

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 (Buy-back of Securities) (Amendment) Regulations, 2013 and contains the disclosures as specified in Part A of Schedule II to these Regulations

**OFFER FOR BUYBACK OF UP TO 50,00,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH AT A PRICE OF ₹ 95 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS**

## 1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

- Pursuant to the resolution passed by the Board of Directors (the "Board") of Jagran Prakashan Limited (the "Company") on October 30, 2013, the Company hereby announces the buyback (the "Buyback") of up to maximum of 50,00,000 fully paid-up Equity Shares of face value ₹ 2 each ("Shares" or "Equity Shares") from the existing shareholders / beneficial owners of Equity Shares as on the Record Date (hereinafter defined), other than the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company, on a proportionate basis, through the "tender offer" process, in accordance with the provisions contained in article 159A of the articles of association of the Company, sections 77A, 77AA and all other applicable provisions, if any, of the Companies Act, 1956, as amended and as may be modified or re-enacted with Companies Act, 2013 (the "Act") and the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended (the "SEBI Buyback Regulations") (including any statutory modification(s) or re-enactment of the Act or Rules framed thereunder from time to time) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India ("SEBI"), Reserve Bank of India, and/or other authorities, institutions or bodies, at a price of ₹ 95 (Rupees ninety five only) per Equity Share ("Buyback Price") payable in cash, for an aggregate maximum amount of ₹ 4,750 lakhs (Rupees four thousand seven hundred and fifty lakhs only) (the "Buyback Size"). The Buyback Size represents 5.54% of the aggregate of the Company's paid-up Equity Share capital and free reserves as on March 31, 2013, adjusted to account for compliance with AS-26, which stands at ₹ 85,810.48 lakhs.
- The maximum amount required by the Company for the said Buyback aggregating to ₹ 4,750 lakhs 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, 2013. The Buyback price of ₹ 95 per Equity Share has been arrived at after considering the present stock market conditions, trends in the market price of the Equity Shares, Company's book value as on March 31, 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 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

- The particulars of the Equity Shares held by the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company, as on the date of the Board meeting i.e. October 30, 2013 is given below:

Person/Entity	No. of Equity Shares	% of paid-up equity share capital
Jagran Media Network Investment Private Limited	18,82,11,455	56.71
Suvi Info Management (Indore) Private Limited <sup>1</sup>	1,56,43,972	4.71
Mr. Mahendra Mohan Gupta <sup>2</sup>	1,25,359	0.04
Mr. Devendra Mohan Gupta <sup>2</sup>	1,06,000	0.03
Mr. Dharendra Mohan Gupta <sup>2</sup>	1,06,000	0.03
Mr. Yogendra Mohan Gupta	1,06,000	0.03
Mr. Shailendra Mohan Gupta <sup>2</sup>	63,600	0.02
Mr. Sanjay Gupta <sup>3,5</sup>	53,000	0.02
Mr. Sandeep Gupta	53,000	0.02
Mr. Siddhartha Gupta	21,200	0.01
Ms. Rajni Gupta	21,200	0.01
Mr. Bharat Gupta	14,335	0.00
<b>Total</b>	<b>20,45,25,121</b>	<b>61.62</b>

<sup>1</sup>SUVI is 100% subsidiary of the Company to which Equity Shares were issued on March 16, 2013 pursuant to scheme of arrangement approved by High Court of Madhya Pradesh and High Court of Allahabad.

<sup>2</sup>The individual is also a director of the Company and a director of Jagran Media Network Investment Private Limited.

<sup>3</sup>The individual is also a director of Suvi Info Management (Indore) Private Limited

- The Company confirms that one of the promoter group members (Mr. Bharat Gupta) purchased 14,335 Equity Shares (0.004% of the Equity Share capital on the day of purchase) during six months preceding October 30, 2013 (being the date of Board meeting approving the Buyback).
- The above mentioned purchase was completed through on-market transactions on June 6, 2013, at a maximum price of ₹ 87.50 per Equity Share, and at a minimum price of ₹ 85.90.
- Other than the above, the Company has confirmed that none of the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company have purchased or sold Equity Shares during six months preceding October 30, 2013, being the date of Board meeting approving the Buyback. Further, the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company have not purchased any Equity Shares from the date of Board meeting till the date of this Public Announcement.

- The proposed Buyback will be implemented from the existing shareholders/beneficial owners on the Record Date, other than those who are the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company and will include all 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 promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company intends to tender their Equity Shares in the proposed Buyback and will not transact in the Equity Shares during the period of the Buyback. Further, the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company shall not deal in the Equity Shares in the Stock Exchange, or off market, including inter-se transfer of shares among the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the persons who are in control of the Company from October 30, 2013, being the date of Board meeting approving the Buyback, till the closing of the Buyback.

- The Board of Directors of the Company confirms 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 hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:
  - Immediately following the date of the Board meeting held on October 30, 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 October 30, 2013, and having regard to the Board's intention 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 Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting held on October 30, 2013; and

- Confirm that in forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).
- The text of the report dated October 31, 2013 received from Price Waterhouse, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

The Board of Directors  
Jagran Prakashan Limited  
2, Sarvodaya Nagar,  
Kanpur

## Auditors' Report on Buy Back of Shares pursuant to the requirement of Schedule II to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998

- This report is issued in accordance with our agreement dated October 30, 2013.
- We have been engaged by Jagran Prakashan Limited (the "Company") to perform a reasonable assurance engagement on determination of the amount of permissible capital payment in connection with the proposed buy back by the Company of its equity shares in pursuance of the provisions of Section 77A and 77B(2) of the Companies Act, 1956 of India (the "Act"); Section 70(1) of the Companies Act, 2013 (the "Act 2013") and regulations as specified in the "Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998" and amendments thereto (the "Regulations") and on the opinions expressed by the Board of Directors of the Company, as required under the Regulations.

## Board of Directors Responsibility

- The Board of Directors of the Company is responsible for the following:
  - The amount of capital payment for the buy-back is properly determined;
  - It has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting for buyback, and
  - Obtained opinion to determine that the Company is not prohibited under section 77B(2) of the Act in view of non-compliance with the provisions of AS-26 notified under section 211(3C) of the Act (Refer paragraph 7 below).

## Auditor's Responsibility

- Pursuant to the requirement of the Regulations, it is our responsibility to obtain reasonable assurance on the following "Reporting Criteria":
  - whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 77A of the Act; and
  - whether the Board of Directors has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Regulations, on reasonable grounds and that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the Board Meeting.
- A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:
  - Examined authorisation for buy back from the Articles of Association of the Company;
  - Examined that the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 77A of the Act;
  - Examined that the ratio of the debt owned by the Company, if any, is not more than twice the capital and its free reserves after such buy-back;
  - Examined that all the shares for buy-back are fully paid-up;
  - Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2013 (the "Audited Financial Statements") and the un-audited statements post March 31, 2013 which have been prepared by the Management of the Company; and examined budgets and projections prepared by the Management;
  - Examined minutes of the meetings of the Board of Directors;
  - Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and
  - Obtained appropriate representations from the Management of the Company.
  - Ensured that the subject matter of qualification in the audited financial statements for the year ended March 31, 2013 has been given effect to while computing the maximum amount permissible for buy back to ensure compliance with Section 211 of the Act.
- We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Auditors' Reports.
- The financial statements referred to in paragraph 5(v) above, have been audited by another firm of Chartered accountants on which a modified opinion was issued vide their report dated May 28, 2013 in respect of non amortisation of title, "Dainik Jagran", in accordance with the provisions of Accounting Standard (AS-26), Intangible Assets, notified under Section 211(3C) of the Act.
- We have not completed any audit of the financial statements of the Company and its related books and records subsequent to the audit of the financial statements of the Company for the year ended March 31, 2013.

## Opinion

- As a result of our performance of aforementioned procedures, we report that:
  - The amount of capital payment of ₹ 4,750 Lakhs for the shares in question, as stated in the accompanying certified extract of the minutes of the Board of Directors' meeting held on October 30, 2013, which we have initialled for identification purposes only, is within the permissible capital payment of ₹ 8,581.04 lakhs (Refer Annexure I "Statement of Permissible Capital Payment for Buyback of Equity Shares", attached to the report), calculated based on the Audited Financial Statements as at March 31, 2013 after considering the impact of the qualification as referred to in paragraph 7 above, and procedures mentioned in paragraph 3 above, in our opinion has been properly determined in accordance with Section 77A of the Act; and
  - The Board of Directors in their meeting held on October 30, 2013 has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Regulations, on reasonable grounds and that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the Board Meeting for buyback.

## Restrictions on Use

- Our work was performed solely to assist you in meeting your responsibilities with reference to the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
- This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable the Board of Directors of the Company to include in the Public Announcement to be made to the shareholders of the Company, the draft letter of offer and the letter of offer, which will be filed with (a) Securities Exchange Board of India, (b) the Registrar of Companies as required by the Regulations (c) the Central Depository Services (India) Limited and National Securities Depository Limited for the purpose of extinguishment of equity shares and (d) the merchant banker appointed for buy back and (e) authorised dealer for the purpose of capital payment, and (f) made available as a "material document for inspection" at the Company's offices and should not be used for any other purpose. Price Waterhouse does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report, or Public Announcement which includes our report, is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Price Waterhouse  
Firm Registration Number: 012754N  
Chartered Accountants

Anurag Khandelwal  
Partner

Gurgaon, October 31, 2013

Membership Number: 78571

## Annexure I - Statement of Permissible Capital Payment for Buyback of Equity Shares:

Particulars	₹ in Lakhs
Share Capital	6,638.24
<b>Free reserves as on March 31, 2013</b>	
Securities Premium Account	38,078.08
General Reserve	13,856.23
Surplus in Statement of Profit and Loss	28,937.93
	<b>87,510.48</b>
Less: Adjustment on account of compliance with Accounting Standard (AS-26), Intangible Asset notified under section 211(3C) of the Act in respect of amortisation of intangibles	1,700.00
<b>Total</b>	<b>85,810.48</b>
<b>Maximum amount permissible for buy-back i.e. 10% of the total paid-up capital and free reserves</b>	<b>8,581.04</b>

## Note:

The management confirms and as per the opinion obtained that the buy back is in compliance with the provisions of the Companies Act and Schedule II to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

For and on behalf of Jagran Prakashan Limited

**(Chairman and Managing Director)**

All the material documents referred above such as the Board resolution authorizing the Buyback of Equity Shares dated October 30, 2013 and the auditor's report dated October 31, 2013 will be available for inspection by shareholders at the registered office of the Company at Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India between 10:00 a.m. to 12:00 noon on all working days up to the closure of the Buyback.

- The Buyback is open to all Equity Shareholders / beneficial owners of the Company as on Record Date holding Equity Shares either in physical and/or electronic form except to the promoters and promoter group of the Company, the directors of the promoter and promoter group entities (where the promoter or promoter group entity is a company) and the 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 SEBI Buyback Regulations and as may be determined by the Board (including the Buyback 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.

## 9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- The Buyback Committee in its meeting held on October 30, 2013 announced November 15, 2013 as the record date ("Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback. The Equity 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, who holds Equity Shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than ₹ 2 lakhs) and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

- The reserved category for small shareholders shall be 15% of the number of Equity Shares which the Company proposes to buy back, or number of Equity Shares entitled as per shareholding of small shareholders, whichever is higher.

- After accepting the Equity Shares tendered on the basis of entitlement, Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity 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.

- The foreign shareholding in the Company as on October 25, 2013, the last Friday preceding the Board meeting held on October 30, 2013, was 13.02% of the total paid-up equity capital of the Company, which is within the limit of 24% of foreign investment through the portfolio investment scheme in India. In the event, certain or all foreign shareholders of the Company do not tender their Equity Shares in the Buyback, such that as a result of Buyback of other Equity Shares may result in increase in foreign shareholding percentage in the Company beyond the approved threshold limit, the Company shall have the right to reduce the size of the Buyback in such manner that, upon proportionate acceptance of eligible Equity Shares within such reduced size of the Buyback, the foreign shareholding percentage is within the approved threshold limits.

## 10. COMPLIANCE OFFICER

Mr. Amit Jaiswal,

Company Secretary,

Jagran Prakashan Limited

Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India

Tel. No.: +91-512-2216161, Fax No.: +91-512-2230625,

E-mail: amitjaiswal@jagran.com

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 9:00 a.m. to 5:00 pm. on all working days except holidays.

## 11. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar on any day during the Offer period, except Saturday, Sunday and Public holidays between 10:00 a.m. and 4:00 p.m. at the following address:

**Karvy Computershare Private Limited**

Plot #17-24, Vittal Rao Nagar Madhapur

Hyderabad 500 081, India

Contact Person: Mr. M Muralikrishna/Mr. R Williams

Tel No.: +91 40 4465 5000, Fax No.: +91 40 2343 1551, Email: murali.m@karvy.com

## 12. MANAGER TO THE BUYBACK



**ICICI Securities Ltd**

ICICI Centre, H.T. Parekh Marg, Churchgate,

Mumbai - 400 020, Maharashtra, India

Tel No.: +91 22 2288 2460

Fax No.: +91 22 2282 6580

Email: jagran.buyback@icicisecurities.com

Contact Person: Mr. Amit Joshi/Mr. Thomas Vincent

## 13. DIRECTORS RESPONSIBILITY

As per regulation 19(1)(a) of the SEBI Buyback Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Public Announcement. The Public Announcement is issued under the authority of the Board through resolutions passed by the Board of Directors of the Company at their meeting held on October 30, 2013.

For and on behalf of the Board of Directors of Jagran Prakashan Limited

Sd/-	Sd/-	Sd/-
Mr. Mahendra Mohan Gupta Chairman and Managing Director	Mr. Sunil Gupta Whole Time Director	Mr. Amit Jaiswal Company Secretary

Place : Kanpur

Date : October 31, 2013