HINDUSTAN COMPOSITES LIMITED

Registered Office: Hindustan Composites Limited, B-11,Paragon Condominium, P. B. Marg, Worli, Mumbai – 400018; **Tel:** (+91 22 66530101 - 04); **Fax:** (+91 22 66530105)
Website: www.hindcompo.com ; **Email:** buyback@hindcompo.com

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

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 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.

Mr. Pawan Kumar Choudhary, authorized signatory on behalf of the Acquirers (defined herein) vide a letter dated November 08, 2010 filed an application under Regulation 4(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Regulations") seeking exemption from making an open offer under Regulation 11(2) of the Takeover Regulations, on behalf of Pallawi Trading & Manufacturing Company Limited, Surdas Trading & Manufacturing Company Limited, Lotus Udyog Limited, Mody Investors Private Limited, Axon Trading & Manufacturing Company Limited, Pallawi Resources Limited, Leaders Healthcare Private Limited, Noble Trading Company Limited, Rasoi Limited, Rasoi Finance Limited, Silver Trading & Services Limited, J. L. Morison India Limited, Mr. Varunn Mody and Mr. Pawan Kumar Choudhary (together the "Promoter / Promoter Group"/ "Acquirers") who collectively own 67.11 % of the equity shares of Hindustan Composites Limited. The exemption has been granted by SEBI vide its order no. WTM/KMA/CFD/346/01/2011 dated January 13, 2011 (**"Exemption Order"**).

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

1.1 In accordance with the authorization by the Article 16A of the Articles of Association of Hindustan Composites Limited ("HCL" or the "Company"), and pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on October 22, 2010 (the "Board Meeting") approving the Buy-Back of the fully paid up equity shares of face value of Rs.10 each (hereinafter referred to as the "Buy-Back"), the Company hereby announces the Buy-Back of its fully paid-up equity shares of the face value of Rs.10 each ("Equity Shares") from the existing owners of Equity Shares other than the Promoters, Persons who are in control of the Company and Promoter Group at a price not exceeding Rs. 550/- per Equity Share (the "Maximum Offer Price") payable in cash, for an aggregate amount not exceeding Rs. 3,180.76 Lacs ("Buy-Back Size"). The Buy-Back Size represents less than 10% of the aggregate paid-up equity capital and free reserves of the Company as at March 31, 2010 (the date of the latest audited accounts). This is less than 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, 2010 is Rs. 49,124.68 Lacs.

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", and together with BSE, hereinafter referred to as the "Stock Exchanges") in accordance with the provisions of Sections 77A, 77AA, 77B of the Companies Act, 1956 read with Article 16A of the Articles of Association of the Company and the Buy-Back Regulations, subject to approval/s as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India 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 (hereinafter referred to as "the Board" which term shall include any committee constituted specifically for the Buy-Back and hereinafter referred to as "Buy-Back Committee").

1.3 The Maximum Offer Price has been arrived at after considering factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of the Board Meeting, earnings trend in the recent past, the future outlook for the industry/Company. The Maximum Offer Price of Rs. 550.0 represents a premium of 3.76% and 4.75% over the closing prices of Equity Shares on BSE and NSE respectively on October 21, 2010 being the last trading day prior to the date of the Board Meeting. The closing price of Equity Shares of the Company as on October 21, 2010 on BSE and NSE was Rs. 530.05 and Rs. 525.05 respectively.

1.4 At the proposed Maximum Offer Price of Rs. 550.00 per Equity Share and for an aggregate consideration amount of Rs. 3,180.76 Lacs, the number of Equity Shares that can be bought back would be 578,320 Equity Shares ("Maximum Offer Shares"), amounting to approximately 10.51% of the paid up equity capital of the Company as on date of Board Meeting. However, the actual number of Equity Shares bought back would depend upon the average price paid for the Equity Shares bought back and the aggregate consideration paid for such Equity Shares bought back, but in case will not exceed a maximum of 578,320 equity shares. The maximum limit is further subject to a limit of 25% of the total paid-up Equity Share capital of the Company in a financial year as stipulated under section 77A of the Act. The Buy-Back of the Equity Shares would further be subject to the conditions for continuous listing prescribed in terms of Clause 40A of the Listing Agreement between the Company and the Stock Exchanges for maintaining a minimum public shareholding of 25% of the total paid-up share capital of the Company and within the aggregate consideration amount of Rs. 3,180.76 Lacs and Maximum Offer Shares as approved by the Board for the Buy-Back. The Company proposes to buy back a minimum of 1,25,000 Equity Shares (hereinafter referred to as "Minimum Offer Shares") during the offer period. The Board shall determine, as per its discretion, the time frame for completion of the Buy-Back and may close the Buy-Back anytime after buying back the Minimum Offer Shares before the period of twelve months from the date of the Board Meeting authorizing the Buy-Back.

1.5 As required under the Act and the Buy-Back Regulations, the Company shall not purchase Equity Shares which are locked-in or nontransferable, till the pendency of the lock-in or till the Equity Shares become transferable. 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. As on date, the Company does not have any locked-in or partly paid-up Equity Shares.

1.6 The Buyback of shares will be financed out of the free reserves and/or cash/bank balances of the Company or such other sources as may be permitted by law. The Company will ensure that post buyback, the debt equity ratio will remain within 2:1 as prescribed under Section 77A of the Act.

2. PROPOSED TIME TABLE

Activity	Date
Date of Board Meeting approving the Buy-Back	October 22, 2010
Date of commencement of the Buy-Back	February 10, 2011
Acceptance of Equity Shares	Within the relevant payout dates of the Stock Exchanges
Extinguishment of Equity Shares	Within 15 days of acceptance of Equity Shares. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of Buy-back.
Last Date for the Buy-Back	October 21, 2011 (i.e. 12 months from the date of the Board Meeting authorizing the Buy-Back.) However, the Board in its absolute discretion may decide to close the Buy-Back at an earlier date in the event of Minimum Offer Shares being purchased under Buy-Back, even if the Buy-Back Size has not been reached or the Maximum Offer Shares have not been bought back, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations. The Board will close the Buy-Back at an earlier date if the amount utilised in the Buy-Back is equal to Buy-Back Size.

3. THE SPECIFIED DATE: Not Applicable

4. AUTHORITY FOR THE OFFER OF BUYBACK

4.1 Pursuant to the provisions of Sections 77A, 77AA, 77B, of the Act, the Buyback Regulations, Article 16A of the Articles of Association of the Company, the Buyback of Equity Shares from the Open market through Stock Exchanges, inter-alia, up to the Buy-Back Size, at a price not exceeding the Maximum Offer Price, has been duly authorized by a resolution passed by the Board of Directors at its meeting held on October 22, 2010.

4.2 SEBI has granted an exemption to the Promoters/Promoter Group from Regulation 11(2) of Takeover Regulations, in respect of the Buy-Back, through an Exemption Order dated January 13, 2011.

5. CONTENTS OF THE PUBLIC NOTICE DATED OCTOBER 22, 2010 ISSUED IN COMPLIACE WITH REGULATION 5A READ WITH SCHEDULE I OF THE BUY-BACK REGULATIONS

i. The Board of Directors (the "Board") of Hindustan Composites Limited (the "Company" or "HCL") at its meeting held on October 22, 2010 (the "Board Meeting") has approved the proposal for buying back of the Company's fully paid up equity shares of the face value Rs.10/- each ('Equity Shares') from the existing owners of Equity Shares (hereinafter referred to as "the Buy-Back") from the open market through stock exchange method using electronic trading facilities of the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE, and together with BSE, hereinafter referred as the "Stock Exchanges") in accordance with the provisions contained in Article 16A of the Articles of Association of the Company, Section 77A, 77AA, and 77B and other applicable provisions of the Companies Act, 1956 ("the Act"), if any, and the provisions contained in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended from time to time (hereinafter referred to as "Buy-Back Regulations"), subject to approval/s as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India 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 hereinafter referred to as "the Board" (which term shall include any committee constituted specifically for the Buy-Back hereafter referred to as "Buy-Back Committee")

ii. The Buy-Back may be subject to approval(s) as may be necessary from time to time from statutory authorities, including but not limited to, making an application to the Securities and Exchange Board of India (the "SEBI") under Regulation 4(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI Takeover Regulations") seeking exemption on behalf of such shareholders who are promoters / persons in control of the Company / promoter group and whose shareholding may increase consequent to the Buy-Back, from the requirement of making an open offer under the SEBI Takeover Regulations and obtaining SEBI's approval prior to publication of the Public Announcement as required under Regulation 15(c) of the Buy-Back Regulations.

iii. The Buy-Back proposal is being implemented in keeping with the Company's desire to (a) to optimize returns to shareholders; and (b) enhance overall shareholder value. The Company has accumulated free reserves and has sufficient liquidity. At present, there is no immediate need of funds. Therefore, it is proposed to Buy-Back part of the equity shares which will provide an opportunity to the Company to return the surplus funds to the shareholders and improve return on equity. The Buy-Back of equity shares is proposed to enhance the earnings per share of the Company in future and create long term shareholder value.

iv. The Board has approved an aggregate amount not exceeding Rs.3,180.76 Lacs for the Buy-Back. This represents 6.47% of the aggregate of the Company's paid up equity share capital and free reserves eligible for use in Buy-Back as at March 31, 2010. The funds for the Buy-Back will be available from the current surplus and/or cash balances and/or internal accruals of the Company. Though the Company does not propose raising debt for affecting the Buy-Back, it may continue to borrow funds in the ordinary course of its business.

v. The Board has proposed to Buy-Back minimum of 125,000 Equity Shares ("Minimum Offer Shares") and a maximum 578,320 number of shares ("Maximum Offer Shares") during the offer period and a cash outflow not exceeding Rs. 3,180.76 lacs at a price not exceeding Rs. 550.00 per Equity Share ("Maximum Offer Price"). The actual number of Equity Shares bought back would depend upon the average price paid for the Equity Shares bought back and the aggregate consideration paid for such Equity Shares bought back, but in any case will not exceed the Maximum Offer Shares. The maximum limit envisaged in the forgoing is further subject to a limit of 25% of the total paid-up Equity Share capital of the Company in a financial year as stipulated under section 77A of the Act. As an illustration, at the proposed Maximum Offer Price of Rs. 550.00 per Equity Share and for an aggregate consideration amount of Rs. 3,180.76 Lacs, the number of Equity Shares that can be bought back would be 578,320 Equity Shares, amounting to approximately 10.51% of the paid up equity capital of the Company as on date of Board Meeting. The Buy-Back of the Equity Shares would further be subject to the conditions for continuous listing prescribed in terms of Clause 40A of the Listing Agreement and within the aggregate consideration amount of Rs. 3,180.76 Lacs and Maximum Offer Shares as approved by the Board for the Buy-Back.

vi. The Maximum Offer Price has been arrived at after considering factors such as the trends in the market price of the Equity Shares during the last 6 months prior to the date of the Board Meeting, earnings trend in the recent past, the future outlook for the industry/Company and other relevant factors. The Maximum Offer Price of Rs.-550.00 per Equity Share represents a premium of 3.76% and 4.75% over the closing prices on October 21, 2010 on BSE and NSE respectively, being the last trading day prior to the date of the Board Meeting held on October 22, 2010 approving the Buy-Back. The closing price of equity shares of the Company as on October 21, 2010 on BSE and NSE was Rs. 530.05 and Rs 525.05 respectively.

vii. The aggregate shareholding of the Promoters, Persons who are in control of the company, and Promoter Group as on October 22, 2010 is 3,691,260 equity shares constituting 67.11% of the fully paid up equity share capital of the Company.

viii. The Company confirms that, the Promoters, Persons who are in control of the Company and Promoter Group have through open market purchased 29,860 equity shares during the period of six months i.e. from April 22, 2010 to October 21, 2010 preceding October 22, 2010, being the date of meeting of the Board of Directors at which the Buy-Back was approved. The maximum and minimum price paid by the Promoters, Persons who are in Control of the Company and Promoter Group was Rs. 430.00 per Equity Share on June 7, 2010 and Rs. 405.00 per Equity Share on May 5, 2010 respectively. The Promoters, Persons who are in control of the Company and Promoter Group have not sold any shares during the above period.

ix. As per Regulation 15(b) of the Buy-Back Regulations, Promoters, Persons who are in control of the Company and Promoter Group are not eligible to participate in the Buy-Back. The Promoters, Persons who are control of the Company and the Promoter Group will not participate in the Buy-Back. In terms of Regulation 19(1)(e) of Buy-Back Regulations, Promoters, Persons in control and Promoter group of the Company shall not deal in the equity shares of the Company in the stock exchanges during the period for which the Buy-Back offer is open.

x. The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures and repayment of Term loans to any financial institutions or banks. There are no stock option schemes, sweat equity, preference shares or debentures outstanding as on date.

xi. As per the provisions of Act and the Buy-Back regulations, the Company confirms that it will not issue fresh Equity Shares during the Buy-Back period, whether by way of bonus issue or in the discharge of subsisting obligations such as conversions of convertible instruments, stock options or otherwise. Further, the Company confirms that it will not issue fresh Equity Shares of the same kind within a period of six months from the completion of Buy-Back, except by way of bonus issue or in the discharge of subsisting obligations such as stock option schemes, sweat equity or conversion of debentures or preference shares into equity shares.

xii. The Company confirms that the Buy-Back of equity shares will be completed within a period of 12 months from the date of the Board resolution authorizing the Buy-Back. The Board shall determine, as per its discretion, the time frame for completion of the Buy-Back and may close the Buy-Back anytime after buying back the Minimum Offer Shares before the aforesaid period of twelve months.

xiii. The Company shall not Buy-Back its shares from any person through negotiated deals whether on/or through spot transaction or through any private arrangements in the implementation of the Buy-Back

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

a) that immediately following the date of the Board meeting, there will be no ground on which the Company could be found unable to pay its debts;

b) as regards its prospects for the year immediately following the date of the Board meeting, having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting; and

c) in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

xv. The text of the report dated October 22, 2010 received from M/s. Lodha & 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 Hindustan Composites Limited at its meeting held on October 22, 2010 in pursuance of the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956, of India ("the Act") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 and based on the information and explanations given to us, we report that:

- We have enquired into the state of affairs of Hindustan Composites Limited in relation to its audited accounts as at March 31, 2010.
- The amount of permissible capital payment towards Buy Back of equity shares in question, as ascertained below, has been properly determined in accordance with Section 77A(2) of the Companies Act, 1956

Particulars	Amount (Rs.)
Paid up Equity Share Capital as at March 31, 2010 (55,00,000 fully paid up Equity shares of Rs. 10 each)	5,50,00,000
Free reserves as at March 31, 2010	4,85,74,68,252
Total Paid up Equity Capital and free reserves as at March 31, 2010	4,91,24,68,252
Maximum amount permissible for Buy Back i.e. 10% of total paid up equity capital and free reserves	49,12,46,825
Amount approved by the Board for Buy Back	31,80,76,000

The Board of Directors have formed their opinion on matters specified in clause (x) of Schedule I to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, on reasonable grounds and nothing has come to our notice to make us believe that Hindustan Composites Limited, having regard to its state of affairs, would be rendered insolvent within a period of one year from the date of the Board Meeting on October 22, 2010.

This certificate has been prepared for and only for the Company and is in reference to proposed Buy-Back of Equity Shares approved by the Board of Directors of the Company at its meeting held on October 22, 2010, in pursuance of the provisions of Section 77A, 77AA and 77B of the Act and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and for no other purpose.

Yours faithfully,
For Lodha & Co.
Chartered Accountants
Sd/-
A.M. Hariharan
Partner
Membership No.38323
Place : Mumbai
Dated : October 22, 2010

xvi. As required under the Act, the ratio of debt owed by the Company would not be more than twice the share capital and free reserves after the Buy-Back.

xvii. The Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited (the Company has made an application to Calcutta Stock Exchange Limited for delisting of its equity shares on October 7, 2004 which is pending) and the Buy-Back of shares will be made through BSE and NSE using the electronic trading facility.

xviii. As on date the Company does not have any partly paid-up or locked-in Equity Shares. The Company shall not purchase any locked-in or non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable.

xix. As required under the Act, the Company confirms that no offer of Buy-Back, through Board approval 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 preceding offer of Buy-Back, if any.

xx. The Buy-Back will be implemented after the approval of the financial institutions/banks, if applicable, from whom the Company has borrowing arrangement and obtained loans and subject to completion of necessary formalities as prescribed by law.

xxi. 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.

xxii. The Buy-Back of shares from shareholders who are persons resident outside India, including the Foreign Institutional Investors, erstwhile Overseas Corporate Bodies, shall be subject to such approvals as are required including approvals from RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder.

xxiii. As per the provisions of the Act, the equity shares to be bought back by the Company will compulsorily be cancelled/ extinguished and will not be held for re-issuance.

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

For and behalf of Board of directors of
Hindustan Composites Limited

Sd/-	**Sd/-**
Mr. P.K. Choudhary	**Amit Goenka**
Managing Director	**G.M. Finance &Company Secretary**

Place : Mumbai
Date : 22nd October, 2010

6. NECESSITY FOR BUY-BACK

The Buy-Back proposal is being implemented in keeping with the Company's desire to (a) to optimize returns to shareholders; and (b) enhance overall shareholder value.

The Company has accumulated free reserves and has sufficient liquidity. At present, there is no immediate need of funds. Therefore, it is proposed to Buy-Back part of the equity shares which will provide an opportunity to the Company to return the surplus funds to the shareholders and improve return on equity. The Buy-Back of equity shares is proposed to enhance the earnings per share of the Company in future and create long term shareholder value.

7. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

7.1 The Offer is open to all Shareholders/Beneficial Owners of the Equity Shares, both registered and unregistered holding equity shares in physical and/or electronic form, except Promoters, Promoter Group, Persons in control and Persons Acting in Concert of the Company as indicated in this PA.

7.2 The Company proposes to implement Buy-Back from the Open Market through the Stock Exchanges with nation wide trading terminals. Accordingly the Company proposes to effect the Buyback through electronic terminals of the NSE and the BSE.

7.3 For the aforesaid Buy-Back, the Company has appointed India Infoline Limited, having its office at IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel(West), Mumbai – 400 013 as Broker through whom the purchases and settlement on account of the Buy-Back would be made.

7.4 The Buy-Back of Equity Shares will be made only through the order matching mechanism except "all or none" order matching system.

7.5 The Company shall from time to time but not earlier than the date of opening of the buyback, place, "buy" orders, on the NSE and/or the BSE to buy Equity Shares through the Broker, in such quantity and at such prices, not exceeding Maximum Offer Price of Rs.550.00 per Equity Share, as it may deem fit, depending upon the prevailing quotations of the Equity Shares on the Stock Exchanges. Intimation about the Company's presence on BSE and/ or NSE to buyback its equity shares will be made available to the said respective Stock Exchanges. When the Company has placed an order for Buy-Back of Equity Shares, the identity of the Company as purchaser would be available to the market participants of the NSE and the BSE.

7.6 Shareholders/beneficial owners, who desire to sell their Equity Shares under the Buy-Back, would have to do so through a stock broker, who is a member of either the NSE and/or the BSE, whenever the Company has placed a "buy" order for Buy-Back of Equity Shares by indicating to their broker details of the Equity Shares they intend to sell. The trade would be executed at the price at which the order matches and that price would be the price for that seller. Such buy order shall be placed in normal and/or physical/ odd lot segments. The Equity Shares held in physical form shall also be accepted by the appointed Broker. The execution of the order, issuance of contract note, delivery of stock to the member and receipt of payment from the member would be carried out in accordance with the Stock Exchanges' and the SEBI requirements.

7.7 It may be noted that all equity shares bought back by the Company may not be at a uniform price. Further, the Company is under no obligation to place a "buy" order on a daily basis, nor is the Company under any obligation to place an order on both the normal trading as well as the physical /odd lot segment of the Stock Exchanges, as applicable. However, the Company shall ensure and undertakes to place a buy order either through the normal trading segment or on the physical /odd-lot segment of the Stock Exchange(s) at least once a week in such quantity and at such prices, as it may deem fit, depending upon the prevailing quotations of equity shares on the Stock Exchanges so long as the market price is lower than the Maximum Offer Price. The Company shall intimate the Stock Exchanges as well as the public through its release in the newspapers regarding quantity of equity shares purchased and amount utilized for the Buyback as prescribed by the Buy-Back Regulations.

7.8 The Equity Shares of the Company are traded in the compulsory demat mode. (Trading Code: NSE: HINDCOMPOS; BSE: 509635; ISIN: INE310C01011). Shareholders holding Equity Shares in physical form can sell their Equity Shares in the odd lot trading segment of the Stock Exchanges.

7.9 The Company and the Manager to the Buyback Offer shall submit the information regarding bought back shares to the Stock Exchanges on a daily basis and publish the said information in a national daily on a fortnightly basis and every time when an additional 5% of the Buyback has been completed. Provided that where there is no buy back during a particular period, the Company and the Manager to the Buyback Offer shall not be required to publish the details in a national daily.

7.10 Subject to the Company purchasing Minimum Offer Shares, nothing contained herein shall create any obligation on the part of the Company or the Board to Buy-Back any Equity Shares (other than Minimum Offer Shares) or confer any right on the part of shareholder to offer any Equity Shares for Buy-Back, even if the Buy-Back Size i.e. Rs. 3,180.76 lakhs has not been reached, and / or impair any power of the Company or the Board to terminate any process in relation to the Buy-Back, if so permissible by law.

8. METHOD OF SETTLEMENT

8.1 The Company will pay the consideration to the Broker on every settlement date, as applicable to the respective Stock Exchanges.

8.2 The Shareholders/Beneficial Owners holding Equity Shares in the demat form would be required to transfer the number of Equity Shares sold by tendering the delivery instructions to their respective depository participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the broker through whom the trade was executed. The shareholders holding Equity Shares in physical form should present the share certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.

8.3 The Company has opened a depository account with National Securities Depository Limited (NSDL) "styled "Hindustan Composites Limited – Buyback of Equity Shares Account" with India Infoline Limited (Depository Participant" / "DP") with DPID IN302269 and client ID 13472284. The Equity Shares bought back in the demat form would be transferred into the aforesaid account by the Broker on receipt of the Equity Shares from the clearing and settlement mechanism of NSE and BSE.

8.4 The Equity Shares bought back in demat form shall be extinguished and destroyed in the manner specified in Securities and Exchange Board of India (Depository and Participants) Regulations, 1996 and its bye-laws and in the manner specified in the Buy-Back Regulations.

8.5 In respect of Equity Shares bought back in the physical form, the Equity Shares would be extinguished and the physical certificates will be destroyed in the presence of the Registrar or the Manager to the Buyback Offer and the statutory auditor of the Company.

8.6 The Equity Shares acquired under the Buy-Back offer will be periodically extinguished within 15 days from the date of acceptance of the Equity Shares in the manner specified in the Buy-Back Regulations. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of Buy-Back.

8.7 The details of the Equity Shares extinguished shall be notified to the SEBI and Stock Exchanges as per the provisions of the Buyback Regulations.

9. MAXIMUM AMOUNT TO BE INVESTED UNDER THE BUY-BACK

The maximum amount, which the Company would deploy for the purposes of the Buy-Back is Rs. 3180.76 lakhs. This amount represents less than 10% of the aggregate paid-up equity capital and free reserves of the Company as at March 31, 2010 (the date of the latest audited accounts).

10. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING

10.1 Pursuant to the resolution passed by the Board of Directors on October 22, 2010 approving the Buy-Back, the Maximum Offer Price is Rs. 550 per equity share. The Buy-Back Size would not exceed Rs. 3180.76 lakhs, the Maximum Offer Shares will not exceed a maximum of 578,320 equity shares and the Minimum Offer Shares would be a 125,000 equity shares. The Maximum Offer Shares represents approximately 10.51% of the paid up equity capital of the Company as on date of Board Meeting.

10.2 The actual number of Equity Shares bought back would depend upon the average price paid for the Equity Shares bought back and the aggregate consideration paid for such Equity Shares bought back, but in case will not exceed the Maximum Offer Shares. The Buy-Back Size represents 6.47% of the aggregate paid-up equity capital and free reserves of the Company as at March 31, 2010 (the date of the latest audited accounts).

10.3 The Company proposes to fund the Buy-Back out of the free reserves or cash/bank balance or from such other sources as may be permitted by law.

10.4 The Company vide its declaration of solvency dated October 22, 2010 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 date of the declaration.

11. BRIEF INFORMATION ABOUT THE COMPANY

11.1 Hindustan Composites Limited was originally incorporated as a public limited company by the name of Hindustan Ferodo Limited on July 01, 1964 in Mumbai. Subsequently the name was changed to Hindustan Composites Limited on June 24, 1985.

11.2 Hindustan Composites Limited is a business of development, manufacture & marketing of asbestos based industrial products and friction materials in India for over 45 years. The company has been catering to the needs of the core sector industries, such as railways, engineering, mining, aerospace, steel, chemical, petrochemical, fertilizer and others as well.

12. BRIEF FINANCIAL INFORMATION OF THE COMPANY

Brief financial information of the Company for the last three financial years viz. FY 2010, 2009 and 2008.

(Rs. in lakhs)

Particulars	FY 2009-10	FY 2008-09	FY 2007-08
Net Sales	8,990.1	7,730.8	7,157.9
Other Income	548.7	306.0	117.2
Increase/(Decrease) in Closing stock	(7.2)	(52.8)	38.0
Total Income	9,531.6	7,984.0	7,313.1
Total Expenditure	8635.5	7492.7	7,245.3
Profit before exceptional items and taxation	896.1	491.3	67.9
Exceptional Items	56,393.9#	(346.1)	(383.4)
Profit before tax	57,290.0	145.1	(315.5)
Profit after tax	47,521.3	40.7	(199.2)
Paid-up Equity Share Capital	550.0	550.0	550.0
Free Reserves (excluding revaluation reserves and capital reserves)	48,574.7	1,696.9	675.1
Networth	49124.7	2246.9	1,225.1
Total Debt	2191.4	2486.3	3,602.9

includes Rs. 5,6703.1 lakhs on account of profit on sale of land & building at Ghatkopar in Mumbai less employees' separation cost of Rs.309.3 lakhs

Key Ratios	FY 2009-10	FY 2008-09	FY 2007-08
Earnings Per Share before exceptional items (EPS) (Rs.)	14.82	8.93	1.23
Earnings Per Share (EPS) after exceptional items(Rs.)	864.02	0.74	(3.62)
Book Value Per Share (BV) (Rs.)	893.18	40.86	22.28
Debt Equity Ratio	0.04	1.11	2.94
Return on Networth (%)	96.73%	1.82%	(16.25)%

Following are the brief unaudited financials (limited reviewed) of the Company for the six months period ended September 30, 2010.

(Continue on Page No. 2)

(To be continue from Page No. 1)

(Rs. in lakhs)

Particulars	6 months period ended September 30, 2010
Net Sales	4,924.6
Other Income	14.3
Increase/(Decrease) in Closing stock	60.3
Total Income	4,999.2
Total Expenditure	4,837.3
Profit before exceptional items and taxation	161.9
Exceptional Items	-
Profit before tax	1,412.0
Profit after tax	1,071.4
Paid-up Equity Share Capital	550.0
Free Reserves (excluding revaluation reserves and capital reserves)	49,646.3
Networth	50,196.3
Total Debt	3,047.1
Key Ratios	
Earnings Per Share before exceptional items (EPS) (Rs.)	19.48
Earnings Per Share (EPS) after exceptional items(Rs.)	19.48
Book Value Per Share (BV) (Rs.)	912.66
Debt Equity Ratio	0.06
Return on Networth (%)	2.13%

The key ratios have been computed as below:

Earnings Per Share before exceptional items (EPS) (Rs.)	Profit before exceptional items (net of tax)/ No. of outstanding shares
Earnings Per Share (EPS) after exceptional items(Rs.)	Profit after tax /No. of outstanding shares
Book Value Per Share (BV) (Rs.)	Networth/No. of outstanding shares
Debt Equity Ratio	Total Debt/Networth
Return on Networth (%)	Profit after tax/ Networth

13. ESCROW ACCOUNT: Not Applicable

14. LISTING DETAILS AND STOCK MARKET DATA

14.1 The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and the Calcutta Stock Exchange ("CSE"). The Company has made an application on October 7, 2004 to CSE for delisting of its equity shares from CSE, which is pending.

14.2 The high and low market prices for the preceding three years i.e. 2007, 2008 and 2009 during the period January-December and the monthly high, low and average market prices for the six months preceding the date of this PA and the corresponding volumes on the NSE and the BSE are as follows:

NSE

Time period	High			Low			Average Price * (Rs.)	Total Volume for the Time Period
	Price (Rs.)	Date	Volume	Price (Rs.)	Date	Volume		
Preceding three years								
2008	425.55	08/01/2008	12,199	93.00	18/12/2008	10	226.74	260,627
2009	398.20	30/12/2009	1,185	75.30	25/02/2009	35	201.49	83,183
2010	549.70	20/10/2010	23,979	362.60	13/01/2010	137	451.72	600,912
Preceding six months								
July 2010	467.40	30/07/2010	523	430.25	05/07/2010	578	444.48	11,743
August 2010	481.10	23/08/2010	810	450.50	06/08/2010	136	468.98	13,372
Sept. 2010	514.50	30/09/2010	4,630	469.80	01/09/2010	331	491.82	28,840
Oct. 2010	549.70	20/10/2010	23,979	505.00	26/10/2010	1,368	523.64	65,957
Nov. 2010	539.25	04/11/2010	3,392	488.30	30/11/2010	134	521.45	21,801
Dec. 2010	513.95	23/12/2010	736	490.00	09/12/2010	544	501.95	8,051

The aforesaid prices are calculated based on the closing price available at NSE website

* Arithmetic Average of Closing Price

Data considered till Dec 31st, 2010

BSE

Time period	High			Low			Average Price * (Rs.)	Total Volume for the Time Period
	Price (Rs.)	Date	Volume	Price (Rs.)	Date	Volume		
Preceding three years								
2008	424.95	08/01/2008	19,429	94.60	03/12/2008	70	240.33	293,441
2009	393.25	30/12/2009	444	74.90	24/02/2009	131,017	205.81	412,448
2010	549.00	20/10/2010	20,016	361.00	12/01/2010	886	451.72	1,286,205
Preceding six months								
July 2010	466.70	30/07/2010	346	430.05	06/07/2010	22	444.68	62,510
August 2010	484.85	24/08/2010	193	450.20	06/08/2010	809	469.78	19,842
Sept. 2010	511.10	06/09/2010	2,897	466.45	01/09/2010	2,278	491.48	29,657
Oct 2010	549.00	20/10/2010	20,016	501.85	15/10/2010	1,721	523.40	210,395
Nov. 2010	541.55	04/11/2010	3,351	493.25	26/11/2010	757	521.54	151,683
Dec. 2010	512.00	23/12/2010	788	490.00	8/12/2010	239	503.31	53,737

The aforesaid prices are calculated based on the closing price available at BSE website

* Arithmetic Average of Closing Price

Data considered till Dec 31st, 2010

14.3 There has been no change in the equity capital structure during the period for which data has been disclosed in the table above, including either by way of rights or bonus issue. The Board of Directors of the Company at its meeting held on October 22, 2010 approved the proposal for the Buy-Back. The closing market price of the Equity Shares of the Company on October 25, 2010 i.e. the first working day after the Board Meeting was Rs. 507.10 per Equity Share on the NSE and Rs. 510.25 per Equity Share on the BSE. The volume traded on that day was 1664 Equity Shares and 1700 Equity Shares on the NSE and the BSE respectively.
(Source: Website of NSE and BSE).

15. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

15.1 The share capital of the Company as on date of this PA is as follows:

(Rs. Lakhs)

Particulars	Amount
Authorised	
55,00,000 Equity Shares of Rs. 10 each	550.00
500,000 Unclassified Shares of Rs. 10 each	50.00
Total	**600.00**
Issued, Subscribed and Paid-up	
55,00,000 Equity Shares of Rs.10/- each, fully paid up	550.00
Total	**550.00**

There are no partly paid-up or locked-in or non-transferable shares.

There are no outstanding instruments convertible into shares.

15.2 The shareholding pattern of the Company as on January 21, 2011 is and post the buyback shall be as follows:

Category of the Shareholder	Outstanding no. of shares pre-buyback offer	Pre buyback percentage holding (%)	Outstanding no. of shares post-buyback offer*	Post buyback percentage holding (%)
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals/Hindu Undivided Family	250	0.00	250	0.01
Bodies Corporate	36,91,010	67.11	36,91,010	74.99
Sub Total	36,91,260	67.11	36,91,260	75.00
(2) Foreign				
Individuals				
Sub Total				
Total Shareholding of Promoter and Promoter Group (A)	**36,91,260**	**67.11**	**36,91,260**	**75.00**
(B) Public Shareholding				
(1) Institutions	798	0.01		
(2) Non – Institutions				
a)Bodies Corporates	7,16,808	13.03		
b)Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,85,837	14.29	**12,30,420**	**25.00**
c)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,53,801	4.61		
d)Any Other				
NRIs	9,308	0.17		
Director	20	0.00		
Clearing Member	39,401	0.72		
NRN	2,567	0.05		
Trust	200	0.00		
Total Public Shareholding (B)	**18,08,740**	**32.89**		
TOTAL (A) + (B)	**55,00,000**	**100.00**	**49,21,680**	**100.00**

*Assuming a successful Buy-Back of 578,320 Equity Shares (Maximum Offer Shares) are bought back. Please note that the shareholding pattern post the Buy-Back may differ depending upon the actual number of Equity Shares bought back under the Buy-Back from different categories of shareholder.

15.3 The aggregate shareholding of the Promoters, Persons who are in control of the Company and Promoter Group, as on date of this PA is **36,91,260** Equity Shares, constituting 67.11% of the paid-up share capital of the Company, details of which are as under:

Sr. no.	Particulars	No. of shares	%
1.	Pallawi Trading & Mfg Co. Ltd.	58,000	1.05
2.	Surdas Trading & Mfg Co. Ltd.	84,000	1.53
3.	Lotus Udyog Ltd.	63,240	1.15
4.	Mody Investors Pvt. Ltd.	66,000	1.20
5.	Axon Trading & Mfg Co. Ltd.	36,000	0.65
6.	Pallawi Resources Ltd	60,000	1.09
7.	Leaders Healthcare Pvt Ltd.	825,194	15.0
8.	Noble Trading Co. Ltd.	18,768	0.34
9.	Rasoi Ltd.	2,050,574	37.28
10.	Rasoi Finance Ltd.	32,000	0.58
11.	Silver Trading & Services Ltd.	28,000	0.51
12.	J. L. Morison India Ltd.	36,9234	6.71
13.	Varunn Mody	150	0.00
14.	Pawan Kumar Choudhary	100	0.00
	Total	**3,691,260**	**67.11**

None of the directors of the promoters are holding any shares of the Company.

15.4 There has been no purchase or sale of Equity Shares of the Company by the Promoters, directors of the Promoter companies, persons in control, Promoter Group and persons acting in concert during the period of twelve months preceding the date of the PAi.e. January 24, 2011, save and except the sale and purchase of Equity Shares of the Company as detailed herein under:

Name of individual/entity	Buying Details*		
	No. of equity shares	Maximum Price and date	Minimum Price and date
J. L. Morison (India) Ltd.	2,26,057	Rs. 430.86 on June 07, 2010	Rs. 397.92 on February 01, 2010
Selling Details*			
Not Applicable			

* The above does not include inter-se sale / purchase / transfer of shares among the Promoters / Persons who are in control of the Company.

15.5 As per the provisions of the Act and the Buy-Back Regulations, the Company shall not issue fresh Equity Shares during the Buy-Back period, whether by way of bonus issue or in the discharge of subsisting obligations such as conversion of convertible instruments, or otherwise. Under the Act, the Company is not be allowed to issue fresh equity shares within six months after the completion of the Buy-Back except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

In accordance with the regulatory provisions, the equity shares bought back by the Company will compulsorily be extinguished and destroyed and will not be held for re-issue at a later date.

15.6 As per Regulation 15 (b) of the Buy-Back Regulations, the Buy-Back of shares shall not be made from the promoters, promoter group, persons in control and persons acting in concert. As per Regulation 19(1) (e) of Buy-Back Regulations the promoters, promoter group, persons in control shall not deal in the equity shares of the Company on the Stock Exchanges during the period for which the Buyback offer is open.

16. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

16.1 The Buy-Back is not likely to cause any material impact on the profitability and the earnings of the Company except the possible loss of other income, if any, on account of cash to be utilised for the Buy-Back.

16.2 The Equity Share Buy-Back programme is expected to contribute to the overall enhancement of shareholder value. The Buy-Back would lead to (a) reduction in outstanding number of Equity Shares, and consequent increase in earnings per equity share over a period of time; and (b) improvement in Return on Equity.

16.3 The Buy-Back is expected to contribute to further improvement in the financial ratios which will enhance the shareholders' value

16.4 The Company will not purchase any shares from the promoters, promoter group and persons in control. The holding of the promoters, promoter group and persons in control may increase from 67.11% to 75.00% of the post Buy-Back equity capital assuming that the entire amount of Rs. 3,180.76 lacs is utilized for the Buyback at the Maximum Offer Price. Assuming that as a part of the Buy-Back, 1,25,000 Equity Shares are bought back, which is the Minimum Offer Shares, the holding of the Promoters will increase from 67.11% to 68.67% of the post Buy-Back equity capital and non-Promoter holding will decline from 32.89% to 31.33% of the post Buy-Back equity capital. The shareholding, post Buy-Back, may differ depending upon the actual number of Equity Shares bought back under the Buy-Back. The Buy-Back of Equity Shares will not result in a change in control or otherwise affect the existing management structure.

16.5 Consequent to the Buy-Back and based on the number of shares bought back from the public shareholders, the shareholding pattern of the Company would undergo a consequential change but would be in compliance with Clause 40A of the Listing Agreement.

16.6 The Buyback of shares will be financed out of the Company's free reserves and/or cash/bank balance or such other sources as may be permitted by law. The Company will ensure that post buyback, the debt equity ratio will remain within 2:1 as prescribed under Section 77A of the Act

16.7 The Company shall not withdraw the Buy-Back offer after the public announcement is made.

17. STATUTORY APPROVALS

17.1 The present Offer of Buy-Back of Equity Shares of the Company from Open Market through Stock Exchanges has been duly authorized by the resolution passed by the board of directors of the Company at their Board Meeting held on October 22, 2010.

17.2 The Company shall obtain necessary approvals as may be required and prescribed from time to time.

17.3 The Buy-Back of Equity Shares from Non-Resident shareholders will be subject to approvals, if any, of the appropriate authorities as applicable including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

17.4 SEBI has granted an exemption to the Promoters/Promoter Group from Regulation 11(2) of Takeover Regulations, in respect of the Buy-Back, through an Exemption Order dated January 13, 2011.

18. COLLECTION AND BIDDING CENTRES: Not Applicable

19. COMPLIANCE OFFICER AND INVESTORS SERVICE CENTRE

In case of any query, clarification or for redressal of grievances, a shareholder may contact at the following address, from Monday to Friday between 10 a.m. to 5 p.m.

MR. AMIT GOENKA
G.M. Finance & Company Secretary
Hindustan Composites Limited
Paragon Condominium, P. B. Marg, Worli, Mumbai – 400018;
Tel: +91-22-66530101 - 04 Fax: +91-22-66530105
Email: buyback@hindcompo.com;

REGISTRAR TO THE COMPANY

LINK INTIME INDIA PVT LTD
(Formerly INTIME SPECTRUM REGISTRY LTD)

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Comp., L. B. S. Marg,
Bhandup (W), Mumbai 400 078
Tel : +91-22- 25960320
Fax No: +91-22- 25960329
email: hindcomp.offer@linkintime.co.in
Contact Person: Mr. Nilesh Chalke

20. MANAGER TO THE BUYBACK OFFER

IIFL India Infoline Limited
8th Floor, IIFL Centre Kamala City,
Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013
Tel: +91-22-4646 4600 Fax: +91-22-2421 5600
E-mail: hindcomp.buyback@iiflcap.com
Contact Person: Pinak Bhattacharyya

21. DIRECTOR'S REPONSIBILITY

The Board of Directors of the Company accepts responsibility for the information contained in this PA.

For and on behalf of the Board of Directors of Hindustan Composites Limited

Sd/-	Sd/-	Sd/-
Mr. P. K. Choudhary	**Mr. V. D. Ingle**	**Amit Goenka**
Managing Director	Executive Director - Manufacturing	Company Secretary

Place : Mumbai
Date : January 24, 2011