



भारत इलेक्ट्रॉनिक्स

BHARAT ELECTRONICS

भारत इलेक्ट्रॉनिक्स लिमिटेड

(भारत सरकार का उद्यम, रक्षा मंत्रालय)

पंजीकृत कार्यालय :

आउटर रिंग रोड, नागवारा, बेंगलूर - 560 045, भारत

Bharat Electronics Limited

(Govt. of India Enterprise, Ministry of Defence)

Registered Office : Outer Ring Road,

Nagavara, Bangalore - 560 045, INDIA.

CIN : L32309KA1954GOI000787

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ई-मेल/E-mail : secretary@bel.co.in

वेब/Web : www.bel-india.com

To,
Manager (Listing)
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No. C/1,G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Fax No.: 022 66418125

No. 17565/6/SE/NSEC/SEC
15th September 2016

Dear Sir / Madam,

Subject: Submission of Public Announcement for buyback of equity shares of Bharat Electronics Limited.

Pursuant to regulation 8(1) of the securities and Exchange Board of India (Buy Back of Securities) Regulation, 1998 ("**Buyback Regulations**"), containing all disclosures as specified in Part A of Schedule II, please find attached copy of Public Announcement for buyback of Equity Shares ("**Public Announcement**") published in **The Business Standard (English) and Vijayavani (Kannnada)** having wide circulation in Karnataka where the Registered Office of the Company is situated.

This for your information and record.

Thanking you,

Yours faithfully,

For **Bharat Electronics Limited**


S Sreenivas
Company Secretary

Encl: As stated above.

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF BHARAT ELECTRONICS LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 1998, AS AMENDED.

This Public Announcement (the “**Public Announcement**”) is being made pursuant to the provisions of Regulation 8 (1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “**Buyback Regulations**”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule-II to the Buyback Regulations.

OFFER FOR BUYBACK OF NOT EXCEEDING 1,66,37,207(ONE CRORE SIXTY SIX LAKHS THIRTY SEVEN THOUSAND TWO HUNDRED AND SEVEN)FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 1,305 (RUPEES ONE THOUSAND THREE HUNDRED AND FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors of Bharat Electronics Limited (“**BEL**” or the “**Company**”) at their meeting held on August 5, 2016, (“**Board Meeting**”) passed a resolution to buyback equity Shares of the Company and sought approval of its shareholders, by a special resolution, through postal ballot notice dated August 5, 2016, the results of which were announced on September 14, 2016. Through the postal ballot, the shareholders of the Company have approved, by way of special resolution, the buyback (the “**Buyback**”) of not exceeding 1,66,37,207(One Crore Sixty Six Lakhs Thirty Seven Thousand Two Hundred And Seven) fully paid-up equity Shares of face value ₹ 10 each (“**Shares**” or “**Equity Shares**”) from all the existing shareholders/ beneficial owners of Equity Shares (“**Shareholders**”) of the Company, on a proportionate basis, through the “**Tender Offer**” process, at a price of ₹ 1,305 (Rupees One Thousand Three Hundred and Five) per Equity Share (“**Buyback Offer Price**”) payable in cash, for an aggregate consideration not exceeding ₹ 2171,15,56,379 (Rupees Two Thousand One Hundred Seventy One Crore Fifteen Lakh Fifty Six Thousand Three Hundred Seventy Nine only) (the “**Buyback Offer Size**”).

The Buyback is in accordance with the provisions contained in the Article 6A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended (the “**Companies Act, 2013**”), the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules, 2014, (the “**Management Rules**”) and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”), where the Equity Shares of the Company are listed. BSE and NSE together referred to as “**Stock Exchanges**”.

The Buyback Offer Size is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the limits of 25% of the total fully paid up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016. The maximum number of Equity Shares proposed to be bought back represents 6.93% of the total number of Equity Shares in the paid-up share capital of the Company.

1.2 The maximum amount required by the Company for the said Buyback will not exceed ₹ 2171,15,56,379 (Rupees Two Thousand One Hundred Seventy One Crore Fifteen Lakh Fifty Six Thousand Three Hundred Seventy Nine Only), and is within permitted limits.

The Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback Offer Price of ₹ 1,305 (Rupees One Thousand Three Hundred and Five Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on stock exchanges where the Equity Shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 1,305 (Rupees One Thousand Three Hundred Five Only) per Equity Share represents (i) a premium of 7.42% on BSE and 7.44% on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback ; (ii) premium of 5.22 % on BSE and 5.25% on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (iii) premium of 5.31% on BSE and 5.18% on NSE over the closing market price of the equity Shares on BSE and NSE as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.

1.3 The Buyback shall be on a proportionate basis from all the Shareholders of the Company through the “**Tender Offer**” route, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the “**SEBI Circular**”). Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

1.4 The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI filing fees, stock exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

1.5 A copy of this Public Announcement is available on the Company’s website (www.bel-india.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the websites of the BSE and NSE i.e. (www.bseindia.com) and (www.nseindia.com) respectively.

2. NECESSITY FOR BUY BACK

Share Buyback is the acquisition by a company of its own Shares. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board at its meeting held on Friday, August 5, 2016, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2016 and considering these, the Board decided to allocate a sum of not exceeding ₹ 2171,15,56,379 (Rupees Two Thousand One Hundred Seventy One Crore Fifteen Lakh Fifty Six Thousand Three Hundred Seventy Nine only) for returning to the members holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 1,66,37,207 (One Crore Sixty Six Lakhs Thirty Seven Thousand Two Hundred Seven) equity Shares (representing 6.93% of the total number of equity Shares in the paid-up share capital of the Company) at a price of ₹ 1,305 (Rupees One Thousand Three Hundred Five only) per equity share for an aggregate consideration of not exceeding ₹ 2171,15,56,379 (Rupees Two Thousand One Hundred Seventy One Crore Fifteen Lakh Fifty Six Thousand Three Hundred Seventy Nine only). Buyback is a more efficient form of returning surplus cash to the members holding equity Shares of the Company, inter-alia, for the following reasons:

- The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of Shares as per their entitlement or 15% of the number of Shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;
- Optimizes the capital structure.

3. DETAILS OF PROMOTERS SHAREHOLDING

3.1 The aggregate shareholding of the Promoter of the Company, as on the date of notice of Postal Ballot i.e. August 5, 2016 is given below:

S. No	Name of Shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of Issued Equity Share capital
1.	President of India acting through Ministry of Defence, Government of India	18,00,42,330	18,00,42,330	75.02%
2.	Mr. Prem Kumar Kataria	300	300	Negligible
	Total	18,00,42,630	18,00,42,630	75.02%

3.2 No Shares or other specified securities in the Company were either purchased or sold by the Promoter during a period of six months preceding the date of the board meeting at which the Buyback was approved and from that date till the date of notice of Postal Ballot for Buyback.

3.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter as listed in paragraph 3.1 has expressed its intention, vide its letter dated August 5, 2016, to participate in the Buyback and tender upto 1,66,37,207 (One Crore Sixty Six Lakhs Thirty Seven Thousand Two Hundred Seven) Equity Shares:

S. No	Name of the Promoters	Number of Shares Proposed to be Tendered
1	President of India acting through Ministry of Defence, Government of India	1,66,37,207

3.4 Since the entire shareholding of the Promoter is in demat mode, the details of the date and price of acquisition / sale of entire Equity Shares that the Promoter has acquired / sold till date are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition / Sale Consideration (₹)	Nature of Transaction / Consideration
07.02.1954	50,000	5,00,00,000	Acquisition: Initial investment by the Promoter
11.10.1959	15,000	1,50,00,000	Acquisition: Investment by the Promoter
02.07.1974	4,600	46,00,000	Acquisition: Investment by the Promoter
01.02.1978	15,000	1,50,00,000	Acquisition: Investment by the Promoter
27.11.1978	15,400	1,54,00,000	Acquisition: Investment by the Promoter
01.01.1980	15,000	1,50,00,000	Acquisition: Investment by the Promoter
21.01.1981	15,000	1,50,00,000	Acquisition: Investment by the Promoter
16.04.1981	40,000	4,00,00,000	Acquisition: Investment by the Promoter
27.03.1984	20,000	2,00,00,000	Acquisition: Investment by the Promoter
29.01.1985	50,000	5,00,00,000	Acquisition: Investment by the Promoter
28.02.1985	50,000	5,00,00,000	Acquisition: Investment by the Promoter
27.03.1985	20,000	2,00,00,000	Acquisition: Investment by the Promoter
19.12.1985	40,000	4,00,00,000	Acquisition: Investment by the Promoter
03.07.1986	80,000	8,00,00,000	Acquisition: Investment by the Promoter
27.11.1986	70,000	7,00,00,000	Acquisition: Investment by the Promoter
19.03.1987	40,000	4,00,00,000	Acquisition: Investment by the Promoter
31.03.1988	1,10,000	11,00,00,000	Acquisition: Investment by the Promoter
31.03.1989	1,00,000	10,00,00,000	Acquisition: Investment by the Promoter
31.03.1990	50,000	5,00,00,000	Acquisition: Investment by the Promoter
14.02.1992	8,00,00,000	80,00,00,000	Value of one equity share of ₹ 1000 was split into 100 equity Shares of ₹ 10 each
06.11.1992	-1,24,83,100	N.A. (Refer Note No. 1)	Disinvestment: Unit Trust of India
06.11.1992	-8,04,700	N.A. (Refer Note No. 1)	Disinvestment: Stock Holding Corporation of India Ltd.
06.11.1992	-3,75,500	N.A. (Refer Note No. 1)	Disinvestment: SBI Capital Markets Ltd.
06.11.1992	-11,80,300	N.A. (Refer Note No. 1)	Disinvestment: Canara Bank
06.11.1992	-9,71,300	N.A. (Refer Note No. 1)	Disinvestment: Bank of India
06.11.1992	-1,85,000	N.A. (Refer Note No. 1)	Disinvestment: Bank of Baroda

26.08.1994	-45,000	59,85,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	-45,000	60,30,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	-2,70,000	3,64,50,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	-500	72,000	Disinvestment: Mrs. G. Indira Krishna Reddy
26.08.1994	-50,000	74,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	-55,000	79,75,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	-55,000	77,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	-55,000	75,90,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	-60,000	81,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	-50,000	68,00,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	-1,00,000	1,46,00,000	Disinvestment: Stock Holding Corporation of India Ltd.
26.08.1994	-50,000	70,00,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	-35,000	50,40,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	-10,00,000	14,50,00,000	Disinvestment: Unit Trust of India
28.08.1994	-10,00,000	13,50,00,000	Disinvestment: Unit Trust of India
08.09.1994	-4,40,000	7,09,50,000	Disinvestment: Canara Bank
27.03.2014	-6,73,741	65,10,99,148	Disinvestment: Off-Market – CPSE ETF
08.04.2015	-1,649	53,54,198	Disinvestment: Off-Market – Loyalty Bonus of CPSE ETF
19.09.2015	12,00,28,420	Other than Cash	Bonus Shares 2:1 (2 Shares for every 1 equity Share)
As on 05.08.2016	18,00,42,630		

Notes:

In the first round of disinvestment of 20% of BEL Shares, as per information available in BEL records, the valuation of Shares was done in respect of approved list of 31 PSEs as per the methodology of valuation of Shares as approved by Cabinet Committee on Economic Affairs (“CCEA”) in consultation with Ministry of Finance. It is understood that the Shares were made up of basket of Shares of different Public Sector Enterprises bundled together and BEL has no information on the price at which BEL Shares were disinvested in 1992 and the amount realized by the Government of India.

- The Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference Shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- The Board of Directors of the Company on the date of the Board Meeting i.e. August 5, 2016 has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that: a) Immediately following the date of this Board meeting and the date on which the results of the Postal Ballot/ E-voting will be declared, there will be no grounds on which the Company could be found unable to pay its debts; b) As regards the Company’s prospects for the year immediately following the date of this Board meeting as well as for the year immediately following the date on which the results of the Postal Ballot/ E-voting will be declared approving the Buyback, and having regard to the Board’s intention with respect to the management of Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view 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 Board meeting and the date on which the results of the Postal Ballot/ E-voting will be declared; and c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.
- Report addressed to the Board of Directors by the Company’s Auditors on the permissible capital payment and the opinion formed by the Directors regarding the insolvency:

Quote

To,
The Board of Directors
Bharat Electronics Limited
(A Government of India Enterprise)
Outer Ring Road, Nagavara, Bangalore, Karnataka – 560045.

Dear Sirs,

Sub: Proposed Buyback of Equity Shares of not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, on a proportionate basis (the “Buyback”), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by Bharat Electronics Limited (the “Company”).

We, M/s Badari, Madhusudhan & Srinivasan, Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of the Company in their meeting held on August 5, 2016 have decided to Buyback Company’s fully paid up equity Shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013 at a price of ₹ 1,305 (Rupees One Thousand Three Hundred Five only) per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (hereinafter “**Buyback Regulations**”), we confirm as under:

- We have inquired into the state of affairs of the Company, in relation to its audited accounts for the year ended March 31, 2016, as approved by the Board of Directors in the meeting held on 27th May, 2016.
 - The amount of permissible capital payment towards Buyback of equity Shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68 (2) (c) of the Companies Act, 2013:
- | Particulars | Amount in ₹ (in Crore) |
|--|------------------------|
| Issued, subscribed and fully paid up equity Shares: | |
| 24 crore Equity Shares of ₹ 10 each, fully paid up | 240,00,00,000 |
| Total- A | 240,00,00,000 |
| Reserves and surplus | |
| General reserve | 4561.22,33,501 |
| Surplus in the statement of profit and loss | 3883.39,92,016 |
| Securities premium account | 0.00 |
| Total- B | 8444.62,25,517 |
| Total C = A + B | 8684.62,25,517 |
| Maximum amount permissible for the Buyback i.e. 25% of the aggregate fully paid-up share capital and free reserves | 2171,15,56,379 |
- Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on August 5, 2016 is unreasonable in all the circumstances in the present context.
 - The Board of Directors in their meeting held on August 5, 2016, have formed the opinion in terms of Clause (xi) of Part A of the Schedule-II of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date and from the date on which the result of the shareholders’ resolution with regard to the Buyback is declared.
 - We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company’s management. Our responsibility is to report on the amount of permissible capital for the Buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on August 5, 2016 referred to in paragraph (i) and (iv) above. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in postal ballot notice, public announcement and letter of offer to be circularised to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with buyback of not exceeding 1,66,37,207 (One Crore Sixty Six Lakhs Thirty Seven Thousand Two Hundred Seven) Equity Shares, in pursuance of provisions of section 68, 69 and 70 of the Companies Act, 2013, Buyback Regulations and should not be used for any other purpose or by any other person.

For M/s Badari, Madhusudhan & Srinivasan
Chartered Accountants
Firm’s Registration Number: 005389S

(S. Rajendrian)
Partner
Membership No. 021883
Place : New Delhi
Dated : August 5, 2016

Unquote

7. Process and Methodology to be adopted for Buyback

- The Buyback is open to all Shareholders / beneficial owners of the Company holding Shares either in physical and / or electronic form on the Record Date.
- The Buyback shall be implemented using the “Mechanism for acquisition of Shares through Stock Exchange” notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- For implementation of the Buyback, the Company has appointed M/s. IDBI Capital Markets & Securities Limited as the registered broker to the Company (the “**Company’s Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

IDBI Capital Markets & Securities Limited
(Formerly known as IDBI Capital Market Services Limited)
3rd Floor, Mafatall Centre, Nariman Point, Mumbai - 400 021.
CIN: U65990MH1993GOI075578
Contact Person: Charushila Parkar
Tel: +91 (22) 4322 1212; Fax: +91 (22) 2285 0785; E-mail: charushila.parkar@idbicapital.com
Website: www.idbicapital.com; **SEBI Registration Number: BSE & NSE (Cash & FO): INZ000007237**
- BSE has been appointed as the Designated Stock Exchange. Separate acquisition window will be provided by BSE to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE.
- During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by eligible Shareholders through their respective stock brokers during normal trading hours of the secondary market. The stockbrokers (each a “**Shareholder Broker**”) can enter orders for demat Shares as well as physical Shares. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders.
- Procedure to be followed by Shareholders holding Equity Shares in the dematerialized form:**
7.6.1 Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

7.6.2 The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the bid, the concerned Shareholder Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.

7.6.3 The details of the settlement number / special account for the Buyback shall be informed in the issue opening circular that will be issued by BSE.

7.6.4 For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

7.6.5 Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

7.7. Procedure to be followed by registered Shareholders holding Equity Shares in the physical form:

7.7.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of PAN Card(s) of the Shareholders, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

7.7.2 Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., No. of Equity Shares tendered etc.

7.7.3 Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) & documents (as mentioned in Paragraph 7.7.1 above) along with TRS either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback offer (at the address mentioned at paragraph 11 below) not later than two (two) days of bidding by the Shareholder Broker. The envelope should be superscribed as “**BEL Buyback Offer 2016**”. One copy of the TRS will be retained by Registrar to the Buyback offer and it will provide acknowledgement of the same to the Shareholder Broker.

7.7.4 Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback offer will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buyback offer confirms the bids, they will be treated as ‘confirmed bids’.

7.8 Modification / cancellation of orders will be allowed during the tendering period of the Buyback.

7.9 The cumulative quantity tendered shall be made available on the website of BSE i.e. www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- The Company will pay the consideration to the Company’s Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder Broker will receive funds payout in their settlement bank account.
- The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the “**Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.
- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Shareholders directly by Registrar to the Buyback offer.
- Shareholder Broker will issue contract notes and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholders’ Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- As required under the Buyback Regulations, the Company has fixed September 27, 2016 as the record date (the “**Record Date**”) for the