

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF SHAREHOLDERS OF THE COMPANY

[This Public Announcement is 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, as amended and contains disclosures as specified in Schedule II to these Regulations.]

OFFER FOR BUY BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH THE STOCK EXCHANGE(S)

1. The Buy Back

Carol Info Services Limited. ("CISL" or "the Company") hereby announces the Buy Back (the "Buy Back") of its fully paid up equity shares of the face value of Rs.10 each (herein after referred to as "Equity Shares") from its existing shareholders through the open market using the facilities of the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") pursuant to Article 3C of the Articles of Association of the Company and in accordance with Section 77A, 77AA and 77B of the Companies Act, 1956 (the "Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Regulations") and other applicable provisions of the Act and the Regulations, at a price not exceeding Rs. 40/- (Rupees Forty only) per equity share ("Maximum Offer Price"), payable in cash, for a total consideration not exceeding Rs. 21.20 crores (Rupees Twenty One Crores twenty lakhs only) ("Buy Back Size"). The Buy Back size represents approximately 6.60% of the aggregate of the Company's paid up equity capital and free reserves as on 31st March 2006.

Given the total consideration to not exceed Rs. 21.20 crores, the number of Equity Shares to be bought back would depend upon the average price paid for the Equity Shares to be bought back. As an illustration, at the proposed maximum price of Rs. 40/- per share, the number of Equity Shares to be bought back would be 5,30,000 equity shares. Even if the average price of the Buy Back is lower than Rs.40/- per share, the maximum number of Equity Shares which the Company intends to Buy Back would not be more than 5,30,000 Equity Shares.

2. Authority for the Buy Back

Article 3C of the Articles of Association of the Company permits the Company to Buy Back its own shares.

Pursuant to powers conferred under first proviso to clause (b) of Sub - Section (2) of Section 77A of the Act, the Buy Back of equity shares of the Company from the shareholders has been duly authorised by Resolution passed by the Board of Directors of the Company at their meeting held on June 26, 2006.

3. Brief Information about the Company

3.1 CISL was incorporated on November 29, 1979. CISL is engaged in the business of manufacture and trading of nutrition products. It has a manufacturing facility at Lalru (Ambala).

3.2 Brief financial information of the Company based on the Audited Accounts for the last three financial years and the unaudited financials for the last quarter is given below:

Key Financials (For the year and period ended) in Rs Thousands	Quarter Ended June 30th, 2006 (3 months)	March 31, 2006 (12 months)	March 31, 2005 (15 Months)	December 31, 2003 (12 Months)
Income from Operations	53,083	184,389	416,418	337,795
Other Income (including Interest Income)	16,325	111,829	206,579	93,575
Total Income	69,408	296,218	622,997	431,370
Profit / (Loss) Before Tax	68,374	145,524	197,525	(90,262)
Tax	6,029	(17,740)	(21,825)	170,249
Profit After Tax	62,345	127,784	175,700	79,987
Dividend	-	-	-	-
Paid up Equity Share Capital	354,364	354,364	354,364	354,364
Reserves and Surplus (excluding Revaluation Reserve)	-	3,163,123	3,035,339	2,859,639
Net Worth	-	3,517,487	3,389,703	3,214,003
Key Ratios				
Earnings Per Share (Rs.)	1.76	3.61	4.96	2.26
Debt/Equity	-	0.06:1	0.07:1	0.05:1
Return on Networth (%)	-	3.6	5.2	2.4
Book Value (Rs per share)	-	99.26	95.66	90.70

* Not annualised

Networth = Equity Share Capital + Reserves and Surplus

Book Value per Share = (Net worth) / (No of Shares outstanding at the year end)

EPS (Earnings per Share) = (Profit after tax) / (No of Shares outstanding at the year end)

Return on Net worth = (Profit after tax) / (Net worth)

4. Necessity for Buy Back

4.1 The Buy Back proposal is being mooted in keeping with the Company's desire to maximize returns to investors and enhance overall shareholder value by returning surplus cash to the shareholders in an investor friendly manner. The Company has accumulated free reserves and satisfactory liquidity. The proposed Buy Back is expected to lead to reduction in outstanding equity shares, which may lead to increase in earnings per share and return in equity of the Company in future, thereby creating long term shareholder value for continuing shareholders.

4.2 Besides, the Buy Back is expected to provide a reasonable exit opportunity to those shareholders who so desire, while at the same time safeguarding the interest of the continuing shareholders. The Buy-Back will not impair in any manner the ability of the Company to pursue growth opportunities.

5. Capital Structure and Shareholding Pattern

5.1 The Share Capital of the Company as on 31st March 2006 is as follows :

Authorised	Rs. Thousands
100,000,000 Unclassified Shares of Rs. 10 each	1,000,000
Total	1,000,000
Issued	
35,519,797 Equity Shares of Rs. 10 each	355,198
Total	355,198
Subscribed and Paid-up	
35,436,472 Equity Shares of Rs. 10/- each	354,364
Total	354,364

5.2 The shareholding pattern of the Company as on June 26, 2006 (being the date of Board Meeting) is as follows :

Particulars	Number of Equity Shares	% to the existing equity share capital	No. of Equity Shares post Buy Back	% Holding post Buy Back
Promoters, directors & relatives	22,584,758	63.73	22,584,758	74.94
Financial Institutions & Banks	5,700	0.02		
Mutual Funds	1,300	0.00		
Insurance Companies	361,651	1.02		
Foreign Institutional Investors/OCB's	156,747	0.44		
Bodies Corporate	1,550,428	4.38		
Non-resident Indians	575,829	1.63		
Shares Representing GDRs	354,946	1.00		
Public	9,845,113	27.78		
Total	35,436,472	100.00	30,136,472	100.00

5.3 There are no outstanding convertible instruments and no fully paid up equity shares are under lock-in or are non-transferable.

5.4 The Promoters of the Company and Persons in Control (i.e. other directors and their families) hold a total of 22,584,758 Equity Shares as on date.

5.5 The Promoters and person in control have during the period of 12 months preceding the date of the meeting of the Board of Directors at which the Buy-Back was approved i.e. June 26, 2006, neither purchased nor sold any shares of the Company.

5.6 The Promoters of the Company and Persons in Control do not intend to tender Equity Shares in the Buy-Back offer.

6. Source of Funds

6.1 The maximum amount which the Company would employ for the purpose of this Buy Back is Rs. 21.20 crores.

6.2 The amount will be financed out of Company's free reserves and/or the securities premium account and/or out of the proceeds of any Equity Shares or other specified securities as permitted under Section 77A of the Act. The Company will ensure that post Buy Back, the debt equity ratio will remain within 2:1 as prescribed under Section 77A of the Act.

7. Stock Market Data

7.1 The Company's Equity Shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India (NSE).

7.2 High, low and average market prices for last three years and monthly high, low and average market prices for last six months preceding this Announcement and their corresponding volumes on BSE and the NSE are as follows:

BSE

Period	High (Rs.)	Date of High and number of Equity Shares traded on that Date	Low (Rs.)	Date of Low and number of Equity Shares traded on that Date	Ave Price (Rs.)*	Total Volume traded in period
For the year 2003	44.90	26.12.03 102,752	20.00	14.05.03 49,000	27.01	15,825,020
For the year 2004	53.85	27.12.04 780,991	17.50	25.03.04 21,304	26.83	15,567,678
For the year 2005	63.70	01.09.05 474,744	31.50	30.03.05 35,203	43.25	40,121,634
2006						
January 2006	63.90	30.01.06 1,460,208	42.50	18.01.06 32,962	49.56	7,123,373
February 2006	65.40	13.02.06 1,439,455	46.10	28.02.06 28,028	55.55	6,117,329
March 2006	51.45	02.03.06 28,178	40.50	28.03.06 82,167	44.81	986,539
April 2006	51.00	05.04.06 41,082	41.00	19.04.06 131,684	45.05	960,583
May 2006	46.50	10.05.06 45,370	36.00	23.05.06 38,314	41.43	709,541
June 2006**	38.15	01.06.06 10,046	26.10	15.06.06 18,058	31.70	412,136

* Worked out as average of High and Low

** Upto June 26, 2006

(Source : BSE, bseindia.com)

NSE

Period	High (Rs.)	Date of High and number of Equity Shares traded on that Date	Low (Rs.)	Date of Low and number of Equity Shares traded on that Date	Ave Price (Rs.)*	Total Volume traded in period
For the year 2003	44.80	26.12.03 176,721	20.10	13.05.03 24,540	27.04	25,630,637
For the year 2004	52.85	27.12.04 1,196,316	18.55	23.06.04 20,873	26.65	21,951,561
For the year 2005	63.45	19.09.05 409,180	31.00	30.03.05 57,728	43.24	42,344,752
2006						
January 2006	63.90	30.01.06 1,136,012	42.60	17.01.06 73,710	49.51	5,709,255
February 2006	65.45	13.02.06 1,670,563	46.60	28.02.06 21,485	55.54	5,544,328
March 2006	50.95	02.03.06 20,348	40.10	22.03.06 38,185	44.74	699,919
April 2006	50.20	04.04.06 102,077	41.70	19.04.06 31,723	45.05	493,868
May 2006	46.65	10.05.06 42,242	36.00	23.05.06 12,638	41.43	491,924
June 2006**	38.00	01.06.06 8,226	26.15	15.06.06 18,223	31.86	339,958

* Worked out as average of High and Low

** Upto June 26, 2006

(Source NSE www.nseindia.com)

7.3 The Board finalized the proposal for Buy Back on June 26, 2006. The closing market price as on that date was Rs.34.35/- per equity share on NSE and Rs.34.30/- per equity share on BSE. (Source: www.nseindia.com and www.bseindia.com)

8 Management Discussion on Likely Impact of the Buy Back on the Company

8.1 The Buy Back is not likely to cause any material impact on the profitability/earnings of the Company except to the extent of loss of investment income, if any, on the amount to be utilised for Buy Back. Instead, the Board believes that the Buy Back is expected to improve the earnings per share of the Company and create long term value for the shareholders.

8.2 The Promoters and/or the persons who are in control of the Company will not tender the Equity Shares held by them in the proposed Buy Back by the Company. Buy Back of the equity shares will not affect the existing management structure.

8.3 The percentage holding of the Promoters, Non-Resident Indians, Foreign Institutional Investors, Indian Financial Institutions, Banks and other shareholders would undergo a change consequent to the offer for Buy Back, depending on the number of Equity Shares offered by / bought from the shareholders.

8.4 Post Buy Back, the debt equity ratio will remain within 2:1 as prescribed under Section 77A of the Act.

9 Statutory Approvals

Buy Back of Equity Shares from Non-Resident Shareholders, will be subject to approval, if any, of the appropriate authorities including Reserve Bank of India, as applicable.

10. Proposed Timetable

Board Meeting approving Buy Back	June 26, 2006
Date of Opening the Buy Back	September 19, 2006
Acceptance of Equity Shares	Within 15 days of the relevant payout dates of the Stock Exchange.
Extinguishment of Equity Shares	Within 7 days of the acceptance of shares
Last Date for the Buy Back	June 26, 2007 or earlier as may be decided by the Board


11 Details of Stock Exchange(s) through which the Buy Back would be made :-

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

National Stock Exchange of India
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051.

12 Details of brokers through whom the Buy Back would be made :-

The company has appointed the following broker (the "Sole Broker") through whom the purchases and settlement on account of Buy Back would be made :

 HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai - 400 001
Tel. No. (022) 2268 1188
Fax No. (022) 2263 1984

13 Process and Methodology to be adopted for Buy Back

13.1 The Buy Back is open to all equity shareholders of the Company both registered and unregistered holding Equity Shares either in physical and/or electronic form, except Promoters and Persons who are in control of the Company as indicated elsewhere in this Public Announcement.

13.2 As per Buy back Regulations, a company intending to purchase its Equity Shares from the open market, shall do so only on the Stock Exchange(s) having nationwide trading terminals. Accordingly, the Buy Back will be implemented by the Company by way of open market purchases through BSE and/or NSE using their nationwide electronic trading terminals.

13.3 The Buy Back of equity shares will be made only through the order matching mechanism except "all or none" order matching system.

13.4 The Company, may from time to time but not earlier than September 19, 2006, place "buy" orders on the BSE and/or NSE to buy Equity Shares through the Sole Broker, in such quantity and at such prices, not exceeding Rs. 40/- per equity share, as it may deem fit, depending upon the prevailing quotations of the Equity Shares in the secondary market.

13.5 The Company shall, in a manner determined in consultation with BSE and/or NSE, make available adequate information through the electronic screen of the Stock Exchange, about its presence in the Stock Exchange for Buying back Equity Shares.

13.6 Shareholders / beneficial owners, who desire to sell their Equity Shares under the Buy Back have to do so through a stock broker, who is a member of BSE or NSE, by indicating to their broker the details of Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buy Back of Equity Shares. The trade would be executed at the price at which the order matches and that price would be the price for that seller. It may be noted that all the 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 odd lot as well as the normal trading segment of the Stock Exchanges.**

13.7 The Equity Shares of the Company are traded in the compulsory demat mode under the trading code(s) '500446' at BSE and 'CAROLINFO' at NSE. Shareholders holding Equity Shares in physical form can sell their equity shares in the odd lot trading segment of the stock exchange(s).

13.8 Nothing contained herein shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buy Back any Equity Shares, 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.

13.9 The Company will pay the consideration to the Sole Broker on every settlement date in respect of the Equity Shares bought back in that settlement period.

13.10 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 for onward delivery to the clearing house. The shareholders/beneficial owners holding Equity Shares in physical form may present the Share certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.

13.11 The company is opening a Depository account styled "Carol Info Services Limited - Buy Back of Equity Shares Account".
The Equity Shares bought back in the demat form would be transferred into the aforesaid account by the Sole Broker on receipt of Equity Shares from the clearing and settlement mechanism of BSE and NSE.

13.12 The Equity Shares lying in credit in the aforesaid account will be periodically extinguished within 7 days from the date of acceptance of the Equity Shares in the manner specified in the Regulations. In respect of Equity Shares bought back in the physical form, the shares would be extinguished and the share certificates physically destroyed within 7 days from the date of acceptance in the manner specified in the Regulations. The details of the Equity Shares extinguished would be notified to all the Stock Exchanges on which the Equity Shares are listed and to the Securities and Exchange Board of India ("SEBI") as per provisions of the Regulations.

14. Contents of Public Notice under Regulation 5A of the Regulations, published in the Newspapers on June 28, 2006.

"PUBLIC NOTICE CONTAINING DISCLOSURES AS SPECIFIED IN SCHEDULE I UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (BUY- BACK OF SECURITIES) REGULATIONS, 1998

1 The first proviso to Section 77A(2)(b) of the Companies Act, 1956 (the "Act") read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy-Back Regulations") permits, if authorized by the Board of Directors of a company pursuant to a resolution passed at its Board meeting, Buy-Back of equity shares of a company up to 10% of the paid-up equity share capital and free reserves.

The Board of Directors of Carol Info Services Limited ("CISL" or "the Company") at its meeting held on June 26, 2006 approved the proposal to Buy-Back, from the open market through the stock exchanges, fully paid-up equity shares of the Company of the face value of Rs. 10/- each (the "Shares") to the extent of or less than 6.60% of the total paid-up equity capital and free reserves of the Company, however not exceeding 25% of the total paid-up equity share capital of the Company i.e. 5,30,000 Shares, at a price not exceeding Rs.40/- per Share and the total amount not exceeding Rs.21.20 crores (the "Buy-Back"). The aggregate maximum consideration for the Shares to be bought back is 6.60% of the total paid-up equity capital and free reserves of the Company as on March 31, 2006 and hence shall not exceed 10% of the total paid-up equity capital and free reserves of the Company at any point of time during this Buy-Back. If all Shares were bought back at a maximum price of Rs.40/- per Share the maximum possible Shares which can be bought back would be 5,30,000 Shares. Even if the average price of the Buy-Back is lower than Rs.40/- per Share, the maximum number of Shares which the Company intends to Buy-Back would not be more than 5,30,000 Shares.

2 The Article 3C of the Articles of Association of the Company permits the Company to Buy-Back its Shares.

3 The issued and subscribed capital of the Company as at March 31, 2006 is Rs. 35.43 crores divided into 35,436,472 equity shares of Rs. 10/- each fully paid-up and free reserves as on that date amount to Rs. 285.75 crores.

4 The Buy-Back proposal is being mooted in keeping with the Company's desire to maximise returns to investors and enhance overall shareholder value by returning surplus cash to the shareholders in an investor friendly manner. The Company has accumulated free reserves and satisfactory liquidity. The proposed Buy-Back is expected to lead to reduction in outstanding equity shares, which may lead to increase in earnings per share and return on equity of the company in future, thereby creating long term shareholder value for the continuing shareholders.

5 The Buy-Back is proposed to be implemented by the Company by open market purchases through the Bombay Stock Exchange Limited ("BSE") and/or National Stock Exchange of India Limited ("NSE") using their electronic trading facilities. The Company shall not Buy-Back its Shares from any person through a negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-Back.

6 The maximum amount of Rs.21.20 crores to be invested by the Company for the Buy-Back will be made out of the securities premium account and/or other free reserves of the Company.

7 The maximum price of Rs.40/- per Share has been arrived at after taking into consideration factors such as the book value, the market value as well as liquidity of the Shares on the stock exchanges and the possible impact of the Buy-Back on the Company's earnings per share. The maximum Buy-Back price as proposed above will not impair the growth of the Company and also contribute to the overall enhancement of the shareholder value.

8 The Shares of the Company are listed on BSE and NSE.

9 (a) The aggregate shareholding of the Promoters of the Company and Persons in Control (i.e., other directors and their families) as on the date of the meeting of the Board of Directors (i.e. June 26, 2006) is 22,584,758 Shares constituting 63.73% of the issued and paid-up share capital of the Company.

(b) The Promoters and Persons in Control have during the period of six months preceding the date of the meeting of the Board of Directors at which the Buy-Back was approved i.e. June 26, 2006. The Company has vide letters dated June 15, 2006 written to all the promoters and Persons in Control requesting them to confirm details of their trades during last six months and advised them not to sell or purchase Shares of the Company during the period when the Buy-Back Offer is open.

10 Promoters of the Company, Persons in Control and directors of the promoter, where the promoter is a company and of Persons in Control have confirmed that they will not sell their holding under the Buy-Back as they are prohibited from selling their Shares in terms of Regulation 15(b) of Buy-Back Regulations.

11 The Company confirms that there are no subsisting public deposits or outstanding debentures or preference shares issued by the Company and there are no defaults subsisting towards the term loans availed by the Company.

12 The debt equity ratio of the Company after the Buy-Back will be within the limit of 2:1 as prescribed under the Act.

13 The Board of Directors confirm:

(i) that it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion: