PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF

HEG LIMITED

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Tel: +91 0120 4390300, Fax: +91 0120 2531648 Website: http://www.hegltd.com; Email: heg.buyback@lnjbhilwara.com. Compliance Officer & Company Secretary: Mr. Ashish Sabharwal

This Public Announcement ("PA") is made pursuant to the provisions of Regulations 8(1) read with 15(c) 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.

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

HEG Limited (the "Company") published a Public Notice dated March 15, 2011 in compliance with Regulation 5A of the Buy-back Regulations ("Notice"). The Notice was published in Business Standard (English and Hindi, All Editions) and Navbharat (Bhopal Edition) on March 16, 2011.

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

1.1. The Board of Directors of the Company (hereinafter referred to as the "Board of Directors"), in accordance with the authorization by the Article 3 of the Articles of Association of the Company ("AoA") and pursuant to the resolution passed by it ("Board Resolution") at its meeting held on March 14, 2011 ("Board Meeting"), approved the Buy-back of its fully paid-up equity shares ("Buy-back") of the face value of ₹ 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") at a price not exceeding ₹ 350.00 per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding ₹ 67.50 Crores (the "Maximum Offer Size"). The Maximum Offer 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 Offer Size of the Buy-back is inclusive of Transaction Costs. The Maximum Offer Size represents 9.95% of the aggregate of the Company's total paid-up equity capital and free reserves as on March 31, 2010 (the date of the latest standalone audited accounts) which is in compliance with the maximum permissible limit of 10.00% 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, 2010 is ₹ 678.69 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 together 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 3 of the AoA and the Buy-back Regulations, and subject to approval/s 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 approval/s which may be agreed to by the Board of Directors.

1.3. The Maximum Offer 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 Offer Price represents a premium of 73.31% over the closing price of the Equity Shares on the Stock Exchanges, as on March 11, 2011 (being the last trading day prior to the Board Meeting).

1.4. The actual number of Equity Shares bought back will depend upon the average price including Transaction Costs paid for the Equity Shares bought back and the aggregate consideration paid for the Buy-back subject to the Maximum Offer Size. During the Buy-back offer period the Company hereby proposes to Buy-back a minimum of 386,000 Equity Shares (the "Minimum Offer Shares") and an indicative maximum of 1,928,571 Equity Shares (the "Maximum Offer Shares") which is the maximum number of Equity Shares that can be bought back by the Company, at the proposed Maximum Offer Price per Equity Share and for an aggregate consideration amount of ₹ 67.50 Crores. If the Equity Shares are bought back at an average price below the Maximum Offer Price, the number of Equity Shares bought back could exceed the Maximum Offer Shares subject to the Maximum Offer Size. The Maximum Offer Shares are 4.50% of the pre Buy-back paid-up equity share capital of the Company at the Maximum Offer Price of ₹ 350.00 per Equity Share. The actual number of shares bought back is 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 BSE, NSE and the Madhya Pradesh Stock Exchange Limited ("MPSE"), i.e., maintaining the minimum public shareholding at 25.00%; (ii) the Equity Shares that may be bought back in a financial year shall not exceed 25.00% of the paid up Equity capital outstanding in that financial year; and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

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 timetable 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. The fact that the Board Resolution provides for the Maximum Offer Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares, so long as the market price is below the Maximum Offer Price. Similarly, the fact that the Board Resolution indicates the Maximum Offer Size not exceeding ₹ 67.50 Crores does not indicate that the Company will utilize or is obliged to utilize, the entire amount in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Offer Shares.

1.7. As required under the Act and the Buy-back Regulations, the Company shall not purchase Equity Shares which are partly paid-up, Equity Shares with call-in-arrears, locked-in or non-transferable Equity Shares 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

2.1. Pursuant to the provisions of the Section 77A, 77AA, 77B and other applicable provisions of the Act read with Article 3 of AoA and the Buy-back Regulations, the Buy-back of the Equity Shares from the open market through the Stock Exchanges, inter alia, up to the Maximum Offer Size and subject to the Minimum Offer Shares, at a price not exceeding the Maximum Offer Price, has been duly authorized by the Board of Directors at its Board Meeting.

3. BRIEF INFORMATION ABOUT THE COMPANY

3.1. The Company was incorporated as Hindustan Electro-Graphites Limited under Registration No.6345 of 1972 at New Delhi, on October 27, 1972 with RoC Delhi & Haryana under the Companies Act, 1956. Subsequently the name of the Company was changed to HEG Limited on October 23, 1991 and a fresh certificate of incorporation was issued to the Company on October 30, 1991. The registered office of the company was shifted from New Delhi to the state of Madhya Pradesh, by an order of the Company Law Board – New Delhi dated February 22, 1994 and a fresh certificate of registration dated 28th April, 1994 allotting Registration No.10-08290 issued by the ROC, Madhya Pradesh, Gwalior.

3.2. The Company is one of the leading Graphite Electrode manufacturers in the world. The Graphite Electrodes manufacturing plant in Mandideep (near Bhopal, Madhya Pradesh) has a manufacturing capacity of 66,000 MTPA, making it one of the largest single-site Graphite Electrodes manufacturing plant in the world. Further, the Company is in the process of expanding the manufacturing capacity at this location from 66,000 MTPA to 80,000 MTPA. The Company exports around 80% of its production to more than 25 countries of the world. Most of Company's power requirement is met by its three captive power plants. There are two thermal power plants in Mandideep close to the Graphite Electrode manufacturing unit with capacity of around 64 MW and a hydro electric power plant located at Tawa (Madhya Pradesh) with a capacity of around 13.5 MW.

4. AUDITED FINANCIAL INFORMATION OF THE COMPANY

4.1. Brief financial information of the Company for the financial years ending March 31, 2010, 2009 and 2008 (based on the audited financial statements), on a standalone basis, are as follows:

(₹ in Crores)

Particulars	Audited		
	FY10	FY09	FY08
Net Sales	1,131.40	1,029.00	945.97
Other Income	14.99	16.94	30.56
Total Income	1,146.39	1,045.95	976.53
Profit After Tax	171.06	106.99	146.35
Equity Dividend (including Dividend Tax)	50.11	32.09	51.19
Equity Share Capital	42.61	42.57	44.32
Reserves & Surplus excluding revaluation reserves	688.29	533.70	483.44
Net Worth excluding revaluation reserve	730.54	592.14	542.76
Loan Funds			
- Secured Loans	716.09	664.09	617.45
- Unsecured Loans	14.72	217.96	94.33

Key Ratios	FY10	FY09	FY08
Earnings Per Share - Basic (₹)	41.10	24.36	35.17
Book Value Per Share (₹)	171.46	139.09	122.47
Debt-Equity ratio	1.00	1.49	1.31
Return on Net worth excluding revaluation reserve (%)	25.87	18.85	32.61

**FY09 and FY08 net worth figures include preferential warrants application money*

These ratios have been calculated as per the following formulas:

Key Ratios	Basis
Earnings per Share- Basic (₹)	Net Profit attributable to equity shareholders / 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

4.2. Following are the unaudited financials for the nine month period ending December 31, 2010 in respect of which a limited review has been conducted and which has been prepared and disclosed in accordance with Clause 41 of the Listing Agreement:

(₹ in Crores, except EPS data and face value of equity shares)

	For the nine month period ended December 31, 2010
Net Sales	832.09
Other Income	7.24
Total Income	839.33
Total Expenditure	686.33
Interest	27.60
Profit before tax	125.40
Tax Expense (including deferred tax and fringe benefit tax)	30.91
Net Profit after tax	94.50
Face Value (in ₹)	10.00
Paid-up Equity Share Capital	42.85
Reserves & Surplus excluding revaluation reserves	788.99
Net Worth excluding revaluation reserve	831.84
Total Debt	786.32

Key Ratios	*For the nine month period ended December 31, 2010*
Earnings Per Share - Basic (₹) (Not annualized)	22.05
Book Value Per Share (₹)	194.15
Debt-Equity ratio	0.95
Return on Net worth excluding revaluation reserve (%)	N.A.

These ratios have been calculated as per the following formulas:

Key Ratios	Basis
Earnings per Share- Basic (₹)	Net Profit attributable to equity shareholders / Weighted average number of shares outstanding during the period
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 (%)	N.A.

5. PRESENT EQUITY CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

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

(₹In Crores)

Authorized	Amount
55,000,000 Equity Shares of ₹ 10 each	55.00
1,500,000 Preference Shares of ₹ 100 each	15.00
Total	70.00
Issued, Subscribed and Paid up :	
42,844,907 fully paid up Equity Shares of ₹10 each	42.85

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.

iii) The equity capital of ₹ 42.85 Crores does not include an amount of ₹ 3,750 received against 1,150 shares forfeited by the Company.

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.

5.2. The shareholding pattern of the Company as of March 11, 2011 (i.e.- the last working Friday, prior to the date of this PA) 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 (%)
Promoter and Promoter Group				
Indian	10,543,441	24.61	10,543,441	25.77
Foreign	11,853,067	27.67	11,853,067	28.97
Subtotal (A)	22,396,508	52.27	22,396,508	54.74
Public Shareholding				
Institutions				
Mutual Fund/UTI	1,229,883	2.87	18,519,828	45.26
Financial Institution/ Banks	7,152	0.02		
Insurance Companies	4,356,875	10.17		
Foreign Institutional Investors	1,202,688	2.81		
Non-Institutions				
Bodies Corporate	3,469,100	8.10		
Individual Shareholders	6,694,675	15.63		
Others	3,488,026	8.14		
Subtotal (B)	20,448,399	47.73	18,519,828	45.26
Total (A+B)	42,844,907	100.00	40,916,336	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 52.27% to 54.74% 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.*

*** The actual number of Equity Shares will be bought back in a manner such that any consequential increase in the Promoter and Promoter Group holding from 52.27% to 55.00% and thereafter to such percentage not exceeding 60% is in compliance with the applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended ("SAST Regulations"). Please also refer paragraph 13.5 under heading "PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAM".*

5.3. The aggregate shareholding of the Persons in Control and the Directors of the Promoter where Promoter is a company, as on date of this PA is 22,419,504 Equity Shares, constituting 52.33% of the paid-up share capital of the Company.

5.4. 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 12 months preceding the date of this PA, save and except as follows:

Category	Aggregate Quantity	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Purchases					
Promoter, Promoter Group and Persons in Control*	14,314	339.70	25/03/2010	338.60	31/03/2010
Directors of Promoter (where Promoter is a company)	3,490	353.70	12/07/2010	211.85	28/01/2011
Sales					
Promoter, Promoter Group and Persons in Control*	14,314	339.70	25/03/2010	338.60	31/03/2010
Directors of Promoter (where Promoter is a company)	1,300	384.20	08/04/2010	320.00	30/06/2010

**Inter-se transfer of shares between Promoter / Promoter Group.*

5.5. 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.

5.6. The Buy-back shall not be made from any Persons in Control. The Persons in Control will not deal in the Equity Shares till the completion of the Buy-back.

6. NECESSITY FOR BUY-BACK

6.1. The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholder value. The Buy-back would lead to reduction in outstanding number of Equity Shares, and consequentially 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.

6.2. 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.

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

1. The Board of Directors (hereinafter referred to as "Board of Directors") of HEG Limited (the "Company") at its meeting held on March 14, 2011 ("Board Meeting") approved the Buy-back of its fully paid-up equity shares of the face value ₹ 10 each ("Equity Shares") from the existing owners of Equity Shares (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, 77B and other applicable provisions of the Companies Act, 1956 (the "Act") read with Article 3 of the Articles of Association of the Company ("AoA") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time (the "Buy-back Regulations") and subject to 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"), Stock Exchanges, Reserve Bank of India("RBI") as may be required and further subject to such conditions as may be prescribed by them while granting such approval/s which may be agreed to by the Board of Directors.
2. The Board of Directors, as on the date of the Board Meeting, inter-alia, approved the Buy-back at a price not exceeding ₹ 350.00 per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding ₹ 67.50 Crores ("Maximum Offer Size"). The Maximum Offer Size represents 9.95% of the aggregate of the Company's total paid-up equity capital and free reserves as on March 31, 2010 (the date of the latest standalone audited accounts). The Maximum Offer Price per share does not include brokerage costs, SEBI turnover charges, taxes such as securities transaction tax, service tax and relevant stamp duty (collectively referred to as "Transaction Costs"). The Maximum Offer Size of the Buy-back is inclusive of Transaction Costs.
3. 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 of Directors 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.
4. The Equity Shares are listed on the BSE, NSE and the Madhya Pradesh Stock Exchange Limited ("MPSE") and the Buy-back of share will be made on the Stock Exchanges (i.e. BSE and NSE only) using the electronic trading facility.
5. The Buy-back is being proposed in keeping with the Company's desire to enhance overall shareholder 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.
6. The amount required to be invested by the Company for the Buy-back, subject to the Maximum Offer Size, will be invested from the current surplus and/or cash balances and/or internal accruals of the Company. Though 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.
7. The utilisation of cash resources for the purpose of the proposed Buy-back, is not likely to significantly 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 annual accretion to the net worth in future years.
8. The Maximum Offer 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 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 Offer Price offers a premium of 73.31% over the closing price of the Equity Shares on the Stock Exchanges, as on March 11, 2011, the last trading day prior to 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.
9. The actual number of Equity Shares bought back will depend upon the average price including Transaction Costs paid for the Equity Shares bought back and the aggregate consideration paid for the Buy-back subject to the Maximum Offer Size. During the Buy-back offer period the Company hereby proposes to Buy-back a minimum of 386,000 Equity Shares (the "Minimum Offer Shares") and an indicative maximum of 1,928,571 Equity Shares (the "Maximum Offer Shares") which is the maximum number of Equity Shares that can be bought back by the Company, at the proposed Maximum Offer Price per Equity Share and for an aggregate consideration amount of ₹ 67.50 Crores. If the Equity Shares are bought back at an average price below the Maximum Offer Price, the number of Equity Shares bought back could exceed the Maximum Offer Shares. The Maximum Offer Shares are 4.50% of the pre Buy-back paid-up equity share capital of the Company at the Maximum Offer Price of ₹ 350.00 per Equity Share. The actual number of shares bought back is 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 BSE, NSE and MPSE, i.e., maintaining the minimum public shareholding at 25%; (ii) the Equity Shares that may be bought back in a financial year shall not exceed 25% of the paid up Equity capital outstanding in that financial year; and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.
10. It is being clarified that the fact that the resolution that provides for the Maximum Offer 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 Offer Price. Similarly, the fact that the resolution indicates the Maximum Offer Size does not indicate that the Company will utilize or is obliged to utilize, the entire amount of ₹ 67.50 Crores in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Offer Shares. 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 been purchased.
11. The aggregate shareholding of the Promoter and Promoter Group and persons who are in control of the Company (such shareholders hereinafter together referred to as "Persons in Control") and of the Directors of the Promoters, where the Promoter is a company as on the date of Board Meeting is 22,419,504 equity shares constituting 52.33% of the fully paid up equity share capital of the Company.
12. The Persons in Control, and the Directors of the Promoters, where the Promoter is a company have neither purchased nor sold any Equity Shares during the period of six months preceding the date of Board Meeting, except as outlined below:

Category	Aggregate Quantity	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
Purchases					
Promoter, Promoter Group and Persons in Control	NA	NA	NA	NA	NA
Directors of Promoter (where Promoter is a company)	2,490	307.00	03/11/2010	211.85	28/01/2011
Sales					
Promoter, Promoter Group and Persons in Control	NA	NA	NA	NA	NA
Directors of Promoter (where Promoter is a company)	NA	NA	NA	NA	NA

13. As per Regulation 15 (b) of the Buy-back Regulations, the Buy-back shall not be made from any Persons in Control. The Persons in Control will not participate in the Buy-back and shall not deal in the equity shares of the Company on the Stock Exchanges during the period for which the Buy-back offer is open.
14. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share capital and free reserves after the Buy-back.
15. As required under the Act, the Company shall not purchase partly paid-up Equity Shares, 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.
16. As required under the Act, the Company confirms that no offer of Buy-back, through an approval from the Board of Directors as permitted under the first and second proviso 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.
17. 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.
18. 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.
19. 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.
20. The Board of Directors confirms that, it has made necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion:
    i. that immediately following the date of the Board Meeting, there will be no grounds on which the Company could be found unable of paying its debts;
    ii. that 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 of Directors 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 of Directors 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 that date of the Board Meeting; and
    iii. that in forming the opinion for the above purposes, the Board of Directors has taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
21. The text of the report dated March 14, 2011 received from M/s. Doogar & Associates, Chartered Accountants, one of the statutory auditors of the Company, addressed to the Board of Directors is reproduced below:
    i. We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2010, which were approved by the shareholders in its Annual General Meeting held on September 20, 2010 and its unaudited accounts for the nine month period ending December 31, 2010 in respect of which a limited review as per of Clause 41 of the listing agreement has been conducted.
    ii. The Board of Directors has proposed to Buy-back the Company's equity to the extent of ₹ 67.50 crores at a price not exceeding ₹ 350.00 per equity share. The amount of permissible capital payment (including premium) towards Buy-back of equity shares, as computed below, has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956.

Particulars	Amount (₹ Crores)
Paid-up equity Share Capital as at March 31, 2010	42.61
Free reserves as at March 31, 2010	636.08
Total	678.69
Maximum amount permissible for the Buy-back i.e. 10% of total paid-up equity capital and free reserves	67.87
Maximum Offer Size i.e. 9.95% of total paid-up equity capital and free reserves	67.50

    iii. We are not aware of anything to indicate that the opinion expressed by the Board of Directors in the declaration as to any of the matters mentioned in the declaration referred to under clause (x) of Schedule I of the Buy-back Regulations is unreasonable in all circumstances.
    iv. We report that the Board of Directors in its meeting held on March 14, 2011 have formed an opinion as specified in clause (x) of Schedule I of the Buy-back Regulations, on reasonable ground and that the Company will not, having regards to its state of affairs, be rendered insolvent within a period of one year from the date of the said Board Meeting.
22. The Buy-back is expected to be completed within the statutorily prescribed validity period of the resolution dated March 14, 2011 passed by the Board of Directors, 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 of Directors and as disclosed by way of the Public Announcement. 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 been purchased.
23. As per the provisions of the Act, the equity shares to be bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.

The Board of Directors accepts responsibility of information contained in the Public Notice.

8. SOURCES OF FUNDS FOR THE BUY-BACK

8.1. The amount required to be invested by the Company for the Buy-back, subject to the Maximum Offer Size and the Minimum Offer Shares, will be invested from the current surplus and/or cash balances and/or internal accruals of the Company. Though 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 including for the purpose of any capital expenditure.

8.2. The Company vide its declaration of solvency dated March 14, 2011 has declared that it is capable of meeting its total liabilities and will not be rendered insolvent within a period of one year from the above mentioned date.

9. LISTING DETAILS AND STOCK MARKET DATA

9.1. The Equity Shares are listed on BSE, NSE and the MPSE.

9.2. The high and low market prices of the Equity Shares for the last three years i.e. 2008, 2009 and 2010 and the monthly high, low and average market prices from last six months preceding this PA and the corresponding volumes on the stock exchanges are as follows :

BSE:

Time Period	High Price			Low Price			Average Closing Price (₹)	Total Volume traded for the period
	Price (₹)	Date	Volume	Price (₹)	Date	Volume		
Last 3 years								
2008	609.00	01/01/2008	186,094	104.25	29/12/2008	3,841	251.01	7,817,968
2009	410.95	21/12/2009	1,257,407	94.00	31/03/2009	20,115	201.52	15,610,965
2010	412.70	06/01/2010	425,216	235.50	09/12/2010	7,068	320.14	7,440,145
Last 6 months								
Feb 2011	208.50	01/02/2011	10,866	176.40	09/02/2011	140,933	198.67	367,154
Jan 2011	267.70	03/01/2011	11,238	199.00	31/01/2011	37,626	232.08	268,122
Dec 2010	288.00	22/12/2010	5,603	235.50	09/12/2010	7,068	263.78	195,578
Nov 2010	309.60	10/11/2010	5,782	245.00	26/11/2010	4,421	271.59	352,608
Oct 2010	321.00	06/10/2010	26,576	270.50	29/10/2010	21,697	298.78	203,500
Sep 2010	341.70	06/09/2010	83,924	298.00	24/09/2010	5,995	313.40	443,177

Source: *BSE website*

NSE:

Time Period	High Price			Low Price			Average Closing Price (₹)	Total Volume traded for the period
	Price (₹)	Date	Volume	Price (₹)	Date	Volume		
Last 3 years								
2008	608.00	01/01/2008	330,208	104.10	24/12/2008	59,773	250.90	15,974,517
2009	410.90	21/12/2009	2,330,915	94.00	31/03/2009	45,183	201.55	29,623,412
2010	412.35	06/01/2010	782,820	233.00	09/12/2010	32,380	320.28	16,813,970
Last 6 months								
Feb 2011	209.75	28/02/2011	25,639	171.70	10/02/2011	44,408	198.81	979,742
Jan 2011	288.00	03/01/2011	34,531	200.00	31/01/2011	25,508	232.38	768,274
Dec 2010	305.45	16/12/2011	120,164	233.00	09/12/2010	32,380	263.91	613,027
Nov 2010	308.40	03/11/2010	409,328	245.50	26/11/2010	21,250	271.94	839,788
Oct 2010	326.00	08/10/2010	25,825	270.00	29/10/2010	56,402	298.82	654,141
Sep 2010	341.50	07/09/2010	99,340	297.10	30/09/2010	16,287	313.25	1,011,130

Source: *NSE website*

MPSE:

There has been no trading in the Equity Shares of the Company since April 1, 2008 till the end of last month preceding the Board Meeting.

9.3. There has been no change in the capital structure on account of either bonus issue, rights issue, split or consolidation of equity shares since April 1, 2008 till the date of this PA.

The Board of Directors at its Board Meeting approved the proposal for the Buy-back. The closing market price of the Equity Shares of the Company on March 14, 2011 i.e. on the date of the resolution of the Board of Directors approving the Buy-back was ₹ 204.90 per Equity Share on BSE and Rs. ₹ 203.90 per Equity Share on NSE. (Source: BSE and NSE websites)

9.4. The closing market prices of the Shares of the Company on March 15, 2011 i.e. on the first trading date immediately after the date of the resolution of the Board of Directors approving the Buy-back was ₹ 208.35 per Equity Share on BSE and ₹ 208.85 per Equity Share on NSE. (Source: BSE and NSE websites)

10. MANAGEMENT DISCUSSION AND ANALYSIS

10.1. This Buy-back is not likely to cause any material impact on the earnings of the Company.

10.2. Consequent to the Buy-back and based on the number of Equity Shares bought back by the Company from equity shareholders other than the Persons in Control, their shareholding would undergo a change. There will be no change in the aggregate number of Equity Shares held by the Persons in Control as a result of the Buy-back. However, the holding and voting rights of the Persons in Control as a result of the Buy-back would stand increased to 54.74%, assuming the Buy-back of the Maximum Offer Shares. The Buy-back will not result in any change in the control of the Company.

10.3. Consequent to the Buy-back and based on the number of shares bought back from the public shareholders, the shareholding pattern of the Company (including the holdings by NRIs/FIIs etc) would undergo a consequential change but would be in compliance with Clause 40A of the Listing Agreement.

10.4. Post the Buy-back, the ratio of the debt owed by the Company will not be more than twice the capital and free reserves of the Company after the Buy-back.

10.5. The Company shall not withdraw the Buy-back offer after a public announcement is made through this PA.

11. STATUTORY APPROVALS

11.1. The Buy-back was authorized by the Board of Directors through the Board Resolution.

11.2. The Company shall obtain such other approvals as may be required from time to time.

12. PROPOSED TIME TABLE

Board Resolution approving the Buy-back	March 14, 2011
Date of Public Notice in Compliance with Regulation 5A of the Buy-back Regulations	March 15, 2011
Date of opening of the Buy-back	April 11, 2011*
Acceptance of Equity Shares	Within the relevant payout dates of the Stock Exchanges.
Extinguishment of Equity Shares	Within 15 days of acceptance as above.
Last Date for the Buy-back	March 13, 2012 (i.e. 12 months from the date of the Board Resolution). However, the Board of Directors in its absolute discretion may decide to close the Buy-back at an earlier date in the event the Minimum Offer Shares have been purchased under the Buy-back, even if the Maximum Offer Size has not been reached, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations. There would be a completion of all payment obligations in respect of the Buy-back prior to the last date of the Buy-back.

** In case of any change in the date of opening of the Buy-back, the same shall be intimated to the BSE, NSE and MPSE for public dissemination.*

13. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAM

13.1. The offer is open to all shareholders/beneficial owners of the Equity Shares, both registered and unregistered, except the Persons in Control as indicated in this PA.

13.2. The Company proposes to implement the Buy-back through the methodology of "Open market purchases through Stock Exchanges" as provided under the Buy-back Regulations.

13.3. For the aforesaid Buy-back, the Company has appointed Religare Capital Markets Limited ("RCM") and Bharat Bhushan Equity Traders Limited ("Bharat Bhushan") as Brokers (together RCM and Bharat Bhushan are referred to as "Brokers") through whom the purchases and settlement on account of the Buy-back would be made.

13.4. The Buy-back will be made only through the order matching mechanism except "all or none" order matching system.

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