



THE SANDESH LIMITED

Registered Office: "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad- 380054, Gujarat, India;

Tel. No.: +91 79 4000 4175, Fax No.: +91 79 4000 4242, Website: www.sandesh.com

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

This Public Announcement is being made pursuant to the provisions of Regulation 8 (1) of the SEBI (Buyback of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time including SEBI (Buyback of Securities) (Amendment) Regulations, 2012 and contains the disclosures as specified in Part A of Schedule II to these Regulations

OFFER FOR BUYBACK OF UP TO 9,60,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 302 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 Pursuant to the resolution passed by the Board of Directors of The Sandesh Limited ("Sandesh" or "the Company") on January 16, 2013, the Company hereby announces the buyback ("the Buyback") of up to 9,60,000 fully paid-up Equity Shares of face value ₹ 10 each ("Shares" or "Equity Shares") from the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the tender offer process, in accordance with the provisions contained in the Article 19(a) of the Articles of Association of the Company, sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time ("the Buyback 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 ("SEBI"), Stock Exchanges, Reserve Bank of India, etc. at a price of ₹ 302/- per Equity Share ("Buyback Price") payable in cash, for an aggregate maximum amount of upto ₹ 2899.20 Lacs (Rupees Twenty Eight Crores Ninety Nine Lacs Twenty Thousand only) ("the Buyback Size"). The Buyback Size represents 8.72% of the aggregate of Company's paid-up Equity Share capital and Free Reserves as on March 31, 2012 which stands at ₹ 33,252.32 Lacs.

1.2 The maximum amount required by the Company for the said Buyback aggregating to ₹ 2899.20 Lacs (Rupees Twenty Eight Crores Ninety Nine Lacs Twenty Thousand only) will be met out of the free reserves and / or cash balances and / or internal accruals of the Company. The maximum amount utilized for the Buyback will not exceed 10% of the paid up Equity Share capital and Free Reserves of the Company as on March 31, 2012. The Company proposes to buy back a maximum of 9,60,000 fully paid-up Equity Shares of face value ₹ 10 each, in the proposed buyback through tender offer. The Buyback price of ₹ 302/- per Equity Share has been arrived at after considering the prevailing stock market conditions, stock performance over the last few months preceding the date on which notice to Stock Exchanges for considering the board meeting for buyback was given, i.e. January 11, 2013, and the possible impact of the Buyback on the Earnings Per Share ("EPS") and financial ratios of the Company and other relevant considerations.

1.3 NECESSITY FOR BUY BACK

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company achieve the following objectives:

- Optimize returns to shareholders; and
- Enhance overall shareholders value.

The proposed objectives will be achieved by returning part of surplus cash back to shareholders through the Buyback process. This may lead to reduction in outstanding shares, improvement in EPS and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

2. DETAILS OF PROMOTER SHAREHOLDING

2.1 The particulars of the Equity Shares of the Company held by the Promoters and Promoter Group ("the Promoter") and the Persons who are in control of the Company, as on the date of the Board Meeting i.e. January 16, 2013 is given below:

Sr. No.	Name of the Promoter and Promoter Group	Number of Equity Shares Held
1.	Falgunbhai Chimanbhai Patel	3,86,350
2.	Falgunbhai Chimanbhai Patel (HUF)	1,85,300
3.	Parthiv Falgunbhai Patel	11,89,100
4.	Pannaben Falgunbhai Patel	6,300
5.	Ritaben C. Patel	10,350
6.	Satlon Enterprise Pvt. Ltd.	18,98,150
7.	Satyesh Prochem LLP	12,75,777
8.	Scabious Enterprise LLP	4,20,831
9.	Saintfoin Enterprise LLP	2,98,857
	Total	56,71,015

2.2 The Promoters and Promoter Group Members have vide their letter dated January 16, 2013 communicated their intention not to participate in the Buyback

2.3 The Promoter or Persons who are in control of the Company have vide their letter dated January 16, 2013 confirmed that they have not purchased or sold Equity Shares of the Company during six months preceding January 16, 2013, being the date of Board Meeting

approving the Buyback

- The proposed Buyback will be implemented from the existing shareholders, other than those who are Promoters, Promoter Group and Persons Acting in concert (such shareholders herein after collectively referred to as "Persons in Control") and will include such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, ("SEBI Takeover Regulations"). None of the Persons in Control of the Company intends to tender their Shares in the proposed Buyback. Further, they have vide their letter dated January 16, 2013 confirmed that they will not transact in the Shares of the Company during the period of the Buyback.
- The Board of Directors of the Company have vide their letter dated January 16, 2013 confirmed that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- The Board of Directors of the Company vide letter dated January 16, 2013 have confirmed that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:
 - Immediately following the date of the Board meeting held on January 16, 2013, there are no grounds on which the Company can be found unable to pay its debts;
 - As regards the Company's prospects for the year immediately following the date of the Board meeting held on January 16, 2013, 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 that date; and
 - Confirm that in forming an opinion as aforesaid, the Board of Directors have taken in to account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

6. The text of the report dated January 16, 2013 received from M/s Manubhai & Co, Chartered Accountants, the statutory auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

"We have been informed that the Board of Directors in their meeting held on January 16, 2013 have decided to buyback Company's Shares as allowed under Section 77A of the Companies Act, 1956. In this connection, we confirm as under:-

- We have inquired into the state of affairs of the Company in relation to its accounts for the year ended March 31, 2012, which were approved by the Board of Directors in the meeting held on May 24, 2012 and audited by us.
- The amount of permissible capital payment towards buyback of equity shares in question as ascertained below, has been properly determined in accordance with Section 77 A (2) (b) of the Companies Act, 1956:

Particulars	As at March 31, 2012
Paid up equity share capital as on 31 March 2012 (8529421 equity shares of ₹ 10/- each, fully paidup)	852.94
"Free Reserves" (excluding capital reserves and revaluation reserves) as on 31 March 2012 [as defined in Section 77A read with explanation (b) of Section 372A of the Companies Act, 1956]	32,399.38
Total	33,252.32
Maximum amount permitted for buy-back i.e. 10% of total paid up capital and free reserves	3,325.23

(iii) 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 the Board of Directors in their meeting held on January 16, 2013 have formed their opinion, as specified in clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

For Manubhai & Co.,
Chartered Accountants
Firm registration no: 106041W
Mr. K. C. Patel
Partner
Membership No. 30083
Date: January 16, 2013
Place: Ahmedabad

- The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Shares either in physical and/or electronic form except the Promoters, Promoter Group and/or Persons who are in control of the Company.
- The Buyback shall be implemented in the manner and following the procedure prescribed in the Act 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.
- RECORD DATE AND SHAREHOLDER ENTITLEMENT**
9.1 The Company shall announce a record date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback offer. The Shares proposed to be bought back by the Company, as part of this offer shall be divided in to two categories; (a) reserved category for small

- shareholders (Defined as a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date is not more than two lakh rupee) and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.
15. Fifteen percent of the number of securities which the Company proposes to buy back or number of securities entitled as per their shareholding, whichever is higher, shall be reserved for small shareholders.
- After accepting the shares tendered on the basis of entitlement, shares left to be bought back, if any in one category shall first be accepted, in proportion to the shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

10. COMPLIANCE OFFICER

Mr. Dhaval Pandya, Company Secretary,
The Sandesh Limited

"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad- 380054, Gujarat, India

Tel. No.: +91 79 4000 4175,

Fax No.: +91 79 4000 4242,

E-mail: cs@sandesh.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10 am to 5 pm. on all working days except Sunday and Public holidays.

11. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10.30 AM to 4.30 PM at the following address:



* MCS Limited

101, Shatlat Complex,
1st Floor, Opp. BATA Show Room,
Ashram Road, Ahmedabad-380009

Tel No.: +91 79 2658 2878,

Fax No.: +91 79 2658 1296

Email: mcsahmd@gmail.com

Website: www.mcsdel.com

Investor grievance: buybacksandeshahd@mcsdel.com

SEBI Registration Number: INR0000000056

Contact Person: Mr. M Balasubramaniam / Mr. Jagdish Patel

* SEBI registration of MCS Limited has expired on July 31, 2012. MCS Limited has made application dated April 27, 2012 to SEBI for renewal of the registration which is still under process.

12. MANAGER TO THE BUYBACK



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point,
Andheri Kurla Road, J.B.Nagar,
Andheri (East), Mumbai - 400 059

Tel. No.: +91 22 4082 0917/906,

Fax No.: +91 22 4082 0999

Email id: projectsandesh@saffronadviser.com

Website: www.saffronadviser.com

Investor grievance: investorgrievance@saffronadviser.com

SEBI Registration Number: INM 000011211

Contact Person: Mr. Amit Wagle/ Mr. Anup Varpe

13. DIRECTORS RESPONSIBILITY

As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors of

The Sandesh Limited

Parthiv F. Patel
Managing Director

Mukesh M. Patel
Director

Dhaval Pandya
Company Secretary

Place: Ahmedabad
Date: January 16, 2013