 9th July, 2011 in compliance with Regulation 5A of the Buy-back Regulations ("Notice"). The Notice was published in Financial Express (English All Editions) and Jansatta (Hindi All Editions) on 11th July, 2011.

Mr Pranay Kumar Ranade, the promoter of the company vide his letter dated 11th July, 2011 on his behalf and on behalf of VPM Industrial Services Corpn. LLP, Mr. V.P.Mahendru, Mr. Vivek Mahendru, Mr. Bela Mahendru, Mr. Vinay Mahendru, Mrs. Ratna Mahendru, Mr. Vimal Mahendru, Mrs. Richa Mahendru, PKR Hitech Industrial Corpn. LLP, Mrs. Ameeta Ranade, Mr. Vikram Ranade, Mr. Prashant Ranade, PK Ranade (IUP) and Mr. Keshav Mahendru all belonging to promoters group who collectively own 44.97% of the total paid up share capital of EEL, filed an application with Securities and Exchange Board of India seeking exemption from the provisions of the Regulation 11(1) under Regulation 4(2) read with Regulation 3(1)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Code"). The exemption has been granted by SEBI vide its order no. WTM/PS/CFD/26/SEPT/2011 dated September 21, 2011. ("Exemption Order").

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

The Board of Directors of the Company (hereinafter referred to as the "Board of Directors"), in accordance with the authorization by the Article 5A of the Articles of Association of the Company ("AoA") and pursuant to the resolution passed by it ("Board Resolution") at its meeting held on 9th July, 2011 ("Board Meeting"), approved the Buy-back of its fully paid-up equity shares ("Buy-back") of the face value of Rs.10 each ("Equity Shares") from the existing owners of Equity Shares other than the promoters, promoter group and persons who are in control of the Company (hereinafter collectively referred to as the "Persons in Control") up to 6.45% of the paid up capital and free reserves, at a price not exceeding Rs. 130/- per Equity Share (the "Maximum Buy Back price") payable in cash, for an aggregate amount not exceeding Rs.23.19 Crore ("Maximum Buy-Back Size"). The Maximum Buy Back Price per Equity Share does not include brokerage costs, Securities and Exchange Board of India ("SEBI") turnover charges, taxes such as Securities Transaction Tax, Service Tax and relevant stamp duty (collectively referred to as "Transaction Costs"). The Maximum Buy-back Size represents 6.45% of the aggregate of the Company's total paid-up equity capital and free reserves as on March 31, 2011 (the date of the latest standalone audited accounts), which is in compliance with the maximum permissible limit of 10% of the paid-up equity capital and free reserves in accordance with Section 77A(2) of the Companies Act, 1956 (the "Act"). The aggregate paid up capital and free reserves of the Company as at March 31, 2011 is Rs. 359.47 Crores.

1.2. The Buy-back will be implemented by the Company through the methodology of "Open market purchases through Stock Exchanges" using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (hereinafter referred to as the "Stock Exchanges") in accordance with the provisions of Sections 77A, 77AA, 77B of the Act and other applicable provisions of the Act read with Article 5A of AoA and the Buy Back Regulations and subject to approval as may be necessary, from time to time, from statutory authorities including but not limited to, SEBI, Stock Exchanges, Reserve Bank of India ("RBI") etc. as may be required and further subject to such conditions as may be prescribed while granting such approvals, which may be agreed to by the Board of Directors.

1.3. The Maximum Buy-Back Price has been arrived at after taking into consideration, factors such as the trends in the market price of the Equity Shares during the last 6 (six) months prior to the date of the Board Meeting, the book value of Equity Shares, price to earnings ratio and impact on other financial parameters and the possible impact of the Buy-back on the Company's Earnings per Equity Share. The maximum Buy Back Price offers a premium of 64.66% and 64.25% over the closing prices of the Equity Shares on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) respectively, as on 8th July, 2011 i.e. the day prior to the Board Meeting.

1.4. The maximum number of Equity Shares bought back shall be subject to (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the Listing Agreement between the Company and the Stock Exchanges, i.e., maintaining the public shareholding at 25%, (ii) such Equity Shares that may be bought back not exceeding the Maximum Buy-Back Size and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Buy-Back Size. It is being clarified that the fact that the resolution provides for the Maximum Buy-Back Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares so long as the price is below the maximum price. Similarly, the fact that the resolution indicates the Maximum Buy-Back Size and the maximum aggregate number of Equity Shares that may be bought back at Rs.130/- does not indicate that the Company will utilize or is obliged to utilize, the entire amount of Rs.23.19 Crore (being the Maximum Buy-Back Size) in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Buy-Back Shares. The company proposes to buy back a minimum of 4,50,000 equity shares.

1.5. The Company shall place buy orders and purchase Equity Shares subject to Maximum Offer Size so long as the price is below the Maximum Offer Price and the Buy-back will close in terms with the time table mentioned herein. However, it is being clarified that the Company shall have the flexibility to close the Buy-back at an earlier date in the event the Minimum Offer Shares have already been purchased.

1.6. As required under the Act and the Buy-back Regulations, the Company shall not purchase partly paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares under the Buy-back till the time they become fully paid, or till the pendency of the lock-in or till the Equity Shares become transferable, as the case may be. There will be no negotiated deals (whether on or off Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-back.

2. AUTHORITY FOR THE OFFER OF BUY-BACK

Pursuant to the provisions of the Section 77A, 77AA, 77B and other applicable provisions of the Act read with Article 5A of Articles of Association of the Company ("AoA") and pursuant to the resolution passed by it ("Board Resolution") at its meeting held on 9th July, 2011, the Board of Directors of the Company, has been authorized by a resolution passed by the Board of Directors at their meeting held on 9th July, 2011.

3. PROPOSED TIME TABLE

Board Meeting approving Buy Back	9th July, 2011
Date of Public Notice in Compliance with Regulation 5A of the Buy Back Regulations	11th July, 2011
Date of Public Announcement	28th September, 2011
Date of Commencement of Buy Back	10th October, 2011
Acceptance of Shares	Within 15 days of the relevant pay out dates of the Stock Exchanges
Extinguishment of Shares	Within 15 days of acceptance of equity shares as mentioned above provided that the company shall ensure that all the equity shares bought back are extinguished within 7 days from the last date of completion of the Buy Back.
Last date for the Buy Back	8th July, 2012 (i.e. 12 months from the date of the resolution passed by the Board of Directors of the Company at its meeting held on 9th July, 2011) or in case Maximum offer shares have been bought back or the Maximum Offer size has been exhausted, whichever is earlier. However, the Board of Directors reserves the right to close the buy back at an earlier date in the event the company has bought back the Minimum Offer Shares, even if the maximum offer size has not been exhausted or Maximum Offer shares have not been bought back, by giving an appropriate notice for such earlier date and completing all formalities in this regard as per the relevant laws and regulations. All payment obligations in respect of the Buy Back shall be completed prior to the last date of the Buy Back.

4. BRIEF INFORMATION ABOUT THE COMPANY

The Company was incorporated as a Private Limited Company under the name and style of Indo Kopp Private Limited (IKL) on November 6, 1989 with Registrar of Companies, NCT of Delhi & Haryana under the Companies Act, 1956. The Registered Office of the Company is situated at Plot No. 10, Sector 83, Noida, Uttar Pradesh. The Company was converted into a Public Company with effect from 27th January, 2005.

Pursuant to the Scheme of Arrangement of amalgamation of Indo Asian Fusegear Limited (IAFL) with Indo Kopp Ltd. (IKL) under Section 391-394 of the Companies Act, 1956, duly sanctioned by Hon'ble Punjab and Haryana High Court vide their Order dated 5th May 2005/26th May, 2005, IAFL has merged with IKL with effect from 1st April, 2005.

Consequent upon the merger, the name of the merged entity was changed to Indo Asian Fusegear Limited w.e.f 15th June, 2005 and again the name of the Company was changed to Indo Asian Fusegear Limited w.e.f 23rd August, 2005.

4.2. The Company has been one of the leading manufacturers of L.T. Switchgear Equipment comprising of Miniature Circuit Breakers (MCBs), H.R.C Fuse-links, Residual Current Circuit Breakers (RCCBs), Distribution Boards (DBs) and other equipment (Switchgear Business) Energy efficient Compact Fluorescent Lamps, PLLs & Fluorescent Tubelights (Lighting Business), Cables & Wires, Energy Meters and other allied Goods at its units at Murthal, Jalandhar, Noida & Hardwar.

Pursuant to the decision in the meeting of the Board of Directors of the Company held on 22nd July 2010 and the approval of the Shareholders of the Company through Postal Ballot announced on 30th August, 2010, the Company has transferred its entire Switchgear Business including the manufacturing assets at Murthal, Noida & Hardwar by way of Slump Sale on a going concern basis to a wholly owned subsidiary of Legrand France SA w.e.f. 9th September, 2010.

The Company is presently engaged in the manufacture of energy efficient Compact Fluorescent Lamps, Cables and Wires and Energy Meters at its manufacturing plants at Hardwar and Noida.

4.3. Consequent upon the slump sale of the Switchgear Business, the company was required to change its name by deleting the word "Indo Asian" from its existing name in terms of Business Transfer Agreement executed by the Company. Accordingly the name of the Company has now been changed to Eon Electric Limited w.e.f 28th June, 2011 by passing a Special Resolution through Postal Ballot.

5. AUDITED FINANCIAL INFORMATION OF THE COMPANY

5.1. Brief financial information of the Company for the financial years ending March 31, 2011, 2010 and 2009 (Based on the audited financial statements), on a standalone basis, are as follows:

Particulars	(Rs./Crores)		
	Audited FY11	FY10	FY09
Net Sales and Operating Revenues	120.61	230.13	260.64
Other Income	11.24	11.14	2.17
Total Income	131.85	241.27	262.82
Profit / (Loss) before Extraordinary Items	(52.00)	3.92	7.36
Extraordinary Items (*)	395.13	-	-
Profit Before Tax	343.13	3.92	7.36
Profit After Tax	263.48	2.85	5.63
Preference Dividend Paid (Including Dividend Tax)	0.58	-	-
Special Interim Dividend on Equity Shares (Including Dividend Tax)	19.77	-	-
Equity Share Capital	16.95	16.11	15.31
Redeemable Preference Share Capital	-	1.00	1.00
Share Warrants	1.56	1.06	2.47
Reserves & Surplus excluding revaluation reserves	346.21	99.70	91.17
Net Worth excluding revaluation reserve	364.72	116.87	108.95
Loan Funds			
- Secured Loans	0.39	120.33	126.71
- Unsecured Loans	-	2.02	1.78
(*) Profit on Slump Sale of Switchgear Business			

Key Ratios		FY11	FY10	FY09
Earning Per Share before Extraordinary Items				
- Basic	(30.96)	1.79	3.60	
- Diluted	(30.96)	1.78	3.60	
Earning Per Share after Extraordinary Items				
- Basic	159.16	1.79	3.60	
- Diluted	157.43	1.78	3.60	
Book Value Per Share	215.15	72.56	71.18	
Debt-Equity ratio	-	1.05	1.18	
Return on Net worth excluding revaluation reserve (%)	109.42	2.52	5.37	
Basis				
Earning Per Share - Basic	Net Profit attributable / Weighted average number of shares outstanding during the year.			
Book Value Per Share	Net Worth / No. of Equity Shares outstanding			
Debt-Equity ratio	Total Debt / Net Worth			
Return on Net worth excluding revaluation reserve (%)	Profit after Tax / Average of current year and previous year Net Worth excluding revaluation reserve.			

6. PRESENT EQUITY CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

6.1. The share capital of the company as on the date of this PA is as follows:

		(Rs./Crores)	
Authorised		Amount	
19,00,000 Equity Shares of Rs.10/- each		19.00	
6,00,000 Preference Shares of Rs.10/- each		6.00	
Total		25.00	
Issued, Subscribed and Paid up			
17,841,628 Equity Shares of Rs.10/- each		17.84	

Notes: i) There are no partly paid up shares as on the date of the Public Announcement.
ii) There are no outstanding instruments convertible into Equity Shares including ESOPs. Further, the Company confirms that except as stated above it has not entered into any arrangements that will result in instruments convertible into Equity Shares and which are outstanding during the Buy-back or during a period of six months post the completion of the Buy-back.

The shareholding pattern of the Company as of 23rd September, 2011 and post the Buy-back is as shown below:				
Name of the shareholder	Outstanding Number of Shares Pre-Buy-back offer	Pre-Buy-back Percentage Holding (%)	Outstanding Number of Shares Post-Buy-back offer	Post-Buy-back Percentage Holding (%)
A) Promoter and Promoter Group				
Indian	8023312	44.97	8023312	49.97
Foreign	0	0		
Subtotal (A)	8023312	44.97	8023312	49.97

B) Public Shareholding					
Institutions					
Mutual Fund/UTI	5000	0.03	-	-	-
Financial Institutions/Bank	0	0	-	-	-
Insurance Companies	0	0	-	-	-
Foreign Institutional Investors	2228260	12.49	-	-	-
Non-Institutions					
Body Corporate	1415408	7.93	-	-	-
Individual Shareholders	5982694	33.53	-	-	-
Others	186954	1.05	-	-	-
Subtotal (B)	9919586	55.04	8035424	50.03	
Total (A+B)	17841628	100.00	16057466	100.00	

Assuming that all the indicative Maximum Offer Shares are bought back, the equity shareholding and voting rights of the Promoter and Promoter Group would increase from the existing 44.97 % to 49.97 % of the outstanding equity share capital of the Company. The shareholding pattern post the Buy-back may differ depending upon the actual number of Equity Shares bought back under the Buy-back which may be greater or lesser than the indicative Maximum Offer Shares.

6.3. The aggregate shareholding of the Promoters alongwith Persons in Control as on date of this PA is 80,23,312 Equity Shares, constituting 44.97% of the paid-up share capital of the Company.

6.4. The Board of Directors of the Company (which term shall include committee of Directors constituted specifically for the Buy-Back and hereafter referred to as the "Board") at its meeting held on 9th July, 2011 ("Board Meeting"), inter-alia, approved the Buy-back up to 6.45% of the paid up capital and free reserves, at a price not exceeding Rs. 130/- per Equity Share, in accordance with the provisions of Article 5A of Articles of Association, Section 77A, 77AA, 77B and other applicable provisions of the Act and the provisions of Buy Back Regulations.

Category	Aggregate Quantity	Maximum* Price (Rs.)	Date of Maximum Price	Minimum* Price (Rs.)	Date of Minimum Price
Purchases					
Promoter, Promoter Group and Persons in Control	Nil	Nil	Nil	Nil	Nil
Sales					
Promoter, Promoter Group and Persons in Control	50378	114.00	15/10/2010	77.20	06/01/2011

*Excluding Brokerage & other applicable taxes

6.5. As per the provisions of the Buy-back Regulations and the Act, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise. Further, except as provided in the Buy-back Regulations and the Act, other than by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back.

6.6. As per the Regulation 15(b) of the Buy Back Regulations, the Buy-back shall not be made from any promoters and Persons in Control. The Promoters and Persons in Control will not deal in the equity shares till completion of the Buy-back.

7. NECESSITY FOR BUY-BACK

The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholders' value. The Buy-back would lead to reduction in outstanding number of Equity Shares, and consequently may lead to increase in Earnings per Share and improvement in Return on Net Worth and other financial ratios thus increasing the overall shareholders' value. Besides it would also provide an exit opportunity to those public shareholders who desire to exit in an investor friendly manner. The utilization of cash resources for the purpose of the proposed Buy-back is not likely to impact Company's financial position as well as any of its growth plans. Even after factoring the present and prospective borrowing for the organic and inorganic growth projects, the debt equity ratio is expected to remain within reasonable limits in view of the expected annual accretion to the net worth in future years.

8. PUBLIC NOTICE DISCLOSURES AS REQUIRED UNDER REGULATION 5 OF SCHEDULE I OF THE BUY-BACK REGULATIONS

Eon Electric Limited (formerly Indo Asian Fusegear Limited) ("the Company") proposes to buy-back its fully paid-up equity shares of the face value of Rs. 10 each ("Equity Shares"), from the existing shareholders other than the promoters of the company (the "Buy-back") from the open market using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in accordance with the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 (the "Act") read with Article 5A of the Articles of Association of the Company and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SEBI Takeover Regulations") by the Promoters / promoters group, persons in control / Persons acting in concert for seeking exemption from the Buy-Back which may result in the promoter's holding going beyond 5% in the current financial year.

8.4. The Buy-back is proposed to be implemented by the Company through the methodology of "Open Market Purchases through Stock Exchanges", as provided in the Buy-Back Regulations. The Buy-back will be implemented in the manner and following the procedure prescribed in the Act and the Buy-Back Regulations and as may be determined by the Board and on such terms and conditions, as may be permitted by law from time to time. There will be no negotiated deals (whether on or off Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-back.

8.5. The Equity Shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

8.6. The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholders' value. The Buy-back would lead to reduction in outstanding number of Equity Shares, and consequential increase in Earnings Per Share and improvement in Return on Net Worth and other financial ratios. Besides it would also provide an exit opportunity to those public shareholders who desire to exit in an investor friendly manner.

8.7. The amount and secondarily the Board of Directors in their meeting held on April 19, 2011, approved the Buy-back, subject to the current surplus and/or cash balances and /or internal accruals of the Company. The Company does not propose raising debt for effecting the Buy-back, it may continue to borrow funds in the ordinary course of its business.

8.8. The Maximum Buy-Back Price has been arrived at after taking into consideration factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of Board Meeting, the book value of Equity shares, price-earning ratio and impact on other financial parameters, and the possible impact of the Buy-back on the Company's earnings per Equity Share. The Maximum Buy-Back Price offers a premium of 64.66% and 64.25% over the closing prices of the Equity Shares on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) respectively, as on 8th July, 2011 i.e. the day prior to the Board Meeting. The Maximum Buy-Back Price as proposed, would not impair the growth of the Company and will rather contribute to the overall enhancement of shareholders' value.

8.9. There is no fixed maximum number of Equity Shares that the Company proposes to buy-back. The maximum number of Equity Shares bought back shall be subject to (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause 40A of the listing agreement between the Company and the Stock Exchanges, i.e., maintaining the public shareholding at 25%, (ii) such Equity Shares that may be bought back not exceeding the Maximum Buy-Back Size and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Buy-Back Size. It is being clarified that the fact that the resolution provides for the Maximum Buy-Back Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares so long as the price is below the maximum price. Similarly, the fact that the resolution indicates the Maximum Buy-Back Size and the maximum aggregate number of Equity Shares that may be bought back at Rs.130/- does not indicate that the Company will utilize or is obliged to utilize, the entire amount of Rs.23.19 Crore (being the Maximum Buy-Back Size) in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Buy-Back Shares.

8.10. The aggregate shareholding of the Persons in Control, as on date of the Board Meeting comprised of 80,23,312 Equity Shares, representing 44.97% of the paid-up share capital of the Company, as on 9th July, 2011.

8.10. (i) The Persons in Control and the Directors of the Promoter where Promoter is a company have neither purchased nor sold any Equity Shares of the Company during the period of 6 months preceding the date of this Public Notice, save and except as follows:

Category	Aggregate Quantity	Maximum* Price(Rs.)	Date of Maximum Price	Minimum Price(Rs.)	Date of Minimum Price
Purchases					
Promoter, Promoter Group and Persons in Control	500	80.00	31.01.2011	80.00	31.01.2011
Sales					
Promoter, Promoter Group and Persons in Control	3378	75.50	10.06.2011	75.50	10.06.2011

*Excluding Brokerage & other applicable taxes

8.11. As per the Regulation 15(b) of the Buy-back Regulations, the Buy-back shall not be made from any of the Persons in Control. 8.12. As required under the Act the ratio of debt owned by of the Company would not be more than twice the share capital and free reserves after the Buy-back.

8.13. As required under the Act, the Company shall not purchase partly paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares under the Buy-back till the time they become fully-paid, or till the pendency of the lock-in or till the Equity Shares become transferable.

8.14. As required under the Act, the Company confirms that no offer of buy-back, through a board approval as permitted under the Act and the secondarily to Section 77A(2), is being made within a period of 365 days reckoned from the date of the preceding offer of buy-back, if any.

8.15. As per the provisions of the Act, the Company confirms that it will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back, except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

8.16. As per the provisions of the Act and the Buy-Back Regulations, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument, stock options or otherwise.

8.17. The Buy-back from shareholders who are persons resident outside India, including the Foreign Institutional Investors (FIIs), Overseas Corporate Bodies (OCBs) and shareholders of foreign nationality shall be subject to such approvals, if any, as may be required including approvals from RBI under the Foreign Exchange Management Act, 1999(FEMA) and the rules, regulations framed thereunder.

8.18. The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institution or bank. There are no outstanding convertible debentures or preference shares.

8.19. The Board confirms that they have made necessary and full enquiry into the affairs and prospects of the Company and have formed the opinion:

(i) that immediately following the date the Board Meeting, there will be no grounds on which the Company could be found unable to pay its debts;

(ii) as regards the prospects of the Company for the year immediately following the date of the Board Meeting that, having regard to the intentions of the Board 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 view of the Board be available to the Company during that year, the Company will be able to meet its liabilities and as when they fall due and will not be rendered insolvent within a period of one year from that date of the Board Meeting; and

(iii) that in forming the opinion for the above purposes, the Board of Directors have taken into account the liabilities, as if the Company was being wound up under the provisions of the Act (including prospective and contingent liabilities).

8.20. The text of the report dated 9th July, 2011 received from M/s. J C Bhalla & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board is reproduced below:

"In connection with the proposed buy-back of Equity Shares approved by the Board of Directors of Eon Electric Limited (formerly Indo Asian Fusegear Limited) ("the Company") at its meeting held on 9th July, 2011, in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 (the Act) and the Securities and Exchange Board of India, (Buy-Back of Securities) Regulations, 1998, (the "Buy-Back Regulations") and subsequent amendments thereof, and based on the information and explanations given to us, we report that:

1. We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2011, which were approved by the Board of Directors in their meeting held on April 19, 2011.

2. The Board of Directors has proposed to Buy-Back the Company's equity to the extent of Rs.23.19 Crore (Maximum Buy-Back Size) . The amount of permissible capital payment towards buy-back of equity shares, as computed below, has been properly determined in accordance with Section 77A(2) of the Companies Act, 1956.

Particulars	Amount (Rs in Crore)
Paid-up Equity Share Capital as at March 31, 2011*	16.95
Free Reserves as at March 31, 2011*(represents balance of Securities premium, General Reserve and Profit and Loss Account)	342.52
Total Paid-up Equity Capital & Free Reserves as at March 31, 2011*	359.47
Maximum amount permissible for the buy-back i.e. 10% of total paid-up equity capital and free reserves	35.95

*Based on standalone financial statements for the year ended March 31, 2011.

3. The Board of Directors in their meeting held on 9th July, 2011 have formed the opinion as specified in clause (x) of Schedule I of the Securities and Exchange Board of India, (Buy-Back of Securities) Regulations, 1998 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 the date of the Board Meeting.

4. This certificate has been prepared for and only for the Company and is in reference to proposed Buy-back of equity shares in pursuance of the provisions of Section 77A, 77AA and 77B of the Act and the Buy-Back Regulations and for no other purpose. We do not accept or assume 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".

Rajesh Sethi
Partner
Membership No. 85669
For JC Bhalla & Co.
Chartered Accountants
Firm Regn No.001111N

Place : Noida
Date : 09/07/2011

8.21. The Buy - back is expected to be completed within the statutorily prescribed validity period of the resolution dated 9th July, 2011 passed by the Board, which at present is 12 months from the date of passing of the said resolution or within such shorter period as may be determined by the Board and as disclosed by way of the Public Announcement.</