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RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956 Dated January 10, 2006
100% Book Building Issue

Dainik Jagran
No.1

JAGRAN PRAKASHAN LIMITED

(Incorporated under the Companies Act, 1956 on July 18, 1975 as "Jagran Prakashan Private Limited". The name of the Company has been changed from time to time to reflect its status as a private limited company or a public limited company, as the case may be. For details of the changes in name, see the section titled "History and Certain Corporate Matters" beginning on page 92). **Registered Office:** Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India.Tel: +91 512 221 6161; Fax: +91 512 223 0625. Contact Person: Mr. Amit Jaiswal; Tel: +91 512 221 6161 E-mail: ipo@jagran.com; Website: www.jagran.com

Public Issue of 10,039,020 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million ("Issue"). There will also be a Green Shoe Option of up to 1,505,853 Equity Shares, for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue and the Green Shoe Option, if exercised in full, will aggregate 11,544,873 Equity Shares amounting to Rs. [●] million. The Issue will constitute 20% of the fully diluted post-Issue Equity Share capital of our Company assuming that the Green Shoe Option is not exercised and 22.33% assuming that the Green Shoe Option is exercised in full.

PRICE BAND: RS. 270 TO RS. 324 PER EQUITY SHARE OF FACE VALUE RS. 10.
ISSUE PRICE IS 27.0 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 32.4 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and The Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the bidding terminals of the Syndicate. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIB Bidders, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 (Rupees Ten Only) and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page ix.

COMPANY'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accept responsibility for and confirm that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated December 20, 2005 and December 22, 2005, respectively. The BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
DSP Merrill Lynch	ICICI Securities	KARVY
DSP MERRILL LYNCH LIMITED 10th Floor, Mafatlal Centre Nariman Point, Mumbai 400 021, India Tel: +91 22 2262 1071, Fax: +91 22 2262 1187 E-mail: jpl_ipo@ml.com Website: www.dspml.com	**ICICI SECURITIES LIMITED** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India. Tel: +91 22 2288 2460, Fax: +91 22 2283 7045 E-mail: jagran_ipo@isecltd.com Website: www.iseconline.com	Karvy Computershare Private Limited **KARVY COMPUTERSHARE PRIVATE LIMITED** Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034, India. Tel: +91 40 2331 2454, Fax: +91 40 2331 1968 E-mail: jagran@karvy.com Website: www.karvy.com

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: JANUARY 25, 2006, WEDNESDAY	BID/ISSUE CLOSES ON: JANUARY 31, 2006, TUESDAY

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DEFINITIONS AND ABBREVIATIONS

Definitions

Term	Description
"Jagran" or "Jagran Prakashan" or "the Company" or "our Company" or "we" or "us" or "our"	Jagran Prakashan Limited, a public limited company incorporated under the Companies Act, 1956, with its registered office at Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India.

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are/have been issued or transferred.
Amended and Restated Shareholders Agreement	The amended and restated shareholders agreement dated November 18, 2005, entered into by our Company, Independent News & Media Investments Limited and the Gupta Family Shareholders amending the Original Shareholders Agreement.
Article/Articles of Association	Articles of Association of our Company, as amended.
Auditors	M/s J. N. Sharma & Co., Chartered Accountants.
Banker(s) to the Issue	Citibank N.A, HDFC Bank Limited, ICICI Bank Limited and Standard Chartered Bank.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder pursuant to the Bid in the Issue.
Bid/Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which date shall be notified in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a regional language newspaper of wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to/purchase the Equity Shares offered for subscription pursuant to this Issue, and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which the Bidders can submit their Bids.
Bid/Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a regional language newspaper of wide circulation.
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof.
Book Building Process	The book-building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, in this case being DSP Merrill Lynch Limited and ICICI Securities Limited.
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, as may be revised.
Cut-off Price	Any price within the Price Band finalised by us in consultation with the BRLMs.

Term	Description
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account after the Prospectus is filed with the ROC.
Designated Stock Exchange	BSE
Director(s)	Director(s) of our Company, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue.
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each, unless otherwise specified.
Escrow Account	Account to be opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as banker to the issue with which the Escrow Account will be opened and in this case being Citibank N.A, HDFC Bank Limited, ICICI Bank Limited and Standard Chartered Bank.
Financial Year/fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Green Shoe Lender	Mr. Mahendra Mohan Gupta, one of our Promoters.
Green Shoe Option	An option to the BRLMs and our Company, in consultation with the Stabilising Agent, to allocate Equity Shares in excess of the Equity Shares included in the Issue and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is granted to a company to be exercised through a stabilising agent.
Green Shoe Option Portion	Up to 15% of the Issue or 1,505,853 Equity Shares aggregating Rs. [●] million, if exercised in full.
GSO Bank Account	The bank account to be opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
GSO Demat Account	The demat account to be opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
Gupta Family Shareholders	Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta, Mr. Devendra Mohan Gupta, Mr. Shailendra Mohan Gupta, Mrs. Saroja Gupta, Mr. Sanjay Gupta, Mr. Sandeep Gupta, Mrs. Vijaya Gupta, Mr. Sunil Gupta, Mr. Sameer Gupta, Mrs. Pramila Gupta, Mr. Shailesh Gupta, Mrs. Madhu Gupta, Mr. Devesh Gupta, Mr. Tarun Gupta, Mrs. Raj Gupta, Mr. Bharat Gupta, Mr. Rahul Gupta, Mrs. Rajni Gupta and Mr. Siddhartha Gupta.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
Issue	Public issue of 10,039,020 Equity Shares by the Company at a price of Rs. [●] each for cash aggregating upto Rs. [●] million.

Term	Description
Issue Account	Account to be opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with the BRLMs, on the Pricing Date.
Loaned Shares	Upto 1,505,853 Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilising Agreement, on the terms and conditions thereof.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% to 100% of the Bid Amount.
Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended.
MIB Guidelines	The guidelines for (i) Publication of Newspapers and Periodicals dealing with News and Current Affairs and (ii) Publication of Facsimile Editions of Foreign Newspapers, issued by the MIB dated July 13, 2005 and as amended from time to time.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	5% of the QIB Portion or 301,171 Equity Shares (assuming the QIB Portion is for 60% of the Issue size) available to allocation to Mutual Funds only, out of the QIB Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being upto 1,003,902 Equity Shares available for allocation to Non-Institutional Bidders.
Non-Resident	Eligible NRIs, FIIs, FVCIs and multilateral and bilateral development financial institutions, who are eligible to Bid in the Issue.
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Original Shareholders Agreement	The shareholders agreement dated August 8, 2005, entered into by our Company, IPCL (subsequently name changed to Independent News & Media Investments Limited) and the Gupta Family Shareholders.
Over Allotment Shares	The Equity Shares allotted pursuant to the Green Shoe Option.
Overseas Corporate Body/OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. OCBs are not allowed to participate in this Issue.
Pay-in Date	The Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band of Rs. 270 to Rs. 324 per Equity Share of Rs. 10/- each, including revisions thereof.
Pricing Date	The date on which our Company finalise the Issue Price in consultation with the BRLMs.

Term	Description
Promoters	Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta and Mr. Sanjay Gupta.
Prospectus	The prospectus, to be filed with the ROC containing, among other things the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount.
QIB Portion	The portion of the Issue being upto 6,023,412 Equity Shares available for allocation to QIBs.
Refund Account	Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Registered Office	The registered office of our Company at Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India.
Registrar/Registrar to the Issue	Karvy Computershare Private Limited.
Retail Individual Bidders	Individual Bidders (including HUFs, in the name of *karta* and Eligible NRIs) who have bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue, being at least 3,011,706 Equity Shares, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue and which will be filed with the ROC at least three days before the Bid/Issue Opening Date.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stabilising Agent	DSP Merrill Lynch Limited.
Stabilising Agreement	Agreement entered into by us, the Green Shoe Lender and the Stabilising Agent dated November 28, 2005 in relation to the Green Shoe Option.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.
Stock Exchanges	NSE and BSE.
Syndicate	The BRLMs and the Syndicate Member.
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	ICICI Brokerage Services Limited
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Member.
Underwriting Agreement	The agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.

Abbreviations

Abbreviation	Full Form
ABC	Audit Bureau of Circulation.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
ASR	Automatic speech recognition.
Billion	1,000 million (one billion is 1,000,000,000).
BSE	The Bombay Stock Exchange Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CII	Confederation of Indian Industry.
Companies Act	The Companies Act, 1956, as amended from time to time.
CRISIL	CRISIL Limited.
Crore	10 million (one crore is 10,000,000).
CSO	Central Statistical Organisation.
Demographic Details	Demographic details of the Bidders.
EPS	Earnings per share.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FDI	Foreign direct investment.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
GDP	Gross domestic product.
HUF	Hindu Undivided Family.
ILNA	Indian Languages Newspaper Association.
Industrial Policy	The Industrial Policy, 1991 of the Government of India, as amended from time to time.
INMIL	Independent News & Media Investments Limited (formerly, IPCL).
INS	Indian Newspaper Society.
Intermesh	InterMESH Shopping Network Pvt. Ltd.
IRS	Indian Readership Survey.
IPCL	Independent Printing Company Limited.
IT Department	Income Tax Department, Government of India.
IVR	Interactive voice recognition.
JMKPL	Jagmini Micro Knit Private Limited.
Jagran Bhopal	Jagran Publications Private Limited.
Jagran Infotech	Jagran Infotech Limited.
Jagran Prakashan (MPC)	Jagran Prakashan (MPC) Private Limited.
JPDPL	Jagran Prakashan (Delhi) Private Limited.
JPVPL	Jagran Prakashan (Varanasi) Private Limited.
MF	Mutual Funds.
MIB	Ministry of Information & Broadcasting, Government of India.
M.P. Group	In relation to Jagran Bhopal and Jagran Prakashan (MPC), the shareholders who are lineal descendants of Late Mr. G. D. Gupta (who was the younger brother of Late Mr. P. C. Gupta) and company in which not less than 51% shareholding is owned and controlled by their family members.

Abbreviation	Full Form
N.A.	Not applicable.
NRS	National Readership Survey.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	per annum.
PAN	The permanent account number allotted under the I.T. Act.
PRB Act	Press and Registration of Books Act, 1867.
P/E Ratio	Price/Earnings Ratio.
PMM Survey	Pitch-Madison Media Outlook Survey 2005.
PWC Report	PricewaterhouseCoopers Global Entertainment and Media Outlook 2005-09.
RBI	The Reserve Bank of India.
Registration Rules	Registration of Newspapers (Central) Rules, 1956.
ROC	The Registrar of Companies, Uttar Pradesh & Uttaranchal, located at Kanpur.
RoNW	Return on Net Worth.
RNI	Office of Registrar of Newspapers for India.
RPPL	Rohilkhand Publications Private Limited.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEC	Socio Economic Classification.
SMS	Short messaging service.
TAM Adex	TAM Adex India data.
UIN	Unique Identification Number.
UNI	United News of India.
U.P. Group	In relation to Jagran Bhopal and Jagran Prakashan (MPC), the shareholders who are lineal descendants of Late Mr. P. C. Gupta and company in which not less than 51% shareholding is owned and controlled by their family members.
VCF	Venture Capital Fund registered with SEBI.
w.e.f.	with effect from.
Zenith Optimedia Report	Zenith Optimedia Report, October 2005.

Industry Related Terms

Term	Description
Ad-spend	Advertisement spending.
Circulation	For daily newspapers, the average net paid sales per day for a period as per an ABC certificate.
Mailroom	An assembly of sophisticated high speed machines such as (1) pick-up stations (2) conveyor system, (3) counter stackers (4) bundle addressing, printing and labeling systems (5) wrapping, strapping and bundling machine (packing line) and (6) an automated truck loading system.
Readership	Readership refers to average issue readership of a publication, which is population (or the number of persons or people) 12 years or older who have claimed to have read the publication within a time period equal to the periodicity of the publication. There are two readership surveys in India; the IRS and the NRS. Both IRS and NRS use the Masthead Recognition technique to determine readership. However, both have different sampling techniques due to which there is a difference in the readership for any publication across the two surveys.

PRESENTATION OF FINANCIAL AND MARKET DATA

The financial data in this Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and included in this Red Herring Prospectus. Since January 1, 2001, our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are, unless otherwise stated, to the twelve-month period ended March 31 of that year. Prior to January 1, 2001, our fiscal year commenced on January 1 and ended on December 31 of the same year. Therefore, references to fiscal 2000 are to the 12 months ended December 31, 2000. As a result of the change in the dates for the beginning and end of our fiscal year, references to fiscal 2002 are to the 15 months ended March 31, 2002.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to "India" contained in this Red Herring Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to "€" are to Euros, the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. For additional definitions, see the section titled "Definitions and Abbreviations" beginning on page i.

Industry data used throughout this Red Herring Prospectus has been obtained from Company and industry sources, including the following industry sources: Audit Bureau of Circulation ("ABC"); Indian Readership Survey ("IRS"); National Readership Survey ("NRS"); the Office of Registrar of Newspapers for India ("RNI"); the PricewaterhouseCoopers Global Entertainment and Media Outlook 2005-09 ("PWC Report"); the Zenith Optimedia Report, October 2005 ("Zenith Optimedia Report"); TAM Adex India data ("TAM Adex"); and the Pitch-Madison Media Outlook Survey 2005 ("PMM Survey"). The data may have been re-classified by us for the purpose of presentation. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified.

TAM Media Research is a joint venture between AC Nielsen and Kantar Media Research. In July 2002, TAM Media Research took operational control of the Adex Service – the pioneer in media monitoring in India. TAM Adex measures size of display and financials advertisement markets for certain selected publications (including different editions of the same publication), which were 814 in number, as on November 12, 2005 based on certain parameters such as category, brand, publication, day, page number, language of the daily, location, size and cost. This size is arrived at using the rate card of individual publications. However, given the industry situation where most of the advertisers negotiate the rates, the estimates given by TAM Adex are an overestimation. We believe TAM Adex's estimates of the size of advertising markets, while an overestimation of the actual size, are still the best third party source available.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements".

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, increases in newsprint prices, regulatory changes pertaining to the advertising industry in India and our ability to respond to them, our ability to successfully implement our strategy, general economic and political conditions in India, the monetary and fiscal policies of India, inflation, unanticipated fluctuations in interest rates and foreign exchange rates, changes in taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" on page ix. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Internal Risk Factors and Risks Relating to our Business

***There are certain criminal proceedings pending against us, our Promoters and Directors*.**

There are 52 criminal defamation cases pending against our editor, resident editors, publishers, printers, reporters and correspondents in relation to allegedly defamatory news items published in various editions of *Dainik Jagran*, in various courts in India. These cases have been filed against individuals who were associated with our publications at the time of the alleged defamation. Any criminal liability arising from these cases will accrue to the individuals against whom the cases have been filed. The individuals against whom these criminal defamation cases have been filed include Mr. Mahendra Mohan Gupta and Mr. Sanjay Gupta, our Directors and Promoters.

In addition, there are 16 criminal cases pending against our editor, our former managing director, our Directors, resident editors, general manager and others in relation to, inter alia, news articles published in *Dainik Jagran*. These cases are pending before various courts in India.

Further, criminal complaints have been filed against Mr. Yogendra Mohan Gupta, one of our Promoters, Mr. Dhirendra Mohan Gupta, one of our Promoters and Director and Mr. Sunil Gupta, our Director which are pending before various courts in India.

For further details of the cases mentioned above, see the section titled “Outstanding Litigation and Material Developments” on page 170.

We face intense competition, and if we are not able to compete effectively, our business, results of operations and financial condition will be adversely affected.

The Indian newspaper industry is intensely competitive. In each of our markets, we face competition from other newspapers for circulation, readership and advertising. These newspapers may be published in Hindi, English or other local Indian languages. In addition, we face competition from other forms of media including, but not limited to, television broadcasters, magazines, radio broadcasters and websites. These other forms of media compete with our newspaper editions for advertisers and also for the time and attention of our readers. In addition, we may face competition in the future from international media companies, if and when, the Government of India further liberalizes its foreign investment regulations and restrictions applicable to the media sector.

Competition for circulation and readership has often resulted in our competitors reducing the cover prices of their newspapers and competition for advertisement revenue from newspapers has often resulted in our competitors reducing advertising rates or offering price incentives to advertising customers. In the event of such price competition, we may have to (1) reduce the cover price of our newspapers, (2) reduce our advertisement rates or (3) offer other price incentives. Any reduction in prices or rates or the introduction of new price incentives could have a material adverse effect on our results of operations.

Although we have competed successfully in the past, we cannot be certain that we will continue to compete effectively. As a result, we may lose circulation, readership and/or advertisement revenue to our competitors and our business, results of operations and financial condition could be adversely affected.

Our business is heavily dependant on advertising revenue and a reduction in ad-spend, loss of advertising customers or our inability to attract new customers could have a material adverse affect on our business.

We rely substantially on advertising customers for our revenue. During the six months ended September 30, 2005 and fiscal 2005, we derived approximately 63.09% and 61.73% of our revenues from advertisements, respectively. For the six months ended September 30, 2005 and fiscal 2005 our top 10 advertisers contributed to 11.36% and 11.88% of our total revenue, respectively. Accordingly, a reduction in ad-spend by our customers, the loss of advertising customers and our inability to attract new advertising customers could have a material adverse effect on our business, results of operations and financial condition.

Ad-spend by our customers and our ability to attract new customers is influenced largely by the circulation and readership of our newspapers, by readership demographics, by the preference of advertising customers for one media over another and, with respect to national advertising, the geographical reach of our newspapers. In addition, ad-spend is influenced by a number of factors including the Indian economy, the performance of particular industry sectors, shifts in consumer spending patterns and changes in consumer sentiments and tastes. We have no contracts guaranteeing us advertising revenue. The advertising agencies place advertisement orders for their clients with us either for a particular day or for a comprehensive advertising campaign.

A decrease in the circulation and readership of our newspapers may adversely affect our business and results of operations.

Circulation and readership significantly influence ad-spend by our advertisers and our advertising rates. Circulation and readership are dependant on the quality of our newspapers, the reach of our newspapers and the loyalty of our readers to our newspapers. Any failure by us to meet our readers' preferences and quality standards could adversely affect our circulation and readership over time.

Circulation in the Indian market is also affected by price and, therefore, the circulation of our newspapers may be adversely effected if we fail to meet any price competition. Circulation of our newspapers among our readers is an important source of our revenue as we earn revenue from the sales of our newspapers.

Therefore, a decline in the circulation or readership of our newspapers editions for any reason could adversely affect our business, results of operations and financial condition.

An increase in circulation without an increase in advertisement revenue would adversely affect our results of operations.

Although circulation revenue is an important source of revenue, our circulation revenue does not even cover our newsprint costs. This is a common feature of the Indian newspaper industry. This loss, known in the industry as newsprint loss, is subsidized by advertisement revenue. As discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations- Advertisement Revenue" on page 156, there is usually a lag between increases in circulation and increases in advertisement revenue. Therefore, any increase in circulation of our newspapers without an increase in our advertisement revenue to at least offset the increased newsprint loss would adversely affect our results of operations.

Our business is dependent on the supply and cost of newsprint.

Newsprint forms the major raw material for our business, and represents a significant portion of our expenses. For the six months ended September 30, 2005 and fiscal 2005, 2004 and 2003, newsprint costs represented 44.73%, 50.52%, 45.29% and 43.62% of our total income, respectively. We have no long-term supply contract for the supply of newsprint. The price of newsprint both worldwide and in India has historically been both cyclical and volatile. However, since January 2003, the cost and freight (C & F) price of newsprint from Canada/Scandinavia has been steadily increasing from an average rate of US$400 per tonne for the period January to March 2003 to US$620 per tonne for the period April to June 2005. (Source: INS, Pre-Budget Memorandum 2006-2007.) During the industry cycle, the price of imported newsprint in India may vary from international prices. As about 70% of Indian newsprint requirements are imported (source: INS, Pre-Budget Memorandum 2006-2007), the price of Indian newsprint tends to be import parity linked and the price of Indian newsprint has likewise increased since January 2003 (source: INS,

Pre-Budget Memorandum 2006-2007). We do not hedge the price of our newsprint purchases. For further information on the price of newsprint, see the section titled "Our Business - Our Sources of Newsprint" on page 82. Any significant increase in the price of newsprint could adversely affect our results of operations.

Although we have not experienced a disruption in our supply of newsprint in the past, the inadequate supply of newsprint caused either by default of the supplier or for any other reason could hamper our operations and thereby adversely affect our business and results of operations.

We may undertake acquisitions or investments that may pose management and integration challenges and may turn out to be unprofitable.

As part of our growth strategy, we may make acquisitions and investments in print and other media-related businesses. These acquisitions and investments may not necessarily contribute to our profitability. Our acquisitions may involve us assuming high levels of debt and contingent liabilities. In addition, we could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. We intend to use Rs. 800 million of the net proceeds of this Issue for acquisitions and investments but have not identified the targets for the same. These investments will be authorized by our Board after our project evaluation and monitoring committee has evaluated the proposal and given its recommendations to the Board. Pending use of the funds for these purposes, we intend to invest the funds in high quality, interest/ dividend bearing liquid instruments, including deposits with banks. If we are unable to spend the entire amount on acquisitions and investments, the left over funds will be used for augmentation of our working capital and/or for general corporate purposes.

If our expansion into mobile outdoor advertising is unsuccessful, it may have an adverse affect on our results of operations and financial condition.

We plan to expand our outdoor advertising business by entering into the mobile outdoor advertising business. We currently have two mobile hoarding vans, which we have used to trial our service. We plan to purchase approximately 250 vans for use in mobile advertising within the next two years at a cost of approximately Rs. 300 million. The mobile outdoor advertising segment in India is relatively new and if we fail to attract adequate customers for our new service, this business could incur losses and adversely affect our results of operations and financial condition.

If the new Hindi newspaper brand we are planning to launch is unsuccessful, it could have an adverse affect on our results of operations.

We intend to launch a new Hindi newspaper brand that will be targeted at a different readership segment to *Dainik Jagran* in a number of markets where *Dainik Jagran* is the dominant newspaper. The Indian newspaper industry is highly competitive and our new brand will not have the significant benefit of *Dainik Jagran's* strong national brand. As is common in the Indian newspaper industry, we expect that the new brand's cover price will be less than its newsprint cost per copy. If the new brand cannot earn sufficient advertisement revenue to cover its newsprint loss, it could have an adverse affect on our results of operations. We plan to spend Rs. 433.9 million on launching the new brand, which will be funded out of the net proceeds of the Issue. For further details on our proposed new brand, see the sections titled "Objects of the Issue" on page 31 and "Our Business - Our Strategy - Launch a New Hindi Newspaper Brand in Some of our Existing Markets" on page 56.

We are dependant on our senior management team and the loss of team members may adversely affect our business.

We have a team of professionals to oversee the operations and growth of our businesses. Our success is substantially dependent on the expertise and services of our management team. Although we have not had any significant turnover at senior management level in the past, the loss of the services of such management personnel

or key personnel could have an adverse effect on our business and results of operations. Further, our ability to maintain our leadership position in the print media business depends on our ability to attract, train, motivate and retain highly skilled personnel. For further details, see "Our Management" on page 104.

Our business is dependent on our printing centres and the loss of or shutdown of operations at any of these centres could adversely affect our business.

We have 25 printing centres, all of which are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our printing facilities use heavy equipment and machinery and whilst the same are insured, the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements that can require considerable time and expense. Although we believe the proximity of our printing centres to one another should enable us to cover any disruption to printing at any of our facilities, to date we have not had any significant disruption at our printing centres to cause us to test our capability in this regard. Accordingly, any significant operational problems, the loss of one or more of our printing facilities or a shutdown of one or more of our facilities for an extended period of time could adversely affect our business and results of operation.

In addition, some of our printing centres are located on leased properties and the non-renewal of these leases may disrupt our printing processes.

For further details, see the section titled "Our Business - Printing Infrastructure" on page 81.

We depend on our distribution network for the sale and distribution of our products.

The newspaper industry relies on an extensive network of agents and vendors for the sale and circulation of newspapers. Our distribution network is multi-tiered. We generally supply newspaper to circulation agents, who in turn distribute newspapers to a network of vendors. Further, our circulation agents and vendors are retained on a non-exclusive basis and also distribute newspapers for our competitors. If our competitors provide better trade discounts or incentives (or if we reduce our trade discounts or incentives) to our circulation agents and vendors, it could result in them promoting the products of our competitors instead of our products. Although we have not experienced any significant disruption to the distribution of our newspapers, any significant disruption in the distribution of our newspapers could lead to a decline in the reach of our newspapers and adversely affect our business and results of operation.

Exchange rate fluctuations may adversely affect our financial performance.

As a large media company, we are exposed to exchange rate risk. Imported newsprint, which accounted for 47.20% of our total newsprint costs in the six months ended September 30, 2005, is priced in US dollars and some of our capital expenditures for machines are priced in foreign currency. From time to time, we enter into foreign currency derivative transactions in respect of our borrowings. Accordingly, adverse movements in foreign exchange rates may adversely affect our results of operations.

Our business is subject to regulation by several authorities, which could have an adverse effect on our business.

Any newspaper that intends to print and publish an edition in a specific area has to obtain the consent of the relevant District Administration and thereafter obtain registration from the Registrar of Newspapers of India ("RNI"). To print newspapers, we must obtain licenses, permits and approvals for our printing facilities. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals for our printing facilities. Under applicable laws, in the event of default by us, certain adverse consequences such as imposition of penalties, revocation or termination of a license or suspension of a license, may occur. Our business might suffer in case there are adverse changes to the regulatory framework, which could include new regulations that we are unable to comply with or those that allow our competitors an advantage.

We are also subject to and required to comply in all material respects with various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions and wastewater discharges. Additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business. We are required to obtain consents under these environmental laws and regulations including the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 to establish and operate our printing facilities. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations, regardless of fault or the legality of the disposal activities. Other laws may require us to investigate and remediate contamination at our properties. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

If we cannot comply with all applicable regulations, our business prospects and results of operations could be adversely affected.

Our Promoters, the other Gupta Family Shareholders and INMIL will continue to jointly retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of the Issue, assuming the Green Shoe Option is not exercised, our Promoters will own 22.50% of the Equity Shares, the other Gupta Family Shareholders will own 36.70% of the Equity Shares and INMIL will own 20.80% of the Equity Shares, which collectively is 80.00% of the Equity Shares. After completion of the Issue, assuming the Green Shoe Option is exercised in full, they will collectively own and 77.67% of the Equity Shares (on a fully diluted basis). As a result, our Promoters, the other Gupta Family Shareholders and INMIL will jointly have the ability to determine all matters requiring shareholders' approval, including the election of members to our Board, in accordance with the Companies Act and our Articles of Association. See "Main Provisions of Articles of Association of our Company" on page 223 for further details. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, the interests of our Promoters, the other Gupta Family Shareholders and INMIL may conflict with the interests of our other investors, and you may not agree with actions they may take. In particular, our Promoters are involved in other media businesses such as television, which may indirectly compete with our newspapers.

We are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

In addition to the criminal proceedings as stated above, following are the pending legal proceedings against us.

There are 10 complaints against us pending before the Press Council of India. The Press Council of India has issued a censure against our editor and reporters in relation to two of these complaints.

Our Company is involved in one public interest litigation pursuant to which the High Court of Allahabad has directed that the poles fixed by our Company be removed and re-fixed in such a manner so as not to obstruct traffic or distract the vision of the public moving on the road, since the same may be safety hazard. There are also 35 civil defamation cases pending against us or our editors, publishers, resident editors, reporters and other employees in relation to allegedly defamatory news items published in the various editions of *Dainik Jagran*. The aggregate amount of claims against us in these cases is Rs. 1,025.39 million.

Further, there are 64 cases and claims relating to labour and service matters, which have been filed by, inter alia, our employees and other persons who have been providing services to us. The total amount of claims in these cases is not ascertainable. A majority of these claims relate to the termination of employment by us and the complainants have prayed for a relief of reinstatement in service with back wages.

There are four consumer complaints pending against us before the various consumer dispute redressal forums in India. The total amount of claims in these cases is approximately is Rs. 0.55 million. Additionally, there are 14 civil cases pending against us. The aggregate amount of claims against us in these cases is approximately Rs. 2.50 million. In addition, there are two contempt of court cases pending against us.

Further, there is one case pending against us in relation to a demand made by the Employees State Insurance Corporation.

In addition to these, there are certain criminal and civil cases pending against some of our Promoter group companies.

All the above legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details on the above cases, see the section titled "Outstanding Litigation and Material Developments" on page 170.

We may face additional defamation charges.

We rely on our editors, reporters and freelance journalists (known as stringers) as well as news wires and agencies for the news and other content of our newspapers. While we have established systems and protocols to help ensure that articles are duly vetted by senior editors before they are published, any failure in those systems and protocols may lead to the publishing of defamatory articles thereby exposing us and our employees to litigation for libel or defamation charges. For details of outstanding libel and defamation cases, see the section titled "Outstanding Litigation and Material Developments" on page 170.

We are yet to receive consents/renewals of certain statutory approvals required in the ordinary course of our businesses, and if we are unable to obtain these approvals, our business could be adversely affected.

We have applied for but are yet to receive certificates of registration from the RNI in relation to our publications at Jammu and Dharamshala. We have applied for but are yet to receive consents under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 in respect of our printing centres at Hisar, Kangra, Muzaffarpur, Aligarh, Jammu and Jamshedpur. We have applied for but are yet to receive licenses under the Factories Act, 1948 in respect of our printing centres at Panipat, Jammu and Kangra. We have applied for renewals of consents under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 in respect of our printing centres at Ludhiana, Varanasi, Moradabad and Dehradun. We have applied for renewals of consents under Factories Act, 1948 in respect of our printing centres at Noida, Ludhiana, Hisar, Agra, Ranchi, Muzaffarpur, Jamshedpur, Gorakhpur, Patna and Dhanbad. If we do not receive, renew or maintain our statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business and our results of operations. For further details, see the section titled "Government Approvals" on page 183.

Our exposure to interest rates may adversely affect our financial performance.

We borrow from time to time both in Indian Rupees and in foreign currencies. Some of our borrowings may be linked to movements in particular currencies or particular indices. We may enter into interest rate derivative contracts from time to time. Adverse movements in interest rates or in such indices or currencies may adversely affect our results of operations and financial condition.

We are subject to restrictive covenants in certain debt facilities provided to us by our lenders.

There are restrictive covenants in agreements we have entered into with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of these banks/financial institutions for various activities, including, amongst others, alteration of our capital structure, raising of fresh capital, undertaking new projects, undertaking any merger/amalgamation/restructuring, and change in management. Though we have received approvals from all our lenders for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of the dividends. For details of these restrictive covenants, see the section titled "Financial Indebtedness" beginning on page 85.

Our contingent liabilities could adversely affect our financial condition.

As of September 30, 2005, there were no contingent liabilities not provided for except those with respect to outstanding litigation, which was not provided for because the amount was indeterminate. For details of outstanding litigation, see the section the titled "Outstanding Litigation and Material Developments" beginning on page 170.

Our restated financial statements have been qualified.

The auditors' report on our restated financial statements included in this Red Herring Prospectus contains four qualifications. However, the auditors' report states that the composite impact of these qualifications, as per our explanations to them, is not considered to be significant. For further details, see the Auditors' Report in the section titled "Financial Statements" on page 124 and the section titled "Management's Discussion and Analysis of Financial Condition - Auditor's Qualifications to Financial Statements" on page 160.

We have not entered into any definitive agreements to utilize any of the net proceeds of the Issue and the purposes for which the proceeds of the Issue are to be utilized have not been appraised by an independent entity.

We have not entered into any definitive agreements to utilize the net proceeds of the Issue. We have also not identified the location where we propose to consolidate our infrastructure. The purposes for which the net proceeds of the Issue are to be utilized have not been appraised by an independent entity and are based on our estimates and third party quotations. There can be no assurances that we will be able to enter into definitive agreements on the prices set forth in the quotations or estimated by us and on terms acceptable to us. For details on how we intend to use the net proceeds of the Issue, see the section titled "Objects of the Issue" on page 31. Pending use of the net proceeds of the Issue, we intend to invest the funds in high quality, interest and dividend bearing liquid instruments including deposits with banks. These investments will be authorized by our Board after our project evaluation and monitoring committee has evaluated the proposal and given its recommendations to our Board.

We are subject to certain restrictions contained in agreements with our associate companies, and the articles of association of our associate companies.

We entered into an agreement dated July 3, 2000 with Jagran Publications Private Limited in relation to printing and publishing of *Dainik Jagran* in Bhopal and Rewa. Under the terms of this agreement, Jagran Publications Private Limited has the exclusive rights on the title *Dainik Jagran* in relation to any new editions in the states of Madhya Pradesh and Chattisgarh. This agreement provides that any expansion of *Dainik Jagran* in the these states shall be undertaken on mutually agreed terms between Jagran Publications Private Limited and us and, as per the articles of association of Jagran Publications Private Limited, we would require the prior consent of the other group of shareholders. In addition, a similar restriction has been imposed on us for the expansion in these two states in the articles of association of Jagran Prakashan (MPC) Private Limited, one of our associate companies.

Further, the articles of association of each of Jagran Publications Private Limited and Jagran Prakashan (MPC) Private Limited contain certain restrictions on transfer of the equity shares held by us in these companies. As of March 31, 2005, the book value of our equity shares in Jagran Publications Private Limited was Rs. 2.42 million. Jagran Prakashan (MPC) Private Limited has been incorporated in the current fiscal and its first fiscal year would end on March 31, 2006. Hence, audited financial information of the company is not available. As of September 30, 2005, we had invested Rs. 0.05 million in this company.

For further details, see the section titled "History and Certain Corporate Matters" starting on page 92.

Our Company, our Promoters, the Gupta Family Shareholders and INMIL have entered into the Amended and Restated Shareholders Agreement.

Our Company, our Promoters, other members of the Gupta Family Shareholders and INMIL have entered into the Amended Shareholders Agreement dated November 18, 2005. Certain terms and conditions of the Amended Shareholders Agreement have been reflected in our Articles of Association and, hence, our Company would be

subject to those provisions. Subject to certain conditions, we would require INMIL's affirmative vote in our general meetings to, among other matters;

- amend, alter, repeal or waive any provision of our Memorandum and Articles of Association;
- discontinue our existing lines of business or commence a new business that is unrelated to any of our existing lines of business or not contemplated in a business plan;
- undertake financial structuring or restructuring of our Company which is not contemplated in a business plan;
- effect any sale, lease or transfer of all or any substantial portion of our fixed assets, or consolidation, merger, or statutory exchange of Equity Shares involving our Company;
- appoint or remove our statutory auditors;
- issue any further Equity Shares or other category of shares;
- issue or grant any option, warrant or similar right to acquire Equity Shares or any other category of shares or other securities of our Company;
- undertake split, division, buy-back, or consolidation of Equity Shares or other category of shares or other securities or any variation in the rights attaching to any Equity Shares or other category of shares or other securities of our Company;
- redeem our Equity Shares;
- declare or pay a dividend;
- grant any further security over our assets/shares; and
- extend any guarantees by us.

We have entered into transactions with related parties.

We have entered into various transactions with related parties, including the several Promoter group companies, Directors and our employees. For detailed information on our related party transactions, see the "Statement of Related Party Transactions in Accordance with AS 18" annexed to the Auditors Report in the section titled "Financial Statements", beginning on page 124.

The market price of our Equity Shares may be adversely affected by additional issues of equity or equity linked securities or by sale of a large number of our Equity Shares by our Promoters and significant shareholders and additional issues of equity may dilute your equity position.

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of equity or equity-linked securities in our Company may dilute the positions of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. Although our Promoters and significant shareholders are subject to a lock-in, sales of a large number of our Equity Shares by our Promoters and significant shareholders after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. For further details on the lock-in of Equity Shares, see the section titled "History and Certain Corporate Matters" on page 92. In addition to the lock-in, under MIB Guidelines the Gupta Family Shareholders are not able to reduce their holding below 51% unless it is ensured that the largest shareholder shall be an Indian holding 51% of the equity in our Company. For details on the MIB Guidelines, see the section titled "Regulations and Policies" on page 88.

Some of our Promoter Group and associate companies have incurred losses.

Some of our Promoter Group and associate companies have incurred losses within the last three fiscal years, details of which are set forth below:

(Rs. in million)

Promoter Group/Associate Company	Profit/(Loss) after Tax		
	Fiscal 2005	Fiscal 2004	Fiscal 2003
Jagran Limited	0.09	(0.02)	(0.02)
Shakumbari Sugar and Allied Industries Limited	0.18[1]	2.56[2]	(57.50)[3]
Rave Entertainment Private Limited	17.71	14.79	(5.40)[4]
Jagmini Microknit Private Limited	(0.74)	5.23	12.18

(1) 12 months ending September 30, 2004

(2) 12 months ending September 30, 2003

(3) 12 months ending September 30, 2002

(4) Nine months ending March 31, 2003

For more details, see the sections titled "History and Certain Corporate Matters" and "Our Promoters and Promoter Group" beginning on page 92 and 115, respectively.

The effective price of Equity Shares issued by us in the last one year may be lower than the Issue Price.

The Price Band for the Issue is Rs. 270 ("Floor Price") to Rs. 324 ("Cap Price"). The Issue Price is expected to be determined by us in consultation with the BRLMs on the Pricing Date. We have issued 2,355,716 Equity Shares on June 25, 2005 at a price of Rs. 466.93 to INMIL. Further, we issued bonus shares in the ratio of 2.25:1 on November 18, 2005. Hence, the effective price of Rs. 143.67 at which Equity Shares were issued by us to INMIL is lower than the Floor Price.

There is no standard valuation methodology in the media industry.

External Risk Factors

Our ability to raise capital from foreign investors is limited by current Indian law.

Foreign investment in the print media industry is regulated by the Government of India. The Industrial Policy, 1991 and the MIB Guidelines both specify that the aggregate foreign direct investment and portfolio investments by recognized FIIs is permitted with the prior permission of the Government of India up to 26% of the equity share capital of an entity publishing newspapers and periodicals dealing in news and current affairs. Such an investment would be permissible by foreign entities having sound credentials and international standing, subject to certain conditions such as:

1. Foreign investment will be allowed only where the resultant entity is a company registered with the Registrar of Companies under the provisions of the Companies Act.
2. At least 3/4th of the directors on the board of directors and all the key executives and editorial staff being resident Indians.
3. Complete disclosures to be made by the applicant and at the time of making the application regarding any shareholders' agreements and loan agreements that are finalized or proposed to be entered into. Any subsequent change in these would be disclosed to the MIB within 15 days of the date of such a change.
4. The resultant entity shall frame its articles/memorandum of association to ensure compliance with the above eligibility criteria.

While calculating the 26% foreign investment in the equity of the company, the foreign holding component, if any, in the equity of the Indian shareholder companies of the entity will be duly reckoned on pro rata basis so as to arrive at the total foreign holding. Further, there is a requirement that 50% of the foreign direct investment has to be

inducted by the issue of fresh equity shares. The balance of up to 50% of the foreign direct investment, maybe inducted through transfer of existing equity.

For further details, see the section titled “Regulations and Policies” on page 88.

This regulation limits our ability to seek and obtain additional equity investments from foreign investors, which may adversely affect our ability to raise capital. There are further obligations on the Company to ensure that the sectoral cap of 26% of foreign investment in the Company is not breached in the secondary market and the Company may need to take all steps, including reversing or rescinding any sale or purchase of Equity Shares in the stock exchanges and rectify its register of members as per the Companies Act, in order to ensure that the obligations under the MIB Guidelines and the Industrial Policy is not breached.

The RBI, through its circular A.P (DIR Series) (2003-2004) Circular No. 53 dated December 17, 2003 stated that when the total holdings of FIIs reach within two percent (2%) of the applicable limit, the RBI will issue a notice to all designated branches of authorised dealers stating that any further purchasers of shares of the said company require prior approval of the RBI. The current foreign shareholding in the Company is 26% of its equity capital, and is expected to be diluted to some extent upon the issue of Equity Shares pursuant to the Issue. In the event the aggregate foreign shareholding in the Company exceeds 24% of the post Issue capital of the Company pursuant to Allotment of shares in the Issue, the Company shall immediately before commencement of trading of the Equity Shares, in accordance with the applicable laws, notify the RBI of the total foreign shareholding reaching within 2% of the applicable 26% sectoral limit. The RBI will thereafter issue a notice to all designated branches of Authorized Dealers, and FIIs should note that in such an event no further purchases of Equity Shares can be made in the secondary market without the prior approval of the RBI.

In accordance with extant regulations, resident Indians and FIIs are permitted to participate in this Issue. For details see “Issue Procedure–Who can Bid?” on page 203. These restrictions may prohibit foreign investors to invest and trade in our Equity Shares, which may adversely affect the value of our Equity Shares traded on the Stock Exchanges.

A slowdown in economic growth in India could cause our business to suffer.

The Indian economy has shown sustained growth over the last few years. The estimate of GDP released by the Central Statistical Organisation (“CSO”) has placed the GDP growth at 6.9% in fiscal 2005. GDP in India grew at 8.5% in fiscal 2004, 4.0% in fiscal 2003 and 5.8% in fiscal 2002. India’s GDP growth for the first quarter of fiscal 2006 (April-June) accelerated to 8.1% from 7.6% in the corresponding period last year, signaling continued strong growth. (*Source: Macroeconomic and Monetary Developments – Mid-Term Review 2005-06, Reserve Bank of India.*) Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect our advertising income, which could adversely affect our results of operations.

A significant change in the Government of Indiaís economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to decline.

Our assets and customers are located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian securities, including the Equity Shares. The present government, which was formed after the Indian parliamentary elections in April-May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Any significant change in the government’s policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.

Incidents such as the September 11, 2001 terrorist attacks on New York and Washington D.C. and other recent incidents, such as those in Bali, Indonesia, Madrid, Spain, and London, England, may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability.

Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighbouring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy, adversely affecting our business and our results of operations.

The price of the Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price or at all.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after this Issue may be subject to significant fluctuations in response to, among other factors, our results of operations and performance; subsequent corporate actions taken by us, performance of our competitors, market conditions specific to the Indian media industry, and the market perception about investments in the media industry.

Notes:

- The net worth of our Company as of March 31, 2005 was Rs. 684.38 million based on financial statements of our Company.
- We had entered into certain related party transactions. For details, see the section titled “Financial Statements- Related Party Transactions” beginning on page 150.
- The average cost of acquisition of Equity Shares by our Promoters is Rs. 0.10 per Equity Share and book value per equity share as of March 31, 2005 was Rs. 68.44 (based on the weighted average number of Equity Shares outstanding during the year). For details, see the section titled “Capital Structure” beginning on page 21.
- Our Company was incorporated on July 18, 1975 under the Companies Act as “Jagran Prakashan Private Limited”. For details of changes in name, see the section titled “History and Certain Corporate Matters” beginning on page 92.
- Investors may contact the BRLMs for any complaints, information or clarifications pertaining to the Issue.
- Investors are advised to see the section titled “Basis for Issue Price” beginning on page 37.
- This is a public issue of 10,039,020 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. There will also be a Green Shoe Option of upto 1,505,853 Equity Shares to be borrowed from Mr. Mahendra Mohan Gupta, one of our Promoters, for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue and the Green Shoe Option, if exercised in full, will aggregate 11,544,873 Equity Shares amounting to Rs. [●] million. The Issue will constitute 20.00% of the fully diluted post-issue equity share

capital of our Company assuming that the Green Shoe Option is not exercised and 22.33% assuming that the Green Shoe Option is exercised in full.

- Except for the transactions mentioned below, none of our Promoters or our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI:

The following Promoters and/or our Directors sold our Equity Shares to INMIL, on July 12, 2005 at a price of Rs. 466.93 per Equity Share:

Name of the Promoter/Director	**Number of Equity Shares Sold**
Mr. Yogendra Mohan Gupta	119,946
Mr. Mahendra Mohan Gupta	77,110
Mr. Dhirendra Mohan Gupta	77,110
Mr. Sanjay Gupta	51,407
Mr. Sunil Gupta	17,136
Mr. Shailesh Gupta	25,703
Total	**368,412**

- You should note that in case of oversubscription in the Issue, Allotment will be made on a proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders. For details see the section titled “Basis of Allocation” beginning on page 216.

SUMMARY

The following summary is qualified in its entirety by the more detailed information and the financial statements of the Company that appear elsewhere in this Red Herring Prospectus.

Overview

We publish India's largest read and highest circulated daily newspaper, *Dainik Jagran*. (Sources: IRS 2005, Round 2 and ABC certified figures for January-June 2005.) *Dainik Jagran, a Hindi daily newspaper,* has a total readership of approximately 19.2 million readers per day as per IRS 2005, Round 2, which we believe is the highest readership of any publication in the history of IRS, and a total readership of 21.2 million per day as per NRS 2005. Net paid sales of *Dainik Jagran* were approximately 2.4 million copies per day for January-June 2005 as per ABC certified figures.

Dainik Jagran, then known as *Jagran*, was first published in 1942. It is now published in 28 editions across 10 states. We publish *Dainik Jagran* in 25 editions, one of our associated companies publishes two editions of *Dainik Jagran* and an unrelated firm publishes one edition of *Dainik Jagran*.

Our Internet portal (www.jagran.com) contains a channel where we post all editorial and advertising content of the day's *Dainik Jagran* in electronic form. Our Internet portal is the world's most visited site in all Hindi categories. (Source: Alexa.com, November 11, 2005.) We launched jagran.com in 1997 and until recently we ran it for brand building purposes only.

We have a short code service (7272) for mobile phone users to receive various types of information (e.g., news in both Hindi and English) and access various services (e.g., download ring-tones) by SMS (short message service) and voice using IVR (interactive voice recognition) and/or ASR (automatic speech recognition). We launched our IVR/ASR service on short code 7272 in January 2005 and our SMS service on short code 7272 in March 2005.

Through our division Jagran Solutions, we provide outdoor advertising and promotional marketing and event management services.

We also publish *Sakhi*, a monthly magazine targeted at women, *Jagran Varshiki*, an annual general knowledge digest, and various national and state statistical compilations.

We print from 25 facilities with a total installed capacity of approximately 1.28 million copies per hour. We distribute our newspapers through a multi-tiered network of agents and vendors.

Our business has grown rapidly since January 1, 2000:

- We acquired four businesses that published a total of eight editions of *Dainik Jagran* in 2000.
- We launched 13 new editions of *Dainik Jagran*.
- Readership of *Dainik Jagran* increased by 120.8% from 9.6 million as per NRS 2000 to 21.2 million as per NRS 2005 and by 104.3% from 9.4 million as per IRS 2000, Round 2 to 19.2 million as per IRS 2005, Round 2. This increase in readership was more than combined growth of readership in the next four of the top five newspapers. The readership of *Dainik Jagran* grew by 9.8 million readers as against 8.1 million for the next four of the top five newspapers. This increase was more than three times the growth in readership of the top six English daily newspapers combined, which grew by 2.9 million readers. (Sources: IRS 2000, Round 2 and IRS 2005, Round 2.)
- Circulation of *Dainik Jagran* increased at a CAGR of 20.35% from 1.2 million net paid sales per day as per ABC certified figures for January-June 2001 to 2.4 million net paid sales per day as per ABC certified figures for January-June 2005.
- We have added nearly 50% of our total current printing capacity.
- Our total revenue increased by a CAGR of 21.02% from Rs. 1,635.71 million for the 12 months ended December 31, 2000 to Rs. 3,774.72 million for the 12 months ended March 31, 2005.

In June 2005, Independent News & Media PLC, through its wholly-owned subsidiary Independent News & Media Investments Limited ("INMIL"), acquired 26% of our pre-Issue Equity Shares for Rs. 1,500 million and became our strategic partner. Independent News & Media PLC is a leading international newspaper and communications group, with interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. INMIL's current representatives on our Board of Directors are Sir Anthony O'Reilly, Chief Executive of Independent News & Media PLC, and his son, Mr. Gavin K. O'Reilly, Chief Operating Officer of Independent News & Media PLC.

As of September 30, 2005, our total assets were Rs. 3,914.96 million. For the six months ended September 30, 2005 and fiscal 2005, our total revenues were Rs. 2,282.55 million and Rs. 3,774.72 million, respectively, and our net profit was Rs. 119.79 million and Rs. 15.27 million, respectively.

Our Competitive Strengths

We believe that the following are our principal competitive strengths, which differentiate us from other Indian print media companies:

Dainik Jagran is the Number One Newspaper in India in terms of both Total Circulation and Readership.

Dainik Jagran is the number one newspaper in India in terms of circulation (Source: ABC certified figures for January-June 2005).

Dainik Jagran is the number one newspaper in India in terms of total readership (Sources: NRS 2005 and IRS 2005, Round 2) and has been number one for five successive IRS rounds in a row. With a readership of 21.2 million as per NRS 2005, *Dainik Jagran* was the first publication in India to cross the 20 million reader threshold.

Approximately every third Hindi daily newspaper reader in India reads *Dainik Jagran* and every ninth reader of any daily newspaper in India reads *Dainik Jagran*. In addition, *Dainik Jagran's* readership is greater than the readership of all English daily newspapers combined. (Source: IRS 2005, Round 2.)

Not only is *Dainik Jagran* the number one newspaper in terms of readership, the gap between it and its nearest rival has increased each time in the last past five IRS surveys, from a lead of 0.6 million readers as per IRS 2002, Round 2 to a lead of 4.1 million readers as per IRS 2005, Round 2. The gap between the readership of *Dainik Jagran* and its nearest rival was 2.1 million, 3.0 million and 3.7 million according to IRS 2003 Round 1, IRS 2003 Round 2 and IRS 2005 Round 1, respectively.

Dainik Jagran is one of the Fastest Growing Daily Newspapers in India

We have launched 13 new editions of *Dainik Jagran* since the beginning of fiscal 2000. Readership of *Dainik Jagran* increased by 120.8% from 9.6 million as per NRS 2000 to 21.2 million as per NRS 2005 and by 104.3% from 9.4 million as per IRS 2000, Round 2 to 19.2 million as per IRS 2005, Round 2. This increase in readership was more than the combined growth of readership in the next four of the top five newspapers and was more than three times the growth in readership of the top six English daily newspapers combined. (Source: IRS 2000, Round 2 and IRS 2005, Round 2.)

Dainik Jagran is also the Number One Newspaper in India in Terms of Readership in almost all IRS Categories Considered to be Important by Advertisers

In addition to being the number one newspaper by total readership, *Dainik Jagran* is the number one newspaper in India in terms of readership in almost all IRS categories considered to be important by advertisers. (Source: IRS 2005, Round 2.)

Strong National Brand

The *Dainik Jagran* brand is nearly 60 years old. We believe that the *Dainik Jagran* brand commands respect and credibility and offers us a competitive advantage when entering new markets. We continue to invest in building the *Dainik Jagran* brand through various promotional activities, including advertising in leading trade and general interest magazines, advertising on television, advertising on approximately 1,000 outdoor sites throughout our markets and direct mailing advertising throughout our markets on a regular basis.

Editorial Excellence

With nearly 60 years of history, we believe that *Dainik Jagran* is recognized for its superior editorial content and for its unbiased and independent reporting. We believe that *Dainik Jagran* is the first newspaper in India to have two editorials in each edition. Our journalists and editorial teams have won numerous media industry awards and are well known for their excellence.

Pan-India Infrastructure and Large-Scale Operations

As of October 31, 2005, in addition to our head office, we had 30 business offices, 249 district offices, 25 printing centres and a network of over 20,000 kilometres of dedicated leased lines. As of September 30, 2005, we had 2,902 employees and had 817 retainers working for us. Set forth below is a map of India showing our head office, business offices and printing centres as of October 31, 2005.

Our pan-India infrastructure and the large scale of our operations provide us with numerous advantages, including:

- **Localised and timely news** – Our large network of district offices and large number of on the ground reporters enables us to gather information whenever and wherever newsworthy events occur in our footprint, including small towns and villages that may be overlooked by other newspapers. Our IT infrastructure enables reports to be sent to our editors in a timely fashion and our 25 different printing centres enable us to print and distribute copies of *Dainik Jagran* in our footprint in a timely manner. We believe that the Hindi dialect in India changes approximately every 25 kilometres. By publishing over 200 sub editions, we are able to use the dialect in each market and customise the content of the newspaper to reflect the interests of readers in each market.

- **Increased ability to attract advertisement revenue** – Our 30 business offices give us the ability to leverage our advertising relationships across geographies and to leverage these relationships when expanding into new markets and new businesses.
- **Economies of scale** – Due to the large size of our print media business, we are able to benefit from economies of scale, which includes:
    - o the nationwide coverage of our marketing team;
    - o favourable newsprint supply contracts; and
    - o a scalable IT infrastructure.
- **Ability to manage growth of existing businesses and to manage diversification into other businesses** – Except for the hiring of six new professionals in Delhi, we have been able to utilize our existing staff and facilities to help grow our event management business and we plan to continue to leverage of our existing operations to expand this business. Except for the hiring of additional staff for our mobile vans, we plan to utilize our existing staff and facilities to run our outdoor mobile advertising business. For more information on our event management and outdoor advertising services, see the section titled "Our Business – Our Products and Services – Jagran Solutions" beginning on page 80. Except for the purchase of new printing presses and the hiring of editors, we plan to use our existing infrastructure and staff for our planned launch of a second Hindi newspaper brand in some of the markets where *Dainik Jagran* is the strong number one newspaper. For more information, see the section titled "Our Business – Strategy – Launch a New Hindi Newspaper Brand in some of our Existing Markets" on page 56.

Independent News & Media PLC, a Leading International Media and Communications Group, is our Strategic Partner through its Wholly-Owned Subsidiary INMIL

Independent News & Media PLC, a company based in Ireland and listed on both the London and Dublin Stock Exchanges, through its wholly owned subsidiary INMIL, holds 26% of our pre-Issue Equity Shares and is our strategic partner. According to Independent News & Media PLC Annual Report 2004, its indirect acquisition of a stake in us is considered by it to be a "very important strategic transaction".

Independent News & Media PLC along with its affiliates is a leading international newspaper and communications group, with interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Spanning four continents and nine individual countries, Independent News & Media PLC owns or has investments in companies with market-leading newspaper positions in Australia (regional), India, Ireland, New Zealand and South Africa. In the United Kingdom, it publishes the flagship national title, The Independent, which is the largest newspaper group in Northern Ireland and the group is the largest outdoor advertising operator in South Africa. (Source: Independent News & Media PLC Annual Report 2004). Independent News & Media PLC owns 39.7% of its affiliate APN News and Media Limited, which is the largest radio and outdoor advertising operator in Australasia and has leading outdoor advertising positions in Hong Kong, Malaysia and Indonesia. (Source: APN News and Media Limited Annual Report 2004).

In 1973, Sir Anthony O'Reilly, currently the Chief Executive of Independent News & Media PLC, invested in what was a relatively small Irish local newspaper business. This business has now grown such that Independent News & Media PLC manages assets of over €3.9 billion (approximately Rs. 208.5 billion), turnover of over €1.8 billion (approximately Rs. 96.2 billion) and employs over 11,000 people worldwide. (Source: Independent News & Media PLC Annual Report 2004.) The conversion of Euros to Rupees in this paragraph is at the rate of €1 = Rs. 53.45, which was the interbank rate on November 16, 2005.

According to its 2004 Annual Report, Independent News & Media PLC operates as a *de facto* support structure/facilitator for its region-by-region operations, assisting in strategy formulation and implementation. In addition, it is able to leverage its global scale and reach, specifically in areas of procurement, editorial copy-sharing and digital convergence. We have been in discussions with Independent News & Media PLC about jointly procuring newsprint, which should enable us to negotiate lower prices from suppliers.

INMIL currently has two representatives on our Board of Directors: Sir Anthony O'Reilly, Independent News & Media PLC's Chief Executive and its single largest shareholder; and his son Mr. Gavin K. O'Reilly, the Chief Operating Officer of Independent News & Media PLC. We believe we are the only print media company in India to have representatives of an internationally renowned media company on its board of directors.

Experience in Successfully Launching Newspapers in New Markets

Since January 1, 2000, we have successfully launched *Dainik Jagran* in 13 new cities, out of which 10 cities were in states in which *Dainik Jagran* was not published before January 2000, quickly gaining strong market shares in these areas. As a result of our entry into new markets, we have gained valuable insights into the factors that are critical to developing and executing a strategy to enter new geographies and building newspaper circulation and readership as well as attracting advertising revenue. We believe this experience will be invaluable to the launching of new editions of *Dainik Jagran* and in the launch of our second newspaper brand.

Strong Growth Potential in our Areas of Operation

According to the 2001 Census, the literacy rate in India was 65.2%. However, in four of the 10 states where we publish a total of 18 editions of *Dainik Jagran*, the literacy rate was significantly below the national average. The literacy rate in the following states was as follows: Bihar – 47.53%; Jammu and Kashmir – 54.46%; Jharkhand – 54.13%; and Uttar Pradesh – 57.36%. The top two markets for English newspapers are Delhi and Mumbai (which is in the state of Maharashtra). Delhi had a literacy rate of 81.82% and Maharashtra had a literacy rate of 77.27%. As can be seen by these comparisons, we operate in markets with strong growth potential in terms of circulation and readership.

Market Innovator

We do not rest on our success and we are constantly looking at ways to increase *Dainik Jagran's* circulation and readership by increasing its appeal to readers. We believe that *Dainik Jagran* pioneered a number of firsts in the Indian newspaper industry, including the following:

- first to use colour on a regular basis in the main part of the newspaper; and
- first to introduce a daily feature on a different topic for each day of the week in the main part of the newspaper.

Our Strategy

Following our acquisition in 2000 of four businesses that published a total of eight editions of *Dainik Jagran*, our strategy has been to expand *Dainik Jagran's* footprint so as to increase its circulation and readership and to establish a dominant position in the Hindi newspaper segment. We have successfully implemented this strategy, launching 13 new editions and more than doubling *Dainik Jagran's* readership, whilst increasing *Dainik Jagran's* lead as the most read newspaper in India in each of the last five IRS surveys.

Having established *Dainik Jagran's* dominant position, our goals are to:

- consolidate *Dainik Jagran's* position as the most read and most widely circulated newspaper in India and for *Dainik Jagran* to become the market leader in all of its current markets;
- increase our advertising revenue from *Dainik Jagran*;
- increase our market share in markets where *Dainik Jagran* is a strong number one by launching a second newspaper brand;
- acquire and invest in other newspapers, magazines, journals and other media related businesses in India to expand our business and improve our competitive position;
- leverage our strong newspaper business and pan-India infrastructure as a foundation for growth in other allied areas, including outdoor advertising and promotional marketing and event management services;
- generate revenue from our Internet portal to a level commensurate with its ranking as the world's most visited website in all Hindi categories (source: Alexa.com, November 11, 2005); and
- increase our printing capacity, particularly colour printing capacity; and
- modernise and upgrade our existing printing centres, which will reduce operating costs by increasing productivity, reducing staff costs for mailroom, handling and other allied operations and decreasing newsprint waste.

To achieve these goals our business strategy emphasises the following elements:

Consolidate Dainik Jagranís Leadership Position as the Number One Newspaper in India in Terms of Total Readership and Circulation

Although *Dainik Jagran* has increased its lead as the most read newspaper in India in each of the last five IRS surveys, we do not intend to rest on our laurels. In order to consolidate *Dainik Jagran's* number one position, we plan to invest in sales, marketing and promotion activities in order to improve *Dainik Jagran's* readership and circulation in its current markets, especially in those markets where it is not currently the market leader. To strengthen further our position in our current footprint, we plan to launch wholly-owned editions of *Dainik Jagran* in Chandigarh, the capital of Punjab and Haryana, and in Shimla in Himachal Pradesh within the next five years.

In addition, an Indore edition of *Dainik Jagran* is expected to begin publication in April 2006. This edition and any other new editions of *Dainik Jagran* in the States of Madhya Pradesh and Chattisgarh will be published by a newly formed company, Jagran Prakashan (MPC) Private Limited, in which we have a 50% equity interest. For details on Jagran Prakashan (MPC) Private Limited, see the section titled "History and Certain Corporate Matters" on page 92.

Increase our Advertisement Revenue from Dainik Jagran

Our advertisement rates are based in part on *Dainik Jagran's* readership and circulation. The launching of each new edition of *Dainik Jagran* has resulted in both increases in its circulation and readership. However, there is a lag between increases in circulation and readership and receiving the full benefits of the same in terms of increased advertisement revenue. Our ability to increase our advertisement rates is dependent to a major extent on receiving figures for readership and circulation, which are generally published twice a year.

In addition to increasing our advertisement revenue based on increased circulation and readership, we also plan to increase our advertisement revenue by:

- increasing our focus on regional and local advertisers, which pay higher average rates than national advertisers;
- increasing our sale of colour advertisement space, which are charged at higher rates than black & white, by increasing our colour printing capacity and encouraging our advertising customers to buy more colour space;
- providing our multiple advertising solutions (outdoor advertising, promotional marketing and event management and online advertising) to our customers under one roof; and
- using innovative marketing techniques.

Launch a New Hindi Newspaper Brand in Some of our Existing Markets

Where *Dainik Jagran* is already a strong number one in a market, we believe that it would be difficult to significantly increase our share of the newspaper advertisement market. Therefore, we intend to launch a new newspaper brand that will be targeted at a different readership segment in certain of our markets in order to capture a greater share of the advertising market. The launch of the new brand in a market will also have the added strategic advantage of creating barriers to entry for any potential competitors.

The new brand will be designed to compete with the number two and three Hindi newspapers in each market. In order to help avoid cannibalizing *Dainik Jagran's* market share, this new brand will be a completely different product from *Dainik Jagran*, with different editorial content, a different brand position and a lower cover price. Reflecting the lower cover price, the new brand will contain less pages compared with *Dainik Jagran.*

By setting the cover price at a low level, we believe the new brand will also expand the overall circulation and readership in these markets, leading to an increase in the total size of the newspaper advertising market.

Because we plan to launch the new brand in our existing markets, except for the purchase of additional printing presses, we will be able to utilize our existing infrastructure to publish and distribute the new brand. This means our set-up costs to launch our new brand will be significantly less than what it would have been if it was a greenfield project. The new brand will utilize our existing printing workforce, reporters, marketing personnel and administrative staff. Except for the hiring of additional editorial staff, we do not expect to incur any significant additional staff costs for the new brand.

We have not set a timetable for the launch of the new brand in each market.

Acquire and Invest in Print and other Media-Related Businesses in India

We may make acquisitions and investments in other newspapers in our existing markets in order to increase our market share. In markets where *Dainik Jagran* is not the leading newspaper, we may look at opportunities to acquire and/or invest in the leading newspaper in such markets. In markets where *Dainik Jagran* is the leading newspaper, we may look at opportunities to acquire and/or invest in the number two or three newspapers in such markets.

We may look at expanding our geographical footprint by acquiring and/or investing in non-Hindi newspapers outside our current markets. This would allow us to offer a wider advertising footprint to our customers and extend our reach.

If the right opportunities arise we may make acquire and invest in magazines, journals and other media-related businesses in India, including outdoor advertising companies and advertising agencies.

We have an internal evaluation system for all acquisition or investment opportunities based on identified parameters of financial performance, operating parameters and infrastructure. We intend to acquire or invest in profitable companies only. Each opportunity will be evaluated by a cross functional team of senior management, before being referred to our Board for further evaluation and approval.

However, we have not entered into any letters of intent or definitive commitments for any acquisitions, investments or joint ventures.

Expand our Promotional Marketing and Event Management Business

Since the beginning of fiscal 2006, we have hired six professionals dedicated to expanding our promotional marketing and event management business. These professionals are collectively responsible for strategic planning and procuring business. These professionals are based in Delhi and they are supported by executives and other staff in our various offices and printing centres, who assist on local client liaison and the execution of marketing programs and event management. As this business utilizes our existing infrastructure, we do not incur much additional expense to earn the revenue from this business.

Expand our Outdoor Advertising Businesses

We plan to expand our outdoor advertising business by entering into the mobile outdoor media business. We currently have two mobile hoarding vans, which we have used to trial our service. We plan to purchase approximately 250 vans for use in mobile advertising within the next two years. It is our intention to position these mobile hoarding vans in hubs in over 60 major towns located throughout the states in which *Dainik Jagran* is published. We will be able to leverage our existing infrastructure to expand and run this business at significantly lower cost than a greenfield operator.

Generate Revenue from our Internet Portal to a Level Commensurate with its Ranking as the Worldís Most Visited Website in all Hindi Categories

Our Internet portal (www.jagran.com) is the world's most visited website in all Hindi categories. (Source: Alexa.com, November 11, 2005.) However, until the beginning of fiscal 2006 we ran the website for brand building purposes only. Our goal is to generate revenue from our portal to a level commensurate with its position as the world's most visited website in all Hindi categories. To this end, in August 2005, we launched Jagran Shopping, our online shopping website. We earn commission on all goods purchased on Jagran Shopping. We test launched an e-paper edition of *Dainik Jagran* in October 2005 and plan to launch all editions of *Dainik Jagran* on our website within the next few months. Access to the e-paper editions shall initially be free but we will consider making it available as a paid service only after some time. If the readership of the e-paper editions is sufficient for us to justify the commercial case to our advertisers, we will also introduce advertisement fees for the e-paper editions. We will also consider charging for other services being provided on our website.

Increase our Printing Capacity and Improve our Existing Printing Facilities

We intend to expand our printing capacity, particularly colour capacity, and modernise and upgrade our existing printing centres. We intend to install computer to plate (CTP) printing at certain of our printing centres and automate the packing and bundling process at all of our printing centres, which will result in an increase in productivity and a reduction in personnel costs for mailroom, handling and other allied operations. In addition, we intend to purchase forklifts and rewinding machines for use at our centres, which will reduce newsprint waste.

We also intend to acquire heat set machines for use at our printing centre at Noida. These machines are utilized for printing of glazed supplements and magazines. Our existing machine at Noida does not have the capacity to print our existing glazed magazine *Sakhi*, the printing of which we have outsourced, and to meet the increased requirements of supplements caused by *Dainik Jagran's* increase in circulation. These machines will not only meet our existing as well as additional requirements but will also enable us to undertake job printing for third parties, which we are currently unable to do to the extent of demand due to the existing capacity constraint. Printing for third parties has contributed a reasonable amount to our revenue in the past.

THE ISSUE

Issue:	10,039,020 Equity Shares
Of which:	
QIB Portion:	At least 6,023,412 Equity Shares (allocation on proportionate basis), out of which 5% of the QIB Portion or 301,171 Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion), and 5,722,241 Equity Shares (assuming the QIB Portion is 60% of the Issue) shall be available for allocation to all QIBs, including Mutual Funds.
Non-Institutional Portion:	Up to 1,003,902 Equity Shares (allocation on proportionate basis).
Retail Portion:	Up to 3,011,706 Equity Shares (allocation on proportionate basis).
Green Shoe Option Portion[(1)]	Up to 1,505,853 Equity Shares
The Issue and the Green Shoe Portion	Up to 11,544,873 Equity Shares
Equity Shares outstanding prior to the Issue:	40,156,077 Equity Shares
Equity Shares outstanding post the Issue (excluding the Green Shoe Option):	50,195,097 Equity Shares
Equity Shares outstanding post the Issue (including the Green Shoe Option):	51,700,950 Equity Shares
Objects of the Issue:	See the section entitled “Objects of the Issue” on page 31. The Company will not receive any proceeds from the sale of any Equity Shares pursuant to the exercise of the Green Shoe Option.

[(1)] The Green Shoe Option will be exercised at the discretion of the BRLMs and the Company only with respect to the Loaned Shares, for which purpose the Green Shoe Lender has agreed to lend upto 1,505,853 Equity Shares.

GREEN SHOE OPTION

We propose to avail of an option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the BRLMs, in order to operate a post listing price stabilising mechanism, in accordance with the SEBI Guidelines, i.e., the Green Shoe Option. Our shareholders at the extraordinary general meeting held on November 18, 2005 have authorized the Green Shoe Option.

DSP Merrill Lynch Limited has agreed to act as the stabilizing agent for the purposes of effectuating the Green Shoe Option, as envisaged under Chapter VIII A of the SEBI Guidelines.

Mr. Mahendra Mohan Gupta, one of our Promoters has agreed to lend the Loaned Shares to the Stabilising Agent for the purposes of effectuating the Green Shoe Option.

The Stabilising Agent shall be responsible for, *inter alia,* price stabilisation post listing, if required, but there is no obligation to conduct stabilising measures. If commenced, stabilising will be conducted in accordance with applicable laws and regulations and may be discontinued at any time. In any event, the stabilizing activities shall not continue for a period exceeding 30 days from the date of the receipt of permission for trading of the Equity Shares from the Stock Exchanges. For the purposes of the Green Shoe Option, the Stabilising Agent shall borrow the Loaned Shares from the Green Shoe Lender. The Loaned Shares and/or purchased from the market for stabilising purposes will be in dematerialised form only.

We have entered into the Stabilising Agreement with the Green Shoe Lender and the Stabilising Agent for the exercise of the Green Shoe Option on the terms and conditions detailed therein.

The terms of the Stabilising Agreement provide that:

1. **Stabilisation Period**

   Stabilisation Period shall mean the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.

2. The primary objective of the Green Shoe Option is stabilisation of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares falls below the Issue Price, then the Stabilising Agent, at its discretion, may purchase Equity Shares from the market with the objective of stabilisation of the market price of the Equity Shares.

3. **Decision regarding Exercise of Green Shoe Option**

   (i) Post the Bid/Issue Closing Date, the BRLMs, in consultation with us, the green shoe lender and the Stabilising Agent, shall take a decision relating to the exercise of the Green Shoe Option.

   (ii) In the event, it is decided that the Green Shoe Option shall be exercised, the Company in consultation with the Stabilising Agent, shall make overallotment of Equity Shares as per the procedure detailed below.

4. **Procedure for Over Allotment and Stabilisation**

   (i) The allotment of the Over Allotment Shares shall be done pro rata with respect to the proportion of Allotment in the Issue to various categories.

   (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Issue Account and shall be used only for the purpose of buying shares from the market during the Stabilisation Period for the stabilization of the post listing price of the Equity Shares.

   (iii) Upon such allotment, the Stabilising Agent shall transfer the Over Allotment Shares from the GSO Demat Account to the respective depository accounts of the successful Bidders.

   (iv) For the purpose of purchasing the Equity Shares, the Stabilising Agent shall use the funds lying to the credit of GSO Bank Account.

   (v) The Stabilising Agent shall determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilisation of the post listing price of the Equity Shares.

   (vi) The Equity Shares purchased from the market by the Stabilising Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lender within two working days from the expiry of the Stabilisation Period.

(vii) On the expiry of the Stabilisation Period, in the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilisation Period but before the transfer to the Green Shoe Lender is less than the Over Allotment Shares, upon being notified by the Stabilising Agent, we shall within five days of the end of the Stabilisation Period allot, new Equity Shares in dematerialized form for the number equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilising Agent to the Green Shoe Lender in lieu of the Over Allotment Shares, within two working days of them being credited into the GSO Demat Account, time being of essence in this regard.

(viii) Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) above, the Stabilising Agent shall close the GSO Demat Account.

(ix) The Equity Shares returned to the Green Shoe Lender shall be subject to remaining lock-in-period, if any, as provided in the SEBI Guidelines.

5. **GSO Bank Account**

The Stabilising Agent shall remit from the GSO Bank Account to the Green Shoe Lender, an amount, in Rupees, equal to the number of Equity Shares allotted by us to the GSO Demat Account at the Issue Price. The amount left in this account, if any, after this remittance and deduction of expenses and net of taxes, if any, shall be transferred to the investor protection fund of the Stock Exchanges in equal parts. Upon transfer of monies as above, the GSO Bank Account shall be closed by the Stabilising Agent.

6. **Reporting**

During the Stabilisation Period, the Stabilising Agent shall submit a report to the BSE and the NSE on a daily basis. The Stabilising Agent shall also submit a final report to SEBI in the format prescribed in Schedule XXIX of the SEBI Guidelines. This report shall be signed by the Stabilising Agent and us and be accompanied by the depository statement for the GSO Demat Account for the Stabilisation Period indicating the flow of shares into and from the GSO Demat Account. If applicable, the Stabilising Agent shall, along with the report give an undertaking countersigned, if required by the respective depositories of the GSO Demat Account and the Lender regarding confirmation of lock-in on the Equity Shares returned to the Lender in lieu of the Over-Allotment Shares.

7. **Rights and Obligations of the Stabilising Agent**

(i) Open a special bank account which shall be the GSO Bank Account under the name of "Special Account for GSO proceeds of Jagran Prakashan Limited" and deposit the monies received for the Over Allotment Shares, in the GSO Bank Account.

(ii) Open a special account for securities which shall be the GSO Demat Account under the name of "Special Account for GSO proceeds of Jagran Prakashan Limited" and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account.

(iii) Stabilise the market price as per the SEBI Guidelines, only in the event of the market price falling below the Issue Price, including *inter alia* the determination of the price at which such Equity Shares are to be bought and the timing of such purchase.

(iv) On or prior to the Pricing Date, to request the Green Shoe Lender to lend the Loaned Shares and to transfer funds from the GSO Bank Account to Green Shoe Lender within a period of five working days of close of the Stabilisation Period.

(v) The Stabilising Agent, at its discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase. The Stabilising Agent, at its discretion, may spread orders over a period of time or may not purchase any Equity Shares under certain circumstances where it believes purchase of the Equity Shares may not result in stabilisation of market price.

(vi) Further, the Stabilising Agent does not give any assurance that would be able to maintain the market price at or above the Issue Price through stabilisation activities.

(vii) On expiry of the Stabilisation Period, to return the Equity Shares to the Green Shoe Lender either through market purchases as part of stabilising process or through issue of fresh Equity Shares by us.

(viii) To submit daily reports to the Stock Exchanges during the Stabilisation Period and to submit a final report to SEBI.

(ix) To maintain a register of its activities and retain the register for three years.

(x) To transfer net gains on account of market purchases in the GSO Bank Account net of all expenses and net of taxes, if any, equally, to the investor protection funds of the Stock Exchanges.

8. **Rights and Obligations of the Company**

(i) On expiry of the Stabilisation Period, if the Stabilising Agent buys the Equity Shares from the market, to issue the Equity Shares to the GSO Demat Account to the extent of Over Allotment Shares, which have not been bought from the market.

(ii) If no Equity Shares are bought from the market, then to issue Equity Shares to GSO Demat Account to the entire extent of Over Allotment Shares.

9. **Rights and obligations of the Green Shoe Lender**

(i) The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/GSO Demat Account free from all liens, charges and encumbrances.

(ii) Upon receipt of instructions from the Stabilising Agent on or prior to the Pricing Date, to transfer the Loaned Shares to the GSO Demat Account.

(iii) The Green Shoe Lender will not recall or create any lien or encumbrance on the Loaned Shares until the completion of the settlement under the stabilisation.

10. **Fees and Expenses**

(i) We will pay to Green Shoe Lender a fee of Re. 1.

(ii) We will pay the Stabilising Agent a fee of Re. 1 plus service tax.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary of our financial statements are based on our restated audited financial statements. For details, see the section titled “Financial Statements” beginning on page 124.

Summary of Profit and Loss Account

(Rs. in Million)

PARTICULARS	For the 6 months Ended September 30, 2005	For the 12 months Ended March 31, 2005	For the 12 months Ended March 31, 2004	For the 12 months Ended March 31, 2003	For the 15 months Ended March 31, 2002	For the 12 months Ended December 31, 2000
INCOME						
Advertisement Revenue	1,439.99	2,330.12	1,994.98	1,556.69	1,521.22	993.25
Circulation Revenue	785.29	1,384.44	1,101.69	980.15	1,096.31	598.89
Other Income	57.27	60.16	31.14	25.91	48.38	43.57
Total Income	**2,282.55**	**3,774.72**	**3,127.81**	**2,562.75**	**2,665.91**	**1,635.71**
EXPENDITURE						
Raw Materials Consumed	1,095.65	2,037.63	1,507.65	1,187.73	1,626.06	900.98
Other Manufacturing Expenses	268.88	471.15	390.31	303.94	316.98	173.90
Employee Cost	269.75	449.81	366.52	272.55	260.43	143.50
Selling & Distribution Expenses	192.07	330.49	242.01	199.63	166.34	73.90
Administrative and Other Expenses	126.55	213.92	171.75	116.29	129.98	60.72
Provision for Bad & Doubtful debts & Bad Debts written off	15.60	2.43	15.81	17.14	76.38	17.06
Expenditure relating to Previous year	0.00	0.00	5.03	5.66	0.00	0.00
Total Expenditure	**1,968.50**	**3,505.43**	**2,699.08**	**2,102.94**	**2,576.17**	**1,370.06**
Profit before Interest, Depreciation, Tax and Extraordinary items	**314.05**	**269.29**	**428.73**	**459.81**	**89.74**	**265.65**
Interest	39.35	68.68	65.92	66.55	78.18	58.31
Profit before Depreciation, Extra ordinary Items and Tax	**274.70**	**200.61**	**362.81**	**393.26**	**11.56**	**207.34**
Depreciation and Amortisation	85.13	175.90	148.90	133.38	114.11	87.53
Profit before Tax	**189.57**	**24.71**	**213.91**	**259.88**	**(102.55)**	**119.81**
Taxation	47.26	9.44	70.50	91.11	2.65	23.82
Net Profit before Extraordinary Items	**142.31**	**15.27**	**143.41**	**168.77**	**(105.20)**	**95.99**
Add/(Less): Extraordinary Items (net of tax)	(22.52)	0.00	10.20	11.29	0.00	0.00
Net Profit	**119.79**	**15.27**	**153.61**	**180.06**	**(105.20)**	**95.99**

Summary of Assets and Liabilities

(Rs. in Million)

Particulars	As at September 30, 2005	As at March 31, 2005	As at March 31, 2004	As at March 31, 2003	As at March 31, 2002	As at December 31, 2000
Assets						
Fixed Assets						
Gross Block	2,132.47	1,895.54	1,610.89	1,353.14	1,014.03	897.03
Less : Depreciation	921.00	835.87	659.97	511.08	377.69	264.17
Net Block	1,211.47	1,059.67	950.92	842.06	636.34	632.86
Capital Work in Progress	191.22	192.68	136.26	39.08	67.82	4.13
Total	**1,402.69**	**1,252.35**	**1,087.18**	**881.14**	**704.16**	**636.99**
Investments	6.62	6.56	7.04	7.30	6.34	20.20
Current Assets, Loans and Advances						
Inventories	220.88	367.71	174.05	106.60	138.15	106.14
Sundry Debtors	1,100.18	859.14	820.14	651.17	460.88	466.94
Cash and Bank Balances	957.81	112.73	115.65	73.98	67.34	76.34
Other Current Assets	9.32	0.46	0.16	1.75	0.98	0.93
Loans and Advances	217.46	159.74	124.25	139.26	104.68	64.40
Total (A)	**2,505.65**	**1,499.78**	**1234.25**	**972.76**	**772.03**	**714.75**
Current Liabilities and Provisions						
Sundry Creditors and Others	498.67	354.13	286.53	263.65	214.36	201.68
Provisions	28.71	132.55	14.23	10.34	6.04	4.80
Total (B)	**527.38**	**486.68**	**300.76**	**273.99**	**220.40**	**206.48**
Net Current Assets (A-B)	1,978.27	1,013.10	933.49	698.77	551.63	508.27
Miscellaneous Expenditure not written off	0.00	0.00	0.17	0.34	0.51	0.68
TOTAL	**3,387.58**	**2,272.01**	**2,027.88**	**1,587.55**	**1,262.64**	**1,166.14**
Represented by						
Share Capital	123.56	100.00	100.00	100.00	100.00	100.00
Reserves and Surplus	1,780.57	584.38	680.69	528.95	480.87	550.87
Total	**1,904.13**	**684.38**	**780.69**	**628.95**	**580.87**	**650.87**
Deferred Tax Liability	315.40	284.00	277.90	227.37	0.00	0.00
Loan Funds						
Secured Loans	1,168.05	1,080.51	926.22	672.46	615.86	296.26
Unsecured Loans	0.00	223.12	43.07	58.77	65.91	219.01
Total	**1,483.45**	**1,587.63**	**1,247.19**	**958.60**	**681.77**	**515.27**
TOTAL	**3,387.58**	**2,272.01**	**2,027.88**	**1,587.55**	**1,262.64**	**1,166.14**

Summary of Accounting Ratios

	For the 6 months ended September 30, 2005*	For the 12 months ended March 31, 2005	For the 12 months ended March 31, 2004	For the 12 months ended March 31, 2003	For the 15 months ended March 31, 2002**	For the 12 months ended December 31, 2000
Accounting Ratios :						
Basic & Diluted Earnings per share before adjusting exceptional items	25.32	1.53	14.34	16.88	(8.42)	9.60
Basic & Diluted Earnings per share after adjusting exceptional items	21.31	1.53	15.36	18.01	(8.42)	9.60
Cash Earnings per share	42.23	19.79	35.31	40.88	0.71	18.35
Return on Net Worth (%) before adjusting exceptional items	14.95%	2.23%	18.37%	26.85%	-14.50%	14.76%
Return on Net Worth (%) after adjusting exceptional items	12.58%	2.23%	19.68%	28.64%	-14.50%	14.76%
Net Assets Value per equity share	154.11	68.44	78.05	62.86	58.04	65.02

* Earnings per share and Return on Net worth for the 6 months period ended September 30, 2005 have been annualized.

** Earnings per share and Return on Net Worth for the 15 months period ended March 31, 2002 have been annualized.

For details of the accounting ratios, please refer to the section titled “Financial Statements” on page 124.

GENERAL INFORMATION

Registered Office and Registrar of Companies

The registered office of our Company is at Jagran Building, 2 Sarvodaya Nagar, Kanpur 208 005, India. The registration number of the Company is 20-04147.

The Registrar of Companies, Uttar Pradesh & Uttaranchal,
37/17, West Cott Building
The Mall,
Kanpur 208 001, India.

Board of Directors

The following persons constitute our Board of Directors:

1. Mr. Mahendra Mohan Gupta, Chairman and Managing Director;
2. Mr. Sanjay Gupta, whole-time Director and CEO;
3. Mr. Dhirendra Mohan Gupta, whole-time Director;
4. Mr. Sunil Gupta, whole-time Director;
5. Mr. Shailesh Gupta, whole-time Director;
6. Sir Anthony O'Reilly, non-executive Director;
7. Mr. Gavin K. O'Reilly, non-executive Director;
8. Mr. Kishore Biyani, independent Director;
9. Mr. Vijay Tandon, independent Director;
10. Mr. Bharat Ji Agrawal, independent Director;
11. Mr. Naresh Mohan, independent Director;
12. Mr. Rashid Mirza, independent Director;
13. Mr. Anuj Puri, independent Director; and
14. Mr. Vikram Bakshi, independent Director.

For further details of our Directors, see the section titled "Our Management" beginning on page 104.

Company Secretary and Compliance Officer

Mr. Amit Jaiswal
Jagran Building
2, Sarvodaya Nagar
Kanpur 208 005. India.
Tel: +91 512 221 6161
Fax: +91 512 223 0625
E-mail: ipo@jagran.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment and credit of allotted shares in the respective beneficiary account or refund orders.

Book Running Lead Managers

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021, India.
Tel: +91 22 2262 1071
Fax: +91 22 2262 1187
Contact Person: Mr. N.S. Shekhar
E-mail: jpl_ipo@ml.com
Website: www.dspml.com

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel: +91 22 2288 2460
Fax: +91 22 2283 7045
Contact Person: Mr. Vivek Shah
E-mail: jagran_ipo@isecltd.com
Website: www.iseconline.com

Syndicate Member

ICICI Brokerage Services Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel: + 91 22 2288 2460
Fax: + 91 22 2283 7045
Contact Person: Mr. Anil Mokashi
E-mail : jagran_ipo@isecltd.com
Website: www.iseconline.com

Legal Advisors

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers
216, Okhla Industrial Estate, Phase – III
New Delhi 110 020, India.
Tel: +91 11 2692 0500
Fax: +91 11 2692 4900
E-mail: am.delhi_corp@amarchand.com

International Legal Counsel to the Issue

Dorsey & Whitney LLP
21, Wilson Street
London, EC2M 2TD
England.
Tel: +44 20 7588 0800
Fax: +44 20 7588 0555
Email: chrisman.john@dorsey.com

Domestic Legal Counsel to the Underwriters

J. Sagar Associates
Vakils House
18, Sprott Road
Ballard Estate
Mumbai 400 001, India.
Tel: +91 22 5656 1500
Fax: +91 22 5656 1515
E-mail: mumbai@jsalaw.com

Registrar to the Issue

Karvy Computershare Private Limited
Karvy House, 46, Avenue 4
Street No.1, Banjara Hills,
Hyderabad 500 034, India.
Tel: +91 40 2331 2454
Fax: +91 40 2331 1968
Contact Person: Mr. Murali Krishna
E-mail: jagran@karvy.com
Website: www.karvy.com

Banker to the Issue and Escrow Collection Banks

Citibank N.A.
Citigroup Centre,
6th Floor, C-61, Bandra Kurla Complex,
G Block, Bandra (East), Mumbai 400 051.
Tel : + 91 22 5001 5646.
Fax : + 91 22 2653 5824.
Contact Person : Mr. Divyesh Dalal.
E-mail: divyesh.dalal@citigroup.com
Website:www.citigroup.com.

HDFC Bank Limited
Maneckwaja Building,
Nanik Motwani Marg,
Mumbai 400 023.
Tel : + 91 22 5657 3657
Fax : + 91 22 2270 3383.
Contact Person : Mr. Deepak Rane.
E-mail: deepak.rane@hdfcbank.com
Website:www.hdfcbank.com.

ICICI Bank Limited
Capital Markets Division,
30, Mumbai Samachar Marg,
Mumbai 400 001.
Tel : + 91 22 2265 5285.
Fax : + 91 22 2261 1138.
Contact Person : Mr. Sidhartha Sankar Routray.
E-mail: sidhartha.routray@icicibank.com
Website:www.icicibank.com.

Standard Chartered Bank
270, D.N. Road,
Fort, Mumbai 400 001.
Tel: + 91 22 2268 3965.
Fax: + 91 22 2209 4388.
E-mail:banhid.bhattacharya@standardchartered.com
Website:www.standardchartered.co.in
Contact Person: Mr. Banhid Bhattacharya.

Auditors

M/s J. N. Sharma & Co., Chartered Accountants
58/4, Birhana Road
Post Box No. 389
Kanpur 208 001, India.
Tel: +91 512 236 6629
Fax: +91 512 236 7904
E-mail: jnscom@sify.com

Bankers to the Company

Our Company has several bank accounts in various parts of India. Set forth below are the details of the banks in Kanpur (place of our registered office) with which we have accounts:

Bank of Baroda
117/K/21-B, Sarvodaya Nagar
Kanpur 208 025, India.
Tel: +91 512 250 3403
Fax: +91 512 250 0814

Central Bank of India
Gumti No. 5
Kanpur 208 012, India.
Tel: +91 512 221 5847
Fax: +91 512 2297736
E-mail: cbigumti@vsnl.net

ICICI Bank Limited
16/106, J.S. Tower
Kanpur 208 001, India.
Tel: +91 512 233 1044
Fax: + 91 512 233 1041
E-mail: aman.singla@icicibank.com

Allahabad Bank
113/58, Swaroop Nagar
Kanpur 208 002, India.
Tel: +91 512 2545419
Fax: +91 512 2540544
E-mail: albzoknp@sancharnet.in

State Bank of India
Motijheel Branch
Kanpur 208 002, India.
Tel: +91 512 225 5208
Fax: +91 512 255 1087

State Bank of India
Kakadeo Branch
Neer Ksheer Chauraha
Kanpur 208 005, India.
Tel: +91 512 221 7263
Fax: +91 512 223 3095

Union Bank of India
Sarvodaya Nagar Branch
117/400, 33C, Sarvodaya Nagar
Kanpur 208 005, India.
Tel: +91 512 221 8923
Fax: +91 512 221 9042

Oriental Bank of Commerce
Ranjeet Nagar Branch,
120/809, Ranjeet Nagar
Kanpur, India.
Tel: +91 512 221 6630
Fax: +91 512 223 0256

Statement of Inter-Se Allocation of Responsibilities for the Issue

Activity	Responsibility	Co-ordination
Capital structuring with the relative components and formalities such as type of instruments etc.	DSPML, I-SEC	DSPML
Due diligence of the Company's operations/management/business plans/ legal etc. Drafting and Design of Red Herring Prospectus and the Prospectus and of statutory and non-statutory advertisement including memorandum containing salient features of the Prospectus and any other publicity material. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of the prospectus and filing with the Stock Exchanges/ ROC.	DSPML, I-SEC	DSPML
Appointment of other intermediaries viz. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	DSPML, I-SEC	DSPML
Retail and Non-Institutional marketing strategy, which will cover *inter alia*: ● Formulating marketing strategies, preparation of publicity budget; ● Finalise media and public relations strategy; ● Finalise centers for holding conferences for press and brokers; ● Finalise collection centers; ● Follow-up on distribution of publicity and issue material; ● Including form, prospectus and deciding on the quantum of the Issue material. ● Finalize roadshow presentations	DSPML, I-SEC	I-SEC
Institutional marketing strategy, which will cover *inter alia*: ● Finalize the list and division of investors for one-on-one meetings and managing the book and pricing.	DSPML, I-SEC	DSPML
The post bidding activities including management of Escrow Accounts, co-ordination with Stock Exchanges, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.	DSPML, I-SEC	I-SEC

Credit Rating

As the Issue is of Equity Shares, a credit rating is not required.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book Building Process, with reference to the Issue, refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. The Company;
2. The Book Running Lead Managers;
3. The Syndicate Member, which is intermediary registered with SEBI or registered as a broker with NSE/BSE and is eligible to act as underwriters. The Syndicate Member is appointed by the BRLMs; and
4. The Registrar to the Issue.

This being an Issue for less than 25% of the post Issue capital, the securities are being offered to the public through the 100% Book Building Process in accordance with the SEBI Guidelines read with Rule 19(2)(b) of the SCRR, wherein: (i) at least 60% of the Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; (ii) up to 10% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, see the section titled "Terms of the Issue" beginning on page 35.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed DSP Merrill Lynch Limited and ICICI Securities Limited as the BRLMs to manage the Issue and to procure subscription to the Issue.

Illustration of Book Building and Price Discovery Process (Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue).

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the websites of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below, shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is Rs. 42 in the above example. The issuer, in consultation with the book running lead managers will finalise the issue price at or below such price i.e. at or below Rs. 42. All bids at or above this issue price and bids at cut-off are valid bids and are considered for allocation in respective category.

Steps to be taken for Bidding:

1. Check eligibility for making a Bid (see the section titled "Issue Procedure - Who Can Bid?" beginning on page 203);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled "Issue Procedure - 'PAN' or 'GIR' Number" beginning on page 214);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefor.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	JANUARY 25, 2006, WEDNESDAY
BID/ISSUE CLOSES ON	JANUARY 31, 2006, TUESDAY

Bids and any revision in Bids shall be accepted **between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form and uploaded till such time as permitted by the BSE and the NSE.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the ROC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
DSP Merrill Lynch Limited 10th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021, India.	5,772,437	[●]
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.	5,772,336	[●]
ICICI Brokerage Services Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India.	100	[●]

The above-mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●].

In the opinion of the Board of Directors (based on certificates dated January 9, 2006 given to them by the BRLMs and the Syndicate Member), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, pursuant to the proposed Underwriting Agreement, the Underwriters have proposed to agree, severally, to procure purchasers for, or purchase themselves, that portion of this Issue in respect of which Bids have been procured by each of them and for which the Bidders have been allocated Equity Shares in this Issue, subject to (i) a maximum underwriting commitment of all the Underwriters of such number of Equity Shares as specified in the proposed Underwriting Agreement and (ii) certain termination events and closing conditions as specified in the proposed Underwriting Agreement, including subscription by and allotment or sale to Qualified Institutional Buyers of atleast 60% of the Issue Size. Accordingly, for that portion of this Issue in respect of which Bids have been procured by each of them, the Underwriters have proposed to agree that to the extent of the Bids procured by each Underwriter in its capacity as a member of the Syndicate (including Bids procured by its respective sub-syndicate members) in this Issue, each Underwriter shall only be responsible for ensuring completion of the subscription in respect of such Bids, including ensuring full payment of the Issue Price in respect of the Equity Shares for which such Bids are made and collection of the applicable Margin Amount.

In the event ICICI Brokerage Services Limited fails to satisfy its underwriting obligation discussed above, then ICICI Securities Limited shall be liable to discharge the underwriting obligations of ICICI Brokerage Services Limited. The terms of the underwriting agreement and the number of equity shares to be underwritten are merely indicative and will be finalized on the execution of the Underwriting Agreement.

CAPITAL STRUCTURE

Our share capital as at the date of filing of this Red Herring Prospectus with the RoC (before and after the Issue) is set forth below:

(Rs. in million, except share data)

	Aggregate Nominal Value	Aggregate Value at Issue Price
A. Authorised Capital [1]		
55,000,000 Equity Shares	550.00	
B. Issued, Subscribed and Paid-Up Capital before the Issue		
40,156,077 Equity Shares	401.56	
C. Present Issue in terms of this Red Herring Prospectus		
Issue of:		
10,039,020 Equity Shares	100.39	[●]
Of Which:		
QIB Portion of at least 6,023,412 Equity Shares	60.23#	[●]
Non-Institutional Portion of up to 1,003,902 Equity Shares	10.04	[●]
Retail Portion of up to 3,011,706 Equity Shares	30.11	[●]
D. Green Shoe Option in terms of this Draft Red Herring Prospectus		
Up to 1,505,853 Equity Shares	15.06	[●]
E. Equity Capital after the Issue		
Excluding Green Shoe option		
50,195,097 Equity Shares	501.95	[●]
Including Green Shoe option		
51,700,950 Equity Shares	517.01	[●]
F. Share Premium Account		
Before the Issue	1,076.39	
After the Issue	[●]	

[1] The authorized share capital of our Company was increased from Rs. 100,000 divided into 1000 equity shares of Rs. 100 each to Rs. One million divided into 10,000 equity shares of Rs. 100 each on April 15, 1978 and to Rs. 100 million divided into 10 million equity shares of Rs. 10 each on April 29, 2000. Subsequently, on August 31, 2000, the authorized share capital of our Company was increased to Rs. 150 million divided into 15 million Equity Shares of Rs. 10 each and, thereafter, on November 18, 2005 to Rs. 550 million divided into 55 million Equity Shares.

5% of the QIB Portion, i.e., Rs. 3.01 million (at nominal value, assuming that 60% of the Issue is the QIB Portion) is available for allocation on a proportionate basis to Mutual Funds only, and the remainder, i.e., Rs. 57.22 million (at nominal value, assuming that 60% of the Issue is the QIB Portion) is available for allocation on a proportionate basis to all QIBs, including Mutual Funds.

The Green Shoe Option will be exercised at the discretion of the BRLMs and our Company. The Green Shoe Lender has agreed to lend upto 1,505,853 Equity Shares to the Stabilising Agent, in the event that the Green Shoe Option is exercised by the Stabilising Agent.

Notes to the Capital Structure

1. Share Capital History of our Company:

The following is the history of the equity share capital of our Company:

Date of Allotment	Number of Equity Shares Issued	Face Value per share (Rs.)	Issue Price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Capital (Rs.)
July 19, 1975	250	100	100	Cash	Initial Allotment	25,000
June 30, 1976	750	100	100	Cash	Expansion of share capital	100,000
June 29, 1978	4,020	100	100	Cash	Expansion of share capital	502,000
December 30, 1982	4,980	100	100	Cash	Expansion of share capital	1,000,000
April 29, 2000	100,000	Split of 10,000 equity shares of Rs. 100 each to 100,000 equity shares of Rs. 10 each				1,000,000
May 15, 2000	4,900,000	10	10	Bonus (49:1)	Capitalization of reserves	50,000,000
June 30, 2000	5,000,000	10	10	Bonus (1:1)	Capitalization of profits	100,000,000
June 25, 2005	2,355,716	10	466.93	Cash	Expansion of share capital	123,557,160
November 18, 2005	27,800,361	10	10	Bonus (2.25:1)	Capitalization of reserves	401,560,770

2. Promoters' contribution and lock-in:

(a) Details of Promoters contribution and lock in*

Set forth below are the details of the build up of the Promoters' shareholding, Promoters contribution and lock in:

(i) If the Green Shoe Option is not exercised:

Name of the Promoter	Date of Acquisition /Transfer	Consid-eration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in
Mr. Yogendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	December 30, 1982	Cash	100	100	100		
	March 16, 2000	Cash	400	100	100		
	April 29, 2000	Split of 1,400 equity shares of Rs. 100 each to 14,000 equity shares of Rs. 10 each				0.03	One year
	May 15, 2000	Bonus (49:1)	612,435	10	10	1.22	One year
			73,565	10	10	0.15	Three years
	June 30, 2000	Bonus (1:1)	700,000	10	10	1.39	Three years
	July 12, 2005	119,946 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.24)	
	November 18, 2005	Bonus (2.25:1)	2,880,122	10	10	5.74	Three years
	Sub-Total		**626,435**			**1.25**	**One year**
			3,533,741			**7.04**	**Three years**

Name of the Promoter	Date of Acquisition /Transfer	Consid-eration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in
Mr. Mahendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	April 29, 2000	Split of 900 equity shares of Rs. 100 each to 9,000 equity shares of Rs. 10 each				0.01	One year
	May 15, 2000	Bonus (49:1)	304,217	10	10	0.60	One year
			136,783	10	10	0.27	Three years
	June 30, 2000	Bonus (1:1)	450,000	10	10	0.90	Three years
	July 12, 2005	77,110 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.15)	
	November 18, 2005	Bonus (2.25:1)	1,851,503	10	10	3.69	Three years
	Sub-Total		**313,217**			**0.62**	**One year**
			2,361,176			**4.70**	**Three years**
Mr. Dhirendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	April 29, 2000	Split of 900 equity shares of Rs. 100 each to 9,000 equity shares of Rs. 10 each				0.01	One year
	May 15, 2000	Bonus (49:1)	304,217	10	10	0.60	One year
			136,783	10	10	0.27	Three years
	June 30, 2000	Bonus (1:1)	450,000	10	10	0.90	Three years
	July 12, 2005	77,110 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.15)	
	November 18, 2005	Bonus (2.25:1)	1,851,503	10	10	3.69	Three years
	Sub-Total		**313,217**			**0.62**	**One year**
			2,361,176			**4.70**	**Three years**
Mr. Sanjay Gupta	March 16, 2000	Cash	200	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	April 29, 2000	Split of 200 equity shares of Rs. 100 each to 2,000 equity shares of Rs. 10 each				0.00	Three years
	May 15, 2000	Bonus (49:1)	98,000	10	10	0.20	Three years
	June 30, 2000	Bonus (1:1)	100,000	10	10	0.20	Three years
	July 15, 2004	By way of transmission of 400,000 Equity Shares of Rs. 10 each following death of his father Mr. Narendra Mohan.	400,000	10	N.A.	0.80	Three years
	July 12, 2005	51,407 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.10)	
	November 18, 2005	Bonus (2.25:1)	1,234,334	10	10	2.46	Three years
	Sub-Total		**NIL**			**NIL**	**One year**
			1,782,927			**3.56**	**Three years**
Total Promoters' contribution locked in for three years			**10,039,021**			**20.00**	

(ii) If the Green Shoe Option is exercised in full:

Name of the Promoter	Date of Acquisition /Transfer	Consid-eration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in
Mr. Yogendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	December 30, 1982	Cash	100	100	100		
	March 16, 2000	Cash	400	100	100		
	April 29, 2000	Split of 1,400 equity shares of Rs. 100 each to 14,000 equity shares of Rs. 10 each				0.03	One year
	May 15, 2000	Bonus (49:1)	461,849	10	10	0.89	One year
			224,151	10	10	0.43	Three years
	June 30, 2000	Bonus (1:1)	700,000	10	10	1.36	Three years
	July 12, 2005	119,946 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.23)	
	November 18, 2005	Bonus (2.25:1)	2,880,122	10	10	5.57	Three years
	Sub-Total		**475,849**			**0.92**	**One year**
			3,684,327			**7.13**	**Three years**
Mr. Mahendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	April 29, 2000	Split of 900 equity shares of Rs. 100 each to 9,000 equity shares of Rs. 10 each				0.02	One year
	May 15, 2000	Bonus (49:1)	228,925	10	10	0.44	One year
			212,075	10	10	0.41	Three years
	June 30, 2000	Bonus (1:1)	450,000	10	10	0.87	Three years
	July 12, 2005	77,110 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.15)	
	November 18, 2005	Bonus (2.25:1)	1,851,503	10	10	3.58	Three years
	Sub-Total		**237,925**			**0.46**	**One year**
			2,436,468			**4.71**	**Three years**
Mr. Dhirendra Mohan Gupta	July 19, 1975	Cash	10	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	June 30, 1976	Cash	170	100	100		
	June 29, 1978	Cash	720	100	100		
	April 29, 2000	Split of 900 equity shares of Rs. 100 each to 9,000 equity shares of Rs. 10 each				0.02	One year
	May 15, 2000	Bonus (49:1)	228,925	10	10	0.44	One year
			212,075	10	10	0.41	Three years
	June 30, 2000	Bonus (1:1)	450,000	10	10	0.87	Three years
	July 12, 2005	77,110 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.15)	
	November 18, 2005	Bonus (2.25:1)	1,851,503	10	10	3.58	Three years
	Sub-Total		**237,925**			**0.46**	**One year**
			2,436,468			**4.71**	**Three years**

Name of the Promoter	Date of Acquisition /Transfer	Consid-eration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid-up Capital	Period of Lock-in
Mr. Sanjay Gupta	March 16, 2000	Cash	200	100	100	Not applicable since the equity shares of Rs. 100 were split into Equity Shares of face value of Rs. 10 each.	
	April 29, 2000	Split of 200 equity shares of Rs. 100 each to 2,000 equity shares of Rs. 10 each				0.00	Three years
	May 15, 2000	Bonus (49:1)	98,000	10	10	0.19	Three years
	June 30, 2000	Bonus (1:1)	100,000	10	10	0.20	Three years
	July 15, 2004	By way of transmission of 400,000 Equity Shares of Rs. 10 each following death of his father Mr. Narendra Mohan.	400,000	10	N.A.	0.77	Three years
	July 12, 2005	51,407 Equity Shares were sold to INMIL at the rate of Rs. 466.93.				(0.10)	
	November 18, 2005	Bonus (2.25:1)	1,234,334	10	10	2.39	Three years
	Sub-Total		**NIL**			**NIL**	**One year**
			1,782,927			**3.45**	**Three years**
Total Promoters' contribution locked in for three years			**10,340,190**			**20.00**	

*Lock-in period shall start from the date of allotment of the Equity Shares in terms of this Red Herring Prospectus.

All the Equity Shares which have been locked in are not ineligible for computation of Promoters' contribution under Clause 4.6 of the SEBI Guidelines.

(b) Details of pre-Issue Equity Share capital locked in for one year

In addition to the lock-in of the Promoter's contribution specified above, our entire pre-Issue issued Equity Share capital will be locked-in for a period of one year from the date of Allotment. The total number of Equity Shares, including those specified above, which are locked-in for one year, is 30,117,057 Equity Shares assuming the Green Shoe Option is not exercised and 29,815,887 assuming that the Green Shoe Option is exercised in full.

In the event the Green Shoe Option is exercised, the Equity Shares held by the Green Shoe Lender, which are lent to the Stabilising Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilising Agent to the date when they are returned to the Green Shoe Lender in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, as the case may be.

The locked in Equity Shares held by the Promoters, as specified above, can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of shares is one of the terms of sanction of loan.

In terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoter may be transferred to and amongst the promoter, promoter group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters, prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with SEBI Guidelines, as amended from time to time.

3. Lock-in Under the Amended and Restated Shareholders Agreement

In terms of the Amended and Restated Shareholders Agreement, for a period of three years from November 18, 2005, the Gupta Family Shareholders and INMIL shall continue to hold at least 45% and 15%, respectively, of Equity Shares held by them as on November 18, 2005. However, the restriction shall not be applicable in the event of an inter-se transfer of Equity Shares between INMIL and the Gupta Family Shareholders.

4. Shareholding Pattern of our Company

The table below presents our shareholding pattern pre and post the Issue.

Pre Issue			**Post Issue**			
			If the Green Shoe Option is not exercised		**If the Green Shoe Option is exercised in full**	
	Number of Equity Shares	**% of Equity Share capital**	**Number of Equity Shares**	**% of Equity Share capital**	**Number of Equity Shares**	**% of Equity Share capital**
Promoters						
Mr. Yogendra Mohan Gupta	4,160,176	10.36	4,160,176	8.29	4,160,176	8.05
Mr. Mahendra Mohan Gupta	2,674,393	6.66	2,674,393	5.33	2,674,393	5.17
Mr. Dhirendra Mohan Gupta	2,674,393	6.66	2,674,393	5.33	2,674,393	5.17
Mr. Sanjay Gupta	1,782,927	4.44	1,782,927	3.55	1,782,927	3.45
Sub-Total	**11,291,889**	**28.12**	**11,291,889**	**22.50**	**11,291,889**	**21.80**
Promoter Group						
Mr. Devendra Mohan Gupta	2,674,393	6.66	2,674,393	5.33	2,674,393	5.17
Mr. Shailendra Mohan Gupta	2,674,393	6.66	2,674,393	5.33	2,674,393	5.17
Mrs. Saroja Gupta	2,377,245	5.92	2,377,245	4.74	2,377,245	4.60
Mr. Sandeep Gupta	1,782,927	4.44	1,782,927	3.55	1,782,927	3.45
Mrs. Vijaya Gupta	594,308	1.48	594,308	1.18	594,308	1.15
Mrs. Pramila Gupta	891,465	2.22	891,465	1.78	891,465	1.72
Mr. Sunil Gupta	594,308	1.48	594,308	1.18	594,308	1.15
Mr. Sameer Gupta	594,308	1.48	594,308	1.18	594,308	1.15
Mr. Shailesh Gupta	891,465	2.22	891,465	1.78	891,465	1.72
Mrs. Madhu Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Mr. Devesh Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Mr. Tarun Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Sub-Total	**14,857,745**	**37.00**	**14,857,745**	**29.60**	**14,857,745**	**28.70**
Others						
Independent News & Media Investments Limited	10,440,580	26.00	10,440,580	20.80	10,440,580	20.19
Mrs. Raj Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Mr. Bharat Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Mr. Rahul Gupta	594,311	1.48	594,311	1.18	594,311	1.15
Mrs. Rajni Gupta	891,465	2.22	891,465	1.78	891,465	1.72
Mr. Siddhartha Gupta	891,465	2.22	891,465	1.78	891,465	1.72
Public	Nil	Nil	10,039,020	20.00	11,544,873	22.33
Sub total	**14,006,443**	**35.00**	**24,045,463**	**47.90**	**25,551,316**	**49.40**
Total	**40,156,077**	**100.00**	**50,195,097**	**100.00**	**51,700,950**	**100.00**

5. As per the MIB Guidelines, the largest Indian shareholder should hold at least 51% of our Equity Shares. For details, see the section titled "Regulations and Policies" on page 88. In this regard, each of the Gupta Family Shareholders have executed powers of attorney dated October 19, 2004 to irrevocably appoint and authorize Mr. Mahendra Mohan Gupta to represent them and vote on their behalf in all general meetings of our Company.

6. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

7. In the case of over-subscription in all categories, at least 60% of the Issue shall be available for Allocation on a proportionate basis to QIB Bidders, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion would be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, up to 10% of the Issue shall be available for Allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for Allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be met with spill over from other categories at the discretion of our Company in consultation with the BRLMs.

8. The list of shareholders of our Company and the number of Equity Shares held by them is as under:

   (a) The top 10 shareholders of our Company as on the date of filing of this Red Herring Prospectus and 10 days before the date of filing of this Red Herring Prospectus are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	Independent News & Media Investments Limited	10,440,580
2.	Mr. Yogendra Mohan Gupta	4,160,176
3.	Mr. Mahendra Mohan Gupta	2,674,393
4.	Mr. Dhirendra Mohan Gupta	2,674,393
5.	Mr. Devendra Mohan Gupta	2,674,393
6.	Mr. Shailendra Mohan Gupta	2,674,393
7.	Mrs. Saroja Gupta	2,377,245
8.	Mr. Sanjay Gupta	1,782,927
9.	Mr. Sandeep Gupta	1,782,927
10.	Mrs. Pramila Gupta	891,465
11.	Mr. Shailesh Gupta	891,465
12.	Mrs. Rajni Gupta	891,465
13.	Mr. Siddhartha Gupta	891,465
	Total	**34,807,287**

   (b) Top 10 shareholders of our Company as on January 10, 2004, (i.e., two years before the date of filing of this Red Herring Prospectus) are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	Mr. Narendra Mohan	1,400,000
2.	Mr. Yogendra Mohan Gupta	1,400,000
3.	Mr. Mahendra Mohan Gupta	900,000
4.	Mr. Dhirendra Mohan Gupta	900,000
5.	Mr. Devendra Mohan Gupta	900,000
6.	Mr. Shailendra Mohan Gupta	900,000
7.	Mrs. Pramila Gupta	300,000
8.	Mr. Shailesh Gupta	300,000
9.	Mrs. Rajni Gupta	300,000
10.	Mr. Siddhartha Gupta	300,000
	Total	**7,600,000**

9. Except for the transactions mentioned below, none of our Promoters or our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with the ROC.

   The following Promoters and/or our Directors sold our Equity Shares to IPCL, on July 12, 2005 at a price of Rs. 466.93 per Equity Share:

Name of the Promoter/Director	Number of Equity Shares Sold
Mr. Yogendra Mohan Gupta	119,946
Mr. Mahendra Mohan Gupta	77,110
Mr. Dhirendra Mohan Gupta	77,110
Mr. Sanjay Gupta	51,407
Mr. Sunil Gupta	17,136
Mr. Shailesh Gupta	25,703
Total	**368,412**

10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

11. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

12. Except as disclosed in this Red Herring Prospectus, none of our Directors and key managerial employees hold any Equity Shares.

13. There would be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

14. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

15. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

16. As on January 10, 2006 the total number of holders of Equity Shares was 22.

17. Our Company has not raised any bridge loans against the proceeds of the Issue.

18. Except as disclosed in Note 1 of "Capital Structure – Notes to the Capital Structure" on page 22 and "Other Regulatory and Statutory Disclosures – Issues Otherwise than for Cash" on page 198, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

19. An over subscription to the extent of 10% of the Issue can be retained for the purposes of rounding to the nearest multiple of 20 while finalizing the basis of Allotment.

20. As per RBI regulations, OCBs are not allowed to participate in this Issue.

21. We had written to the MIB on October 18, 2005 seeking a no objection for participation in the Issue by FIIs, NRIs and such other foreign persons who are eligible by SEBI to participate in Indian public offers and for the corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders in our Company. The MIB has, vide its letter dated December 5, 2005, granted permission for Non-Resident Bidders to acquire Equity Shares in the Issue.

22. As per Chapter VIIIA of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the Equity Shares. We have appointed DSP Merrill Lynch Limited as the stabilising agent. The Green Shoe Option consists of an option to overallot up to 1,505,853 Equity Shares at the Issue Price, aggregating Rs. [●] million, representing up to 15% of the Issue, exercisable during the Stabilisation Period.

Maximum number of Equity Shares	Up to 1,505,853 Equity Shares.
The maximum increase in our equity share capital if we are required to utilise the full over-allotment in the Issue	1,505,853 Equity Shares
Green Shoe Option Portion	Up to 15% of the Issue.
Maximum number of Equity Shares that may be borrowed	Upto 1,505,853 Equity Shares.
Pre-Issue holding of the Green Shoe Lender as of December 1, 2005	2,674,393 Equity Shares representing 6.66% of the pre-Issue share capital of our Company.
Maximum number of Equity Shares that can be lent by the Green Shoe Lender	Upto 1,505,853 Equity Shares representing 3.75% of the pre-Issue share capital of our Company.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.
Rights and obligations of the Stabilising Agent	Open a special bank account under the name of "Special Account for GSO proceeds of Jagran Prakashan Limited" or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. Open a special account for securities under the name of "Special Account for GSO shares of Jagran Prakashan Limited" or GSO Demat Account and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account. As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event of the market price falling below the Issue Price, including determining the price at which Equity Shares to be bought, the timing etc. On exercise of the Green Shoe Option, to request us to issue fresh Equity Shares and to transfer funds from the GSO Bank Account to us for such fresh issue of Equity Shares, within a period of two working days of the close of the Stabilisation Period. On expiry of the Stabilisation Period, to return such number of Equity Shares to the Green Shoe Lender either through market purchases as part of stabilising process or through the issue of fresh Equity Shares by us. To submit daily reports to the Stock Exchanges during the Stabilisation Period and final report to SEBI. To maintain a register of its activities and retain for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of BSE and NSE.
Our rights and obligations	On expiry of the Stabilisation Period if Stabilising Agent has not bought the entire number of Equity Shares, which have been over allotted, then such balance number of Equity Shares shall be issued by us to the credit of the GSO Demat Account. If no Equity Shares are bought, then to issue the Equity Shares to the entire extent of over-allotment.

Rights and obligations of the Green Shoe Lender	The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/GSO Demat Account free from all liens, charges and encumbrances. Before the Pricing Date, to transfer Loaned Shares to GSO Demat account. The Green Shoe Lender will not recall or create lien or encumbrance on the Loaned Shares till the completion of the formalities during the Stabilisation Period.

OBJECTS OF THE ISSUE

The objects of the Issue are to (i) enhance our printing and publishing capabilities and infrastructure, (ii) acquire and invest in print and other media related businesses in India, (iii) expand our outdoor advertising business, (iv) augment our working capital, (v) meet general corporate purposes, (vi) meet the expenses of the Issue, and (vii) to enhance our visibility and achieve the benefits of listing our Equity Shares

The main objects clause in our Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

We propose to finance the objects of the Issue entirely from the proceeds of the Issue therefore; no amount is required to be raised through means other than the Issue for financing the same.

The net proceeds from the Issue after deducting underwriting and management fees, selling commission, and all other Issue expenses payable by us is estimated at Rs. [●] million.

The details of the utilization of proceeds of the Issue along with the year wise break up of utilization of the proceeds from the Issue are summarized in the table below:

(Rs. in million)

S. No.	Proposed Expenditure Program	Estimated Amount	Estimated Issue Proceeds Utilisation as of March 31,	
			2007	2008
1.	Capital Expenditure	1,371.69	847.40	524.29
	(i) Capital expenditure to enhance our printing and publishing capabilities	764.15	591.40	172.75
	(ii) Capital expenditure to consolidate our infrastructure including printing facility, editorial, marketing and administrative departments in and around New Delhi	173.60	106.00	67.6
	(iii) Capital expenditure on plant and machinery for launching a second brand	433.94	150.00	283.94
2.	Acquisitions and investments	800.00	300.00	500.00
3.	Expansion of outdoor advertising business	400.00	200.00	200.00
4.	Augmentation of working capital	400.00	200.00	200.00
5.	General corporate purposes	[●]	NA	NA
6.	Issue expenses*	[●]	[●]	NA
	Total	[●]	[●]	[●]

* Will be finalised upon finalisation of Issue Price.

Our fund requirements and deployment thereof are based on internal management estimates. In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with, in the first instance, by surplus funds, if any available in respect of the other activities for which funds are being raised in this Issue, otherwise by our internal accruals.

1. Capital Expenditure:

The broad estimated outlay of capital expenditure of the proceeds of the Issue is as follows:

(Rs. in million)

S. No.	Particulars	No of Machines	Estimated Amount	Estimated Expenses as of March 31,	
				2007	2008
1.	**Capital expenditure to enhance our printing and publishing capabilities**				
	Heat set machine	2	222.75	50.00	172.75
	Computer to plate machine	26	186.00	186.00	0.00
	Forklift and rewinding machines	11	18.00	18.00	0.00
	Machines for automation of mail room operations	26	102.00	102.00	0.00

S. No.	Particulars	No. of Machines	Estimated Amount	Estimated Expenses as of March 31,	
				2007	2008
	Modernization and upgradation of machines with registration control equipments	15	115.50	115.50	0.00
	Modernization and upgradation - other equipments	N.A.	54.70	54.70	0.00
	IT equipment and software	N.A.	65.20	65.20	0.00
	SUB TOTAL		**764.15**	**591.40**	**172.75**
2.	**Capital expenditure to consolidate our infrastructure including printing facility editorial, marketing and administrative departments in and around New Delhi**				
	Acquisition of land		105.00	105.00	0.00
	Construction of facility including interiors and electricals		48.60	1.00	47.60
	Equipment, furniture and fixtures		20.00	0.00	20.00
	SUB TOTAL		**173.60**	**106.00**	**67.60**
3.	Plant and machinery for second brand		433.94	150.00	283.94
	TOTAL		**1371.69**	**847.40**	**524.29**

Undertaking the aforesaid capital expenditure will include modernization and upgradation of our existing facilities including improved connectivity. This will assist us in improving efficiency and quality of our product besides cost saving. The proposed mordernization and upgradation shall help us in reducing newsprint waste and saving personnel cost, thereby increasing our profitability. It will also enable us to increase the colour printing capacity at some of the printing centres thereby enabling us to print more colour advertisements, which give higher realizations than black & white advertisements.

The proposed expansion of our printing and publishing capabilities will enable us to undertake additional job printing, to meet our current requirements for magazines which we presently outsource and to meet our added internal requirements as a result of increased circulation. In addition, it will also enable us to launch the second brand.

With respect to the proposed capital expenditure to enhance our printing and publishing capabilities, the same is proposed to be incurred in our existing and proposed facilities. The location for the capital expenditure for plant and machinery for our second brand shall be in one or more of the states of Uttar Pradesh, Uttaranchal and Punjab. However, the specific location for the same has not yet been finalised.

We have not executed any agreements nor placed any orders for the supply of machinery mentioned above and are unable to confirm the expected dates of supply of such machinery. We further confirm that the entire cost for the projects identified above, is proposed to be funded through the net proceeds of the Issue and internal accruals, if necessary, and there is no debt being incurred to fund these projects. Accordingly, the Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue. We also confirm that no amount has been spent on these projects.

Schedule of Implementation:

The estimated schedule of implementation of our proposed capital expenditure is as follows:

Sl.No.	Activity	Estimated time of completion
1.	**Capital expenditure to enhance our printing and publishing capabilities**	
	Heat set machine	February, 2008
	Computer to plate machine	March, 2007
	Forklift and rewinding machines	March, 2007
	Machines for automation of mail room operations	March, 2007
	Modernization and upgradation of machines with registration control equipments	March, 2007
	Modernization and upgradation - other equipments	March, 2007
	IT equipment and software	January, 2007

Sl.No.	Activity	Estimated time of completion
2.	**Capital expenditure to consolidate our infrastructure including printing facility editorial, marketing and administrative departments in and around New Delhi.**	
	Acquisition of land	February, 2007
	Construction of facility including interiors and electricals	December, 2007
	Equipment, furniture and fixtures	January, 2008
3.	**Plant and machinery for second brand**	March, 2008

2. Acquisitions and Investments

We propose to invest approximately Rs. 800 million in strategic acquisitions/investments in print and other media related businesses in India. For further information, see the section titled "Our Business – Our Strategy" on page 55.

As on date, we are in preliminary stages of negotiations and discussions for such strategic acquisitions/investments. While we intend to close such transactions in keeping with our business and growth strategies, we may deploy a part of any unutilized amount towards augmenting our working capital or for general corporate purposes.

3. Expansion of our Outdoor Media Business

We intend to utilize a sum of Rs. 400 million towards expansion of our outdoor media business. We intend to utilize a sum of Rs. 300 million for the acquisition of 250 vehicles costing approximately Rs. 1.20 million each for mobile hoardings. We propose to utilize the remaining funds for incidental expenses and higher working capital needs in form of receivables since payments are usually made only after completion of contract period.

4. Augmentation of Working Capital

We propose to utilize a sum of Rs. 400 million on working capital expenditure in our printing and publishing business. This expenditure will meet additional requirements of newsprint, stocks, trade receivables, advances to suppliers, and loans to employees in normal course of business as a measure of employee welfare.

The estimates of the working capital requirements of the Company are based on future estimates for fiscal 2007 and 2008. The working capital is determined on the basis of the following current asset estimates:

- The inventory of newsprint from indigenous sources equivalent to the consumption for one month;
- The inventory of imported newsprint equivalent to the consumption for two months;
- The inventory of stores, spares and ink equivalent to the consumption for one month;
- Advertisement revenue receivables equivalent to advertisement billing for four months;
- Newspaper revenue receivables equivalent to newspaper sale for two months; and
- Advances to suppliers and loans and advances to employees.

As of date, the total working capital available to us is Rs. 450 million. The estimate of the working capital requirements of Rs. 400 million for the next two fiscal years are based on the assumption that we will not seek enhancement of the working capital limits currently available to us. However, we may, with the approval of our Board of Directors, seek enhancement of the working capital limits available to our Company.

5. General Corporate Purposes including Pre-Payment of Debt

We propose to utilize about Rs. [●] million for general corporate purposes including brand building exercises, strengthening of our marketing and distribution capabilities and possible pre-payment of a portion of our existing debt obligations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

6. Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal expenses, advertisement expenses, registrar's fees and depository fee.

The details of the Issue expenses are tabulated below:

Activity	Expenses (in Rs. million)	% of net proceeds of the Issue**
Underwriting and Selling Commission*	[●]	[●]
Advertising and Marketing expenses	62.95	[●]
Printing and Stationery	29.38	[●]
Others (Registrar's fees, legal fees etc.)	32.87	[●]

* The lead manager's underwriting and selling commissions will be finalised on finalisation of the Issue Price.

** Will be filled on finalization of Issue Price in the Prospectus.

Interim Use of Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, for the necessary duration or for reducing overdraft to save interest costs. Such investments would be in accordance with investment policies approved by our Board from time to time.

Monitoring Utilization of Funds

Our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds including interim use, under a separate head in our balance sheet for fiscal 2007 and 2008 clearly specifying the purpose for which such proceeds have been utilized.

No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, our Directors, key managerial employees or companies promoted by our Promoters.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by our Company after the date of Allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] each. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability;
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the terms of the listing agreements with the Stock Exchanges; and
- Such other rights as may be available to our shareholders under our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled “Main Provisions of Articles of Association of our Company” beginning on page 223.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form in multiples of one Equity Share subject to a minimum Allotment of 20 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the Registered Office or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors need to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

BASIS FOR ISSUE PRICE

The Price Band for the issue will be decided prior to the filing of the Red Herring Prospectus with the RoC. The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the equity shares is Rs.10 and the Issue Price is [●] times of the face value.

Qualitative Factors

Factors External to the Company

The PricewaterhouseCoopers Global Entertainment and Media Outlook 2005-09 has estimated that the Indian newspaper market was US$2.37 billion in 2004 (based on an average 2004 exchange rate of US$1 = Rs. 45.339). According to the PWC Report, the compounded annual growth rate of the Indian newspaper market is forecast at 6.0% per annum through 2009, when the market could reach US$3.17 billion. Advertising revenue for Hindi newspapers increased at a rate of 40% as against 14% for the English-language newspapers in fiscal 2005 compared with fiscal 2004. (Source: TAM Adex).

Factors Internal to the Company

- We are the largest newspaper by readership and circulation in India. (Source: NRS 2005 and IRS 2005, Round 2 and ABC certified figures for January- June 2005).
- We have grown rapidly launching 13 new editions since the beginning of fiscal 2000 and now publish 25 editions and nearly 200 sub editions. We now intend to, consolidate Dainik Jagran's position as the most read and most widely circulated newspaper in India and derive benefits of consolidation.
- We have a strong national brand, which we believe commands respect and creditability and offers us competitive advantages when entering new markets.
- We have a pan India infrastructure and large-scale operations. In addition to giving us the benefits of economies of scale, this helps us in the efficient gathering and timely reporting and distribution of new, and gives us the ability to manage the growth of our existing businesses and our diversification into other allied businesses.
- We operate in areas with low literacy rates, which we believe gives us strong growth potential in terms of circulation and readership.
- Independent News & Media PLC, a leading international newspaper and communications group, through its wholly-owned subsidiary Independent News & Media Investments Limited, holds 26% of our pre Issue Equity Shares and is our strategic partner.

Quantitative Factors

1) Adjusted Earnings Per Share

Period Ended	EPS annualized (Rs.)	EPS (Adjusted for the 2.25:1 bonus issue on November 18, 2005)*	Weight
Six months ended September, 2005	25.32	7.79	3
12 months ended March 31, 2005	1.53	0.47	3
12 months ended March 31, 2004	14.34	4.41	2
12 months ended March 31, 2003	16.88	5.19	1

I) EPS has been calculated as per the following formula:

(Net profit attributable to equity shareholders before exceptional items)/ (weighted average number of Equity Shares outstanding during the year / period)

II) Net profit, as restated and appearing in the statement of profits and losses has been considered for the purpose of computing the above ratio. The net profit is based on the restated unconsolidated financial statements of our Company.

***** EPS adjusted for the 2.25:1 bonus issue on November 18, 2005 has been calculated as per the following formula: (Adjusted EPS as per I above)/(1+ bonus issue ratio).

2) Price to Earnings Ratio (P/E) in Relation to Issue Price of Rs.[●]

I) Based on the EPS of Rs. 1.53 for fiscal 2005 the P/E ratio is [●]. Based on EPS of Rs.0.47 computed after taking into consideration the bonus issue (of 2.25:1 Equity Shares on November 18, 2005) the P/E ratio is [●].

II) Based on the weighted average EPS of Rs. 14.01 for fiscal 2005 the P/E ratio is [●]. Based on the weighted average EPS of Rs. 4.31 computed after taking into consideration the bonus issue (of 2.25:1 Equity Shares on November 18, 2005) the P/E ratio is [●].

III) Industry P/E is not available.

3) Return on Net Worth

Period	RoNW Annualized (%)	Weight
Six months ended September 30, 2005	14.95%	3
12 month ended March 31, 2005	2.23%	3
12 month ended March 31, 2004	18.37%	2
12 month ended March 31, 2003	26.85%	1

I) RoNW has been calculated as per the following formula:

(Net profit after tax)/(net worth excluding preference share capital at the end of the period)

4) Minimum Return on total Net Worth after the Issue required to maintain pre-Issue annualised EPS of Rs. 7.79 based on audited financial statements for September 30, 2005 and adjusted for the bonus issue (of 2.25:1 Equity Shares on November 18, 2005) is [●]%.

5) Net Asset Value (NAV) per Equity Share

I) As of September 30, 2005: Rs.154.11. After adjustment for the bonus issue (of 2.25:1 Equity Shares on November 18, 2005) the NAV as of September 30,2005 is Rs. 47.42.

II) After the Issue: Rs.[●].

NAV has been calculated as per the following formula:

(Net worth excluding preference share capital at the end of the period)/(total number of Equity Shares outstanding at the end of the period)

6) Comparison with Industry Peers

As there is no separate classification of the newspaper publishing sector as an industry, a benchmark comparable industry P/E is not available.

STATEMENT OF TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

1. To the Company - Under the Income-tax Act, 1961 (the Act)

1.1 There is no additional benefit arising to the Company under The Income Tax Act, 1961, by proposed Initial Public Offer of Equity Shares.

2. To the Members of the Company – Under the Income Tax Act

2.1 Resident Members

a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 88 E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

f) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

g) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

h) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

i) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.2 Non Resident Indians/Members other than Foreign Institutional Investors and Foreign Venture Capital Investors

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.

b) **Taxation of Income from investment and Long Term Capital Gains on its transfer**

(i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".

(ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus applicable surcharge and educational cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

(iii) Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

2.3 Return of Income not to be filed in certain cases

Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.

2.4 Other Provisions of the Act

a) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would computed as per normal provisions of the Act.

b) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

c) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

d) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

e) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

f) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

g) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.5 Foreign Institutional Investors (FIIs)

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the institutional investor.

b) Under section 115AD capital gain arising on transfer of short capital assets, being shares and debentures in a company, are taxed as follows:

(i) Short term capital gain on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed @ 10% (plus applicable surcharge and educational cess); and

(ii) Short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @ 30% (plus applicable surcharge and educational cess).

c) Under section 115AD capital gain arising on transfer of long term capital assets, being shares and debentures in a company, are taxed @ 10% (plus applicable surcharge and educational cess). Such capital gains would be computed without giving effect to the first and second proviso to section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

d) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section National Bank for Agriculture and Rural Development established under 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

e) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

2.6 Venture Capital Companies / Funds

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

2.7 Infrastructure Capital Companies / Funds or Co-operative Bank

As per the provisions of section 10(23G) of the Act, income by way of dividends, interest or long term capital gains of

- Infrastructure Capital Company;
- Infrastructure Capital Fund; and
- Co-operative Bank

from investment made in share or long term finance in undertakings specified therein shall be exempt from tax. However, such income earned by an Infrastructure Capital Company shall not be exempt for the purpose of computing tax on book profits u/s 115JB of the Act.

3. Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

4. The Gift Tax Act, 1957

Gift of shares of the company made on or after October 1, 1998 are not liable to tax.

Notes:

a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.

b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

INDUSTRY

Unless otherwise indicated, all financial and statistical data relating to the media industry in the following discussion is derived from the Audit Bureau of Circulation ("ABC"), Indian Readership Survey ("IRS"), the Office of Registrar of Newspapers for India ("RNI"), the PricewaterhouseCoopers Global Entertainment and Media Outlook 2005-09 ("PWC Report"), the Zenith Optimedia Report, October 2005 ("Zenith Optimedia Report"), TAM Adex India data ("TAM Adex"), the Pitch-Madison Media Outlook Survey 2005 ("PMM Survey") and other industry reports. The data may have been re-classified by us for the purpose of presentation.

The Media Advertising Industry

The media advertising industry is comprised of newspaper, television, outdoor/out-of-home, magazine, radio, Internet and cinema advertising among others.

World Media Ad-Spend Trends

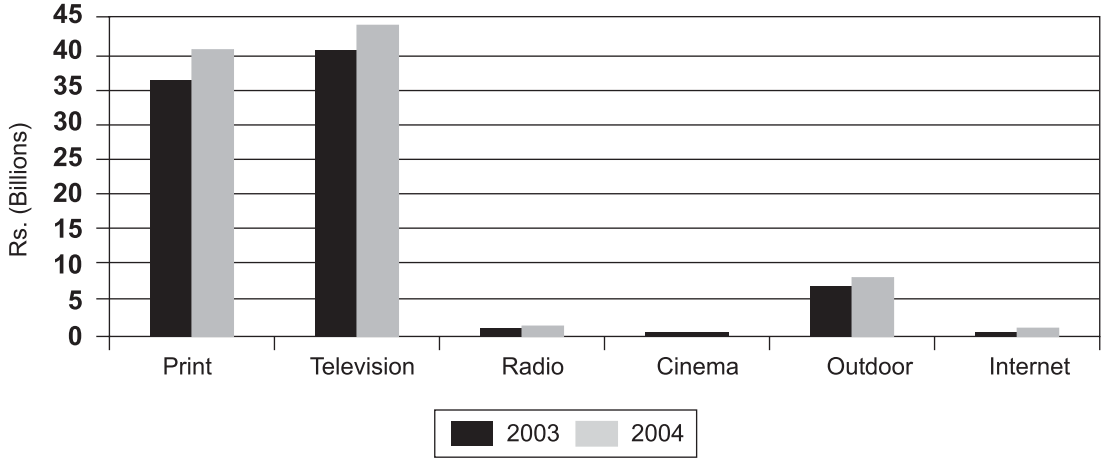
Globally, the print media (e.g., newspapers and magazines) accounted for the largest share of media advertising spending ("ad-spend") with approximately 43.8% of the total ad-spend in 2004, followed by television (38.2%), radio (8.7%), out-of-home (5.0%), and Internet (4.3%). Comparing the global ad-spend in 2000 with 2004, television has grown its share of the ad-spend from approximately 35.2%, the print media's share declined from 48.2%, out-of-home's share increased from 4.7%, radio remained unchanged at 8.7% and the Internet's share increased from 3.2%. (Source: PWC Report.)

Asia-Pacific Ad-Spend Trends

In Asia-Pacific, television captured the largest share of the ad-spend in 2004 with approximately 43.4%, followed by the print media (41.6%), out-of-home (6.8%), radio (5.0%) and Internet (3.2%). Comparing the ad-spend in Asia-Pacific in 2000 with 2004, television has grown its share of the ad-spend from approximately 41.0%, the print media's share declined from 45.0%, out-of-home's share decreased from 7.2%, radio's share decreased from 5.3% and the Internet's share more than doubled from 1.5%. (Source: PWC Report.)

Indian Ad-Spend

In India, television accounted for the largest share of ad-spend in 2004 with 45.8%, followed by the print media (43.2%), outdoor advertising (8.4%), radio (1.6%), cinema advertising (0.2%) and Internet (0.7%). The total ad-spend in 2004 was estimated to be Rs. 94.9 billion, a 9% increase compared with 2003. (Source: PMM Survey.) Print media ad-spend increased at a higher rate than television in 2004, with an increase of 12% compared with a 6% increase for television. In 2004, radio ad-spend grew 20%, outdoor ad-spend grew 10%, cinema ad-spend grew 18% and Internet ad-spend grew 40%. (Source: PMM Survey.) The chart below set forth spending in each segment of the Indian advertising market in 2003 and 2004 as per the PMM Survey.



Media Penetration in India

Urban

The Market Research Society of India categorizes eight Socio-economic Classifications ("SEC") in urban India based on the occupation and education of the chief wage earner of the household. The eight SEC in urban India are labeled A1, A2, B1, B2, C, D, E1 and E2. A1 denotes the uppermost socio-economic class and E2 denotes the lowest socio-economic class. Set forth below is a summary of media penetration in urban India across the various media categories (excluding the Internet) based on the SEC and the percentage of people in each SEC with access to such media.

SEC	Print		TV		Satellite TV		Radio		Cinema	
	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category
A1	7.57	95.2	7.64	96.1	6.68	84.0	2.90	36.5	2.43	30.6
A2	13.90	90.5	14.51	94.5	11.90	77.5	4.58	29.8	3.85	25.1
B1, B2	31.97	81.1	35.71	90.6	26.57	67.4	9.73	24.7	7.53	19.1
C	33.78	69.5	41.69	85.8	28.86	59.4	11.22	23.1	8.79	18.1
D	29.28	52.6	43.15	77.5	27.23	48.9	11.41	20.5	9.52	17.1
E1, E2	20.99	30.1	45.32	65.0	26.35	37.8	11.02	15.8	10.95	15.7

Source: IRS 2005, Round 2.

As shown in the table above, the print media penetration in India is higher, percentage-wise, among people in the upper socio-economic classes compared with those in the lower socio-economic classes. However, due to the sheer number of people who fall into the lower socio-economic classes, the number of readers in the lower socio-economic classes still outnumbers those in the upper socio-economic classes on an absolute basis, which indicates that there is much more room to grow readership numbers.

Rural

The IRS has designated four SEC in rural India in terms of the type of house and the education of the chief wage earner of the household. The four SEC are labeled R1, R2, R3, and R4. R1 denotes the uppermost socio-economic class and R4 denotes the lowest such socio-economic class. Set forth below is a summary of media penetration in rural India across the various media categories (excluding the Internet) based on SEC and the percentage of people in each SEC with access to such media.

SEC	Print		TV		Satellite TV		Radio		Cinema	
	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category	Reach in millions of Persons	% of total in category
R1	14.12	67.70	15.18	72.80	6.17	29.60	7.22	34.60	2.69	12.90
R2	33.07	55.40	38.32	64.20	13.91	23.30	17.31	29.00	6.87	11.50
R3	78.37	36.90	109.58	51.60	35.89	16.90	49.48	23.30	18.90	8.90
R4	28.31	11.40	76.49	30.80	26.82	10.80	36.01	14.50	17.13	6.90

Source IRS 2005, Round 2.

As shown in the table above, print media penetration in rural India is higher, percentage-wise, among people in the upper socio-economic classes compared with those in the lower socio-economic classes. However, due to the sheer number of people who fall into the lower socio-economic classes, the number of readers in rural India in the lower socio-economic classes outnumbers those in the upper socio-economic classes on an absolute basis, which indicates that there is plenty of potential for growth in readership numbers in rural India.

Indian Print Media

The structure of the Indian print media industry is highly fragmented, with approximately 6,529 daily newspapers as of March 2005. (Source: RNI.) The Indian print media and its advertising clients use two indicators to evaluate the reach of a newspaper: circulation and readership. Circulation is "net paid sales" of a publication as per an ABC certificate. Readership consists of respondents who have read or looked at a publication in its periodicity (i.e., yesterday for a daily, in the last seven days for a weekly, in the last two weeks for a fortnightly and in the last month for a monthly).

Set forth below is a table showing a breakdown of the print media industry by total number of readers and the percentage of the population who are readers as per IRS 2005, Round 2.

	Urban & Rural		Urban		Rural	
Base Population	**Millions**	**%**	**Millions**	**%**	**Millions**	**%**
Any Publication	184.26	23.68	99.92	42.21	84.34	15.58
Any Daily	170.41	21.90	93.83	39.64	76.58	14.15
Any Hindi Daily	62.88	8.08	35.57	15.03	27.32	5.05
Any English Daily	17.40	2.24	15.85	6.70	1.55	0.29
Any Magazine	58.89	7.57	33.77	14.27	25.11	4.64

These figures indicate that a higher percentage of the population in the urban areas read any print media than their rural counterparts. The overwhelming majority (about 91%) of English-language newspaper readers are located in the urban area while the number of readers of Hindi-language and other Indian-languages newspapers are more evenly distributed between the urban and rural areas. The figures also show that a much lower percentage of rural residents are readers of print media in general.

The Indian Newspaper Industry

Key Industry Characteristics

Dual-Streams of Revenue

The primary sources of revenue for newspapers are from the sale of advertising space in publications and publication sales. The estimated size of the Indian newspaper market, in 2004, was approximately US$2.37 billion. (approximately Rs. 107.45 billion based on an average exchange rate of 45.339) (Source: PWC Report.) The table below sets forth the Indian newspaper industry advertising market and circulation spending for 2000-2004.

(in US$ millions)

Particulars	**2000**	**2001**	**2002**	**2003**	**2004[(1)]**
Advertising Market	706	797	791	851	926
Circulation Spending	1,190	1,202	1,273	1,375	1,443
Total	**1,896**	**1,999**	**2,064**	**2,226**	**2,369**

[(1)] Estimate
Source: PWC Report

The dependence on this dual-stream of revenues requires newspapers to balance their editorial content and their advertising content to attract readership while maintaining sufficient advertising revenues.

Competitive pressures in the industry have tended to compel newspaper publishers to maintain or reduce cover prices. Therefore, the growth of circulation revenues has stagnated while advertising revenues became a growing portion of overall revenues.

Regional and Linguistic Diversity of Offerings

The Indian newspaper industry can be primarily segmented across three categories: Hindi, English and other Indian language newspapers. Of 6,529 daily newspapers published in India, Hindi-language newspapers comprise 44.6% of newspapers, while English-language newspapers comprise only 7.4% of newspapers. All other language newspapers, considered in the aggregate, comprise the remaining 48.0% of newspapers. (Source: RNI.)

The Indian newspaper industry is characterized by regional diversity, with no single newspaper dominating national circulation, though Hindi-language newspapers in the aggregate have the highest circulation throughout India. In general, Hindi-language and other Indian-language newspapers offer a local and regional focus to their readers, often issuing several different regional editions. The content and circulation of English-language newspapers, on the other hand, are largely focused on the primary urban centres. Approximately 7% of the population in urban areas read English-language newspapers, compared to a readership of only 0.3% of the population in the rural areas. (Source: IRS 2005, Round 2.) By contrast, Hindi-language newspapers have a proportionately larger readership in rural areas, in addition to their strong presence in urban areas, with a readership of approximately 15% and 5% of persons in urban and rural areas, respectively. (Source: IRS 2005, Round 2.) The readership and circulation of Hindi-language newspapers are greater than that of English-language newspapers in India. (Sources: IRS 2005, Round 2 and ABC January-June 2005.)

Higher Multiple of Readership to Circulation

Hindi and other Indian-language newspapers have a multiple of readership to circulation of generally 7-9 times, whereas English-language newspapers generally have a multiple of 2-4 times. We believe the discrepancy is primarily due to a number of factors linked to the lower average incomes among readers of Hindi and other Indian-language newspapers. As such, the sharing of one copy of a newspaper among family members and other members of the community is more prevalent.

Top 10 Daily Newspapers in India by Readership

Four of the top 10 newspapers by readership are Hindi, another five are in other Indian languages and one is in English. *(Source: IRS 2005, Round 2.)*

Set forth below, in millions, are the top 10 daily newspapers in India by readership (as per IRS 2005, Round 2) and their circulation (as per ABC) from January-June 2005 compared with their readership (as per IRS 2003, Round 2) and their circulation (as per ABC) from July-December 2003.

(in millions)

Rank	Newspaper	Readership -IRS 2005, R2	Circulation ABC Jan. – June 2005[4]	Newspaper	Readership -IRS 2003, R2	Circulation- ABC Jan. – June 2003
1	Dainik Jagran[1]	19.17	2.41	Dainik Jagran[1]	16.40	1.46
2	Dainik Bhaskar[1]	15.09	1.93	Dainik Bhaskar[1]	13.42	1.60
3	Daily Thanthi[2]	10.56	0.80	Malayalam Manorama[2]	9.21	1.22
4	Amar Ujala[1]	9.85	0.80	Daily Thanthi[2]	9.15	0.69
5	Malayalam Manorama[2]	9.43	1.37	Amar Ujala[1]	8.85	NC
6	Hindustan[1]	9.00	1.01	Eenadu[2]	8.11	0.92
7	Lokmat[2]	8.87	0.51	Hindustan[1]	7.94	0.75
8	Eenadu[2]	8.78	1.01	Mathrubhumi[2]	7.37	0.86
9	Mathrubhumi[2]	8.04	0.98	Lokmat[2]	7.28	0.42
10	The Times of India[3]	7.29	0.86	The Times of India[3]	7.10	1.28

(1) Hindi-language newspaper. (2) Other Indian-language newspaper. (3) English-language newspaper. (4) As per ABC certificates released up to November 4, 2005.

Top 10 Hindi Daily Newspapers by Readership

Set forth below, in millions, are the top 10 Hindi newspapers by readership (as per IRS 2005, Round 2) and their circulation (as per ABC) from January-June 2005 compared with their readership (as per IRS 2003, Round 2) and their circulation (as per ABC) from July-December 2003.

(in millions)

Rank	Hindi Daily Newspaper	Readership -IRS 2005, R2	Circulation - ABC Jan.-June 2005[1]	Hindi Daily Newspaper	Readership -IRS 2003, R2	Circulation - ABC Jan.-June 2003
1	**Dainik Jagran**	19.17	2.41	**Dainik Jagran**	16.40	1.46
2	Dainik Bhaskar	15.09	1.93	Dainik Bhaskar	13.42	1.60
3	Amar Ujala	9.85	0.80	Amar Ujala	8.85	NC
4	Hindustan	9.00	1.01	Hindustan	7.94	0.75
5	Rajasthan Patrika	6.11	0.94	Rajasthan Patrika	5.91	0.67
6	Punjab Kesari	4.96	0.85	Punjab Kesari	4.26	0.85
7	Aj	2.56	0.53	Aj	2.74	0.80
8	Navbharat Times	2.53	NC	Navbharat Times	2.75	0.40
9	Navabharat (Mah/Chh)	2.36	0.32	Navabharat (Mah/Chh)	2.22	0.28
10	Navabharat (MP)	1.75	0.21	Navabharat (MP)	1.83	0.26

(1) As per ABC certificates released up to November 4, 2005.

Significant Use of Imported Newsprint

The cost of production of a newspaper is linked to the cost of newsprint, which varies with the going price of newsprint, the availability and location of printing facilities and the number of pages used. The cost of production of a newspaper is also dependent on whether pages are printed in black & white or colour. The price of newsprint varies with the quality of newsprint used. Newsprint is a freely traded commodity on the international markets and has volatility in prices. As about 70% of the newsprint in India is imported, the price of Indian newsprint is import parity linked. Since January 2003, the cost and freight (C & F) price of newsprint from Canada/Scandinavia has been steadily increasing from an average rate of US$400 per tonne for the period January to March 2003 to US$620 per tonne for the period April to June 2005. (Source: INS, Pre-Budget Memorandum 2006-2007.)

Key Drivers in the Newspaper Industry

Readership and Circulation Drivers

We believe the following are drivers of readership and circulation:

- *Quality of content*. The belief of the reader in the independence and integrity of the reporting and analysis is an important factor in readership and circulation.
- *Width and breadth of content*. Readers look for what they view as an appropriate mix of national, regional and local news. We believe that effective coverage of local and regional events fosters within the reader a feeling of importance and closeness to the newspaper, encouraging them to read the paper.
- *Targeted content*. Supplements or other "add-ons" within the main newspaper may target particular demographic or geographic groups of readers, such as women, youths or young children.
- *Quality of product*. The design, layout of the newspaper and quality of newsprint and printing may attract customers and enhance the reading experience.
- *Level of advertising*. The nature and level of advertising will also drive readership. We believe that classified, tenders, cinema and local advertising are particular drivers.
- *Pricing and incentives*. Circulation can be influenced by the price of a newspaper and incentive and promotional schemes/ campaigns.
- *Brand pull*. Brand recognition and brand loyalty, often based on a family history of reading the same newspaper, also drive readership.
- *Capability of distribution network*. The availability of a particular newspaper in a timely fashion may also influence readership.
- *Relationship with vendors*.

Advertising Sales Drivers

In assessing the cost efficiency of newspaper advertising, media buyers evaluate the cost per thousand (CPT) readers, as well as consider the readership profile of a newspaper against target demographic parameters. We believe that language and demographics and the desirability of the media are the key drivers of advertising sales in the Indian newspaper industry:

Language and Demographics

English editions attract the highest advertising revenues with approximately 50% of ad-spend, followed by Hindi- and other Indian-language newspapers with approximately 25% of ad-spend each. (Source: TAM Adex.) A substantial portion of large-budget advertisers channel their advertisements through English newspapers because the readers of English newspapers are generally in higher socio-economic brackets than the readers of Hindi and vernacular newspapers. The purchasing power of a typical Hindi- or other Indian-language newspaper reader is typically lower than that of an average English-language newspaper reader. However, in advertising revenue for Hindi- and other Indian-language newspapers increased at a higher average rate than for the English-language newspaper industry in fiscal 2005 compared with fiscal 2004 as the figures in the table below indicate.

(Rs. in billions, except percentages)

Language	Fiscal 2004	Fiscal 2005	Difference	% Difference
English	36.39	41.36	4.96	14%
Hindi	14.91	20.89	5.98	40%
Marathi	5.13	5.16	0.03	1%
Gujarati	3.50	3.80	0.30	9%
Tamil	2.36	3.28	0.92	39%
Malayalam	2.60	2.89	0.29	11%
Bengali	2.37	2.12	-0.27	-11%
Telugu	1.90	2.09	0.19	10%
Kannada	0.99	1.20	0.21	22%
Punjabi	0.34	0.50	0.16	47%
Oriya	0.43	0.43	0.00	0.00
Assamese	0.21	0.26	0.05	23%
Urdu	0.90	0.14	-0.76	-85%
Total	**72.03**	**84.12**	**12.09**	**17%**

Source: TAM Adex.

The volume of advertisements in Hindi newspapers is also increasing at a faster rate than the volume of advertisements in English newspapers. The table below sets forth the English newspapers' share and the Hindi newspapers' share of the Indian newspaper advertisement market based on the total column centimetres of advertisements published in newspapers in India in fiscal 2004 and fiscal 2005 and the percentage increase in total volume for each in fiscal 2005.

	Market Share of Advertisements by Column Centimetres Published in Fiscal 2004	Market Share of Advertisements by Column Centimetres Published in Fiscal 2005	Growth in Advertisements by Column Centimetres Published in Fiscal 2005 Compared with Fiscal 2004
English Newspapers	35%	33%	3%
Hindi Newspapers	24%	25%	13%

Source: TAM Adex

Desirability of the Media

In making a decision to purchase advertising space, advertisers also consider the appropriateness of the media. We believe that the print media has many advantages compared with other forms of media, including the following:

- Readers cannot "change channels" on a newspaper advertisement like they may during a television commercial;
- The greater ease of targeting a newspaper audience by demographic and/or region, compared to a television audience that may be watching any of the many channels available and be located in any number of locations;
- The ability to refer back to print advertisement in a way that is not possible in the case of television or other broadcast media;
- The tendency to read newspapers in the morning, which we believe may raise the likelihood of registering advertisements;
- The convenience of time and place of accessing the contents of a newspaper; and
- A higher recall value.

Internet Advertising in India

As of March 31, 2005, there were approximately 52.9 million Internet users in India, a 66.7% increase compared with March 31, 2004. (Source: NASSCOM.) Although Internet ad-spend experienced growth from 2003 to 2004 of about 40% to Rs. 700 million, Internet ad-spend accounted for only 0.7% of overall ad-spend in India in 2004. (Source: PMM Survey.) We believe that as Internet usage among the general population in India becomes more prevalent over the long-term, the Internet media market will also expand.

Many newspaper publishers in India have developed news portals and are using the Internet to expand their markets and attract additional subscribers to the print edition. As Internet penetration in India broadens, the traditional publishers will be in prime position to take advantage of the future growth in Internet ad-spend and generate additional subscription revenues. Being online also allows traditional newspaper publishers to reach new markets more quickly and efficiently (*e.g.*, Indian readers across the globe in such places as Great Britain and North America). We believe being able to reach such markets will become increasingly important to bringing in additional advertising revenues.

Outdoor Advertising Market in India

We believe the outdoor advertising segment in India is highly fragmented and unorganized. The outdoor advertising market grew from Rs. 7.30 billion during 2004 to Rs. 8.00 billion, an increase of approximately 10%. Outdoor advertising represented 8% of the total ad-spend in India in 2004. (Source: PMM Survey.)

Indian Media Advertising Industry Outlook

PMM Survey Forecast for 2005

The total Indian ad-spend is forecast to reach Rs. 106.92 billion in 2005, an increase of approximately 13% from 2004. Television ad-spend is forecast to grow to Rs. 47.42 billion in 2005, representing about 9% growth from 2004 levels. Print media ad-spend is forecast to grow to Rs. 47.15 billion in 2005, representing about 15% growth from 2004 levels. Television and print media ad-spend are forecasted to each account for 44% of Indian ad-spend in 2005. Outdoor ad-spend is forecast to grow by 15% in 2005 to Rs. 9.20 billion; radio ad-spend is forecast to grow by 25% in 2005 to Rs. 1.88 billion; Internet ad-spend is forecast to grow by 40% in 2005 to Rs. 0.98 billion; and cinema ad-spend is forecast to grow by 30% in 2005 to Rs. 0.30 billion. (Source: PMM Survey.)

Overall Economic Growth Leading to Growth in the Media Advertising Industry

The Indian economy has shown sustained growth over the last several years with real GDP growing at 6.9% in fiscal 2005, 8.2% in fiscal 2004, 4.0% in fiscal 2003 and 5.6% in fiscal 2002. India's GDP growth for the first quarter of fiscal 2006 (April-June) accelerated to 8.1% from 7.6% in the corresponding period last year, signaling continued strong growth. (Source: Macroeconomic and Monetary Developments – Mid-Term Review 2005-06, Reserve Bank of India.)

According to industry estimates, media has been one of the fastest-growing sectors in India, expanding by 13.4%, 9.5% and 8.1% in fiscal 2004, 2003 and 2002, respectively. (Source: TAM Adex.) If the historical rates of GDP growth continue, we expect the media advertising industry to continue to grow.

Potential for Increased Ad-spend as a Percentage of GDP

Although the media industry has been one of the fastest growing sectors in India, in terms of ad-spend as a percentage of GDP, India lags behind the average for the Asia-Pacific region, the world's other regions and the average for the world. The table below shows ad-spend as percentage of GDP in India, a selection of regions across the world and the average for 56 countries in the world for 2000-2004 as per the Zenith Optimedia Report.

(Ad-spend as a % of GDP)

Country/Region[1]	**2000**	**2001**	**2002**	**2003**	**2004**
India	0.34	0.36	0.36	0.40	0.45
Asia-Pacific	0.86	0.82	0.81	0.82	0.83
Latin America	0.85	0.80	0.72	0.72	0.73
Europe	0.91	0.85	0.80	0.79	0.80
North America	1.53	1.39	1.37	1.33	1.32
Total[2]	**1.08**	**1.01**	**0.98**	**0.97**	**0.97**

(1) Regions are as per the Zenith Optimedia Report.

(2) Total is the average of the 56 countries reported in the Zenith Optimedia Report.

As shown in the above table, although ad-spend as a percentage of GDP in India has been increasing, the percentage in 2004 was less than half of the total average for the 56 countries in world reported in the Zenith Optimedia Report. This suggests that ad-spend in India as a percentage of GDP has the capacity to grow from its current level.

Print Media Outlook

Increase in Literacy Levels and Increase in Overall Income Levels Leading to an Increase in Readership Levels

Low literacy levels in India have placed a limit on the growth in the percentage of persons reading newspapers compared with the percentage of the population that is exposed to other media such as television and radio. However, from 1999 to 2002, the literacy levels in India increased from 57.9% to 65.4%. Outside metros and other major cities in India, the growth in literacy rates are expected to increase further, particularly where literacy rates are far below the national average.

The following chart illustrates the rise in the overall income level of the Indian population per annum:

Classes	Fiscal 1995	Fiscal 2000	Fiscal 2006 (Projected)
Rich (above Rs. 215,000)	1 million households	3 million households	6 million households
Consuming (Rs. 45,000-215,000)	29 million households	66 million households	75 million households
Climbers (Rs. 22,000-45,000)	48 million households	66 million households	78 million households
Aspirants (Rs. 16,000-22,000)	48 million households	32 million households	33 million households
Destitutes (less than 16,000)	32 million households	24 million households	17 million households

Source: The Marketing Whitebook (2003-04).

We believe that the print media industry in India has enormous opportunities to enhance readership numbers in the coming years as the literacy levels continue to increase and poverty levels decline. In addition, improving infrastructure in rural areas will lead to newspapers becoming more readily accessible to the rural population.

Newspaper Industry Outlook

It has been estimated that the Indian newspaper market (circulation and advertisement revenue) was US$2.37 billion in 2004 (based on an average 2004 exchange rate of US$1 = Rs. 45.339). The compounded annual growth rate of the Indian newspaper market is forecast at 6.0% per annum through 2009, when the market is forecast to reach US$3.17 billion. (Source: PWC Report.)

OUR BUSINESS

Overview

We publish India's largest read and highest circulated daily newspaper, *Dainik Jagran*. (Sources: IRS 2005, Round 2 and ABC certified figures for January-June 2005.) *Dainik Jagran, a Hindi daily newspaper,* has a total readership of approximately 19.2 million readers per day as per IRS 2005, Round 2, which we believe is the highest readership of any publication in the history of IRS, and a total readership of 21.2 million per day as per NRS 2005. Net paid sales of *Dainik Jagran* were approximately 2.4 million copies per day for January-June 2005 as per ABC certified figures.

Dainik Jagran, then known as *Jagran*, was first published in 1942. It is now published in 28 editions across 10 states. We publish *Dainik Jagran* in 25 editions, one of our associated companies publishes two editions of *Dainik Jagran* and an unrelated firm publishes one edition of *Dainik Jagran*.

Our Internet portal (www.jagran.com) contains a channel where we post all editorial and advertising content of the day's *Dainik Jagran* in electronic form. Our Internet portal is the world's most visited site in all Hindi categories. (Source: Alexa.com, November 11, 2005.) We launched jagran.com in 1997 and until recently we ran it for brand building purposes only.

We have a short code service (7272) for mobile phone users to receive various types of information (e.g., news in both Hindi and English) and access various services (e.g., download ring-tones) by SMS (short message service) and voice using IVR (interactive voice recognition) and/or ASR (automatic speech recognition). We launched our IVR/ASR service on short code 7272 in January 2005 and our SMS service on short code 7272 in March 2005.

Through our division Jagran Solutions, we provide outdoor advertising and promotional marketing and event management services.

We also publish *Sakhi*, a monthly magazine targeted at women, *Jagran Varshiki*, an annual general knowledge digest, and various national and state statistical compilations.

We print from 25 facilities with a total installed capacity of approximately 1.28 million copies per hour. We distribute our newspapers through a multi-tiered network of agents and vendors.

Our business has grown rapidly since January 1, 2000:

- We acquired four businesses that published a total of seven editions of *Dainik Jagran* in 2000.
- We launched 13 new editions of *Dainik Jagran*.
- Readership of *Dainik Jagran* increased by 120.8% from 9.6 million as per NRS 2000 to 21.2 million as per NRS 2005 and by 104.3% from 9.4 million as per IRS 2000, Round 2 to 19.2 million as per IRS 2005, Round 2. This increase in readership was more than combined growth of readership in the next four of the top five newspapers and was more than three times the growth in readership of the top six English daily newspapers combined. (Sources: IRS 2000, Round 2 and IRS 2005, Round 2.)
- Circulation of *Dainik Jagran* increased at a CAGR of 20.35% from 1.2 million net paid sales per day as per ABC certified figures for January-June 2001 to 2.4 million net paid sales per day as per ABC certified figures for January-June 2005.
- We have added nearly 50% of our total current printing capacity.
- Our total revenue increased by a CAGR of 21.02% from Rs. 1,635.71 million for 12 months ended December 31, 2000 to Rs. 3,774.72 million for 12 months ended March 31, 2005.

In June 2005, Independent News & Media PLC, through its wholly-owned subsidiary Independent News & Media Investments Limited ("INMIL"), became our strategic partner, acquiring 26% of our pre-Issue Equity Shares for Rs. 1,500 million. Independent News & Media PLC is a leading international newspaper and communications group, with interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. INMIL's current representatives on our Board of Directors are Sir Anthony O'Reilly, Chief Executive of Independent News & Media PLC, and his son Mr. Gavin K. O'Reilly, Chief Operating Officer of Independent News & Media PLC.

As of September 30, 2005, our total assets were Rs. 3,914.96 million. For the six months ended September 30, 2005 and fiscal 2005, our total revenues were Rs. 2,282.55 million and Rs. 3,774.72 million, respectively, and our net profit was Rs. 119.79 million and Rs. 15.27 million, respectively.

Our Competitive Strengths

We believe that the following are our principal competitive strengths, which differentiate us from other Indian print media companies:

Dainik Jagran is the Number One Newspaper in India in terms of both Total Circulation and Readership

Dainik Jagran is the number one newspaper in India in terms of circulation (Source: ABC certified figures for January-June 2005).

Dainik Jagran is the number one newspaper in India in terms of total readership (Sources: NRS 2005 and IRS 2005, Round 2) and has been number one for five successive IRS rounds in a row. With a readership of 21.2 million as per NRS 2005, *Dainik Jagran* was the first publication in India to cross the 20 million reader threshold.

Approximately every third Hindi daily newspaper reader in India reads *Dainik Jagran* and every ninth reader of any daily newspaper in India reads *Dainik Jagran*. In addition, *Dainik Jagran's* readership is greater than the readership of all English daily newspapers combined. (Source: IRS 2005, Round 2.)

Not only is *Dainik Jagran* the number one newspaper in terms of readership, the gap between it and its nearest rival has increased each time in the last past five IRS surveys, from a lead of 0.6 million readers as per IRS 2002, Round 2 to a lead of 4.1 million readers as per IRS 2005, Round 2. The gap between the readership of *Dainik Jagran* and its nearest rival was 2.1 million, 3.0 million and 3.7 million according to IRS 2003 Round 1, IRS 2003 Round 2 and IRS 2005 Round 1, respectively.

Dainik Jagran is the also the Number One Newspaper in India in Terms of Readership in Almost All IRS Categories Considered to be Important by Advertisers

In addition to being the number one newspaper by total readership, *Dainik Jagran* is the number one newspaper in India in terms of readership in almost all IRS categories considered to be important by advertisers, including readership by:

- **Graduates and above** – *Dainik Jagran's* readership is 4.3 million compared with the second ranked *The Times of India's* readership of 4.2 million.
- **SEC B1 and B2** – *Dainik Jagran's* readership is 1.5 million and 1.5 million, respectively, compared with the second ranked *Dainik Bhaskar's* readership of 1.3 million and 1.1 million, respectively.
- **SEC C** – *Dainik Jagran's* readership is 2.4 million compared with the second ranked *Dainik Bhaskar's* readership of 2.1 million.
- **Females** – *Dainik Jagran's* readership is 3.63 million compared with the second ranked newspaper *Malayalam Manorama's* readership of 3.59 million and is also more than the readership of the top two women's Hindi magazines combined.
- **Urban readers** – *Dainik Jagran's* readership is 9.8 million compared with the second ranked *Dainik Bhaskar's* readership of 8.9 million.
- **Persons earning more than Rs. 5,000 per month** – *Dainik Jagran's* readership is 5.9 million compared with the second ranked *The Times of India's* readership of 5.6 million.
- **Persons 20-39 years of age** – *Dainik Jagran's* readership is 9.1 million compared with the second ranked *Dainik Bhaskar's* readership of 7.4 million.
- **Students** – *Dainik Jagran's* readership is 5.1 million compared with the second ranked *Dainik Bhaskar's* readership of 3.9 million.

(Source: IRS 2005, Round 2.)

Dainik Jagran is one of the Fastest Growing Daily Newspapers in India

We have launched 13 new editions of *Dainik Jagran* since the beginning of fiscal 2000. Readership of *Dainik Jagran* increased by 120.8% from 9.6 million as per NRS 2000 to 21.2 million as per NRS 2005 and by 104.3% from 9.4 million as per IRS 2000, Round 2 to 19.2 million as per IRS 2005, Round 2. The readership of *Dainik Jagran* grew by 9.8 million readers as against 8.1 million for the next four of the top five newspapers. This increase was more than three times the growth in readership of the top six English daily newspapers combined, which grew by 2.9 million readers. (Source: IRS 2000, Round 2 and IRS 2005, Round 2.)

Strong National Brand

The *Dainik Jagran* brand is nearly 60 years old. We believe that the *Dainik Jagran* brand commands respect and credibility and offers us a competitive advantage when entering new markets. We continue to invest in building the *Dainik Jagran* brand through various promotional activities, including advertising in leading trade and general interest magazines, advertising on television, advertising on approximately 1,000 outdoor sites throughout our markets and direct mailing advertising throughout our markets on a regular basis.

Editorial Excellence

With nearly 60 years of history, we believe that *Dainik Jagran* is recognized for its superior editorial content and for its unbiased and independent reporting. We believe that *Dainik Jagran* is the first newspaper in India to have two editorials in each edition. Our journalists and editorial teams have won numerous media industry awards and are well known for their excellence.

Pan-India Infrastructure and Large-Scale Operations

As of October 31, 2005, in addition to our head office, we had 30 business offices, 249 district offices, 25 printing centres and a network of over 20,000 kilometres of dedicated leased lines. As of September 30, 2005, we had 2,902 employees and had 817 retainers working for us. Set forth below is a map of India showing our head office, business offices and printing centres as of October 31, 2005.



Our pan-India infrastructure and the large scale of our operations provide us with numerous advantages, including:

- **Localised and timely news** – Our large network of district offices and large number of on the ground reporters enables us to gather information whenever and wherever newsworthy events occur in our footprint, including small towns and villages that may be overlooked by other newspapers. Our IT infrastructure enables reports to be sent to our editors in a timely fashion and our 25 different printing centres enable us to print and distribute copies of *Dainik Jagran* in our footprint in a timely manner. We believe that the Hindi dialect in India changes approximately every 25 kilometres. By publishing over 200 sub editions, we are able to use the dialect in each market and customise the content of the newspaper to reflect the interests of readers in each market.
- **Increased ability to attract advertisement revenue** – Our 30 business offices give us the ability to leverage our advertising relationships across geographies and to leverage these relationships when expanding into new markets and new businesses.

- **Economies of scale** – Due to the large size of our print media business, we are able to benefit from economies of scale, which includes:
  - o the nationwide coverage of our marketing team;
  - o favorable newsprint supply contracts; and
  - o a scalable IT infrastructure. Because of the scale of our operations, we were able to develop our own online information system on a distributed database model. Most of our offices and printing centres can access our system via our 20,000-kilometre dedicated network of leased lines, through our ISDN network and via dial-up connections.
- **Ability to manage growth of existing businesses and to manage diversification into other businesses** – Except for the hiring of six new professionals in Delhi, we have been able to utilize our existing staff and facilities to help grow our event management business and we plan to continue to leverage of our existing operations to expand this business. Except for the hiring of additional staff for our mobile vans, we plan to utilize our existing staff and facilities to run our outdoor mobile advertising business. For more information on our event management and outdoor advertising services, see the section titled "Our Business – Our Products and Services – Jagran Solutions" beginning on page 80. Except for the purchase of new printing presses and the hiring of editors, we plan to use our existing infrastructure and staff for our planned launch of a second Hindi newspaper brand in some of the markets where *Dainik Jagran* is the strong number one newspaper. For more information, see the section titled "Our Business – Strategy – Launch a New Hindi Newspaper Brand in some of our Existing Markets" on page 56.

Independent News & Media PLC, a Leading International Media and Communications Group, is our Strategic Partner through its Wholly-Owned Subsidiary INMIL

Independent News & Media PLC, a company based in Ireland and listed on both the London and Dublin Stock Exchanges, through its wholly owned subsidiary INMIL, holds 26% of our pre-Issue Equity Shares and is our strategic partner. According to Independent News & Media PLC Annual Report 2004, its indirect acquisition of a stake in us is considered by it to be a "very important strategic transaction".

Independent News & Media PLC along with its affiliates is a leading international newspaper and communications group, with interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Spanning four continents and nine individual countries, Independent News & Media PLC owns or has investments in companies with market-leading newspaper positions in Australia (regional), India, Ireland, New Zealand and South Africa. In the United Kingdom, it publishes the flagship national title, The Independent, which is the largest newspaper group in Northern Ireland and the group is the largest outdoor advertising operator in South Africa. (Source: Independent News & Media PLC Annual Report 2004). Independent News & Media PLC owns 39.7% of its affiliate APN News and Media Limited, which is the largest radio and outdoor advertising operator in Australasia and has leading outdoor advertising positions in Hong Kong, Malaysia and Indonesia. (Source: APN News and Media Limited Annual Report 2004).

In 1973, Sir Anthony O'Reilly, currently the Chief Executive of Independent News & Media PLC, invested in what was a relatively small Irish local newspaper business. This business has now grown such that Independent News & Media PLC manages assets of over €3.9 billion (approximately Rs. 208.5 billion), turnover of over €1.8 billion (approximately Rs. 96.2 billion) and employs over 11,000 people worldwide. (Source: Independent News & Media PLC Annual Report 2004.) The conversion of Euros to Rupees in this paragraph is at the rate of €1 = Rs. 53.45, which was the interbank rate on November 16, 2005.

According to its 2004 Annual Report, Independent News & Media PLC operates as a *de facto* support structure/facilitator for its region-by-region operations, assisting in strategy formulation and implementation. In addition, it is able to leverage its global scale and reach, specifically in areas of procurement, editorial copy-sharing and digital convergence. We have been in discussions with Independent News & Media PLC about jointly procuring newsprint, which should enable us to negotiate lower prices from suppliers.

INMIL currently has two representatives on our Board of Directors: Sir Anthony O'Reilly, Independent News & Media PLC's Chief Executive and its single largest shareholder; and his son Mr. Gavin K. O'Reilly, the Chief Operating Officer of Independent News & Media PLC. We believe we are the only print media company in India to have representatives of an internationally renowned media company on its board of directors.

Experience in Successfully Launching Newspapers in New Markets

Since January 1, 2000, we have successfully launched *Dainik Jagran* in 13 new cities, out of which 10 cities were in states in which *Dainik Jagran* was not published before January 2000, quickly gaining strong market shares in these areas. For example, *Dainik Jagran's* readership in Bihar went from being insignificant on the Patna edition's launch in April 2000 to 2.3 million readers as per IRS 2005, Round 2, and its readership in Jharkhand went from being insignificant on the launch of the Ranchi, Dhanbad and Jamshedpur editions in February 2003 to 0.9 million readers as per IRS 2005, Round 2. As a result of our entry

into new markets, we have gained valuable insights into the factors that are critical to developing and executing a strategy to enter new geographies and building newspaper circulation and readership as well as attracting advertising revenue. We believe this experience will be invaluable to the launching of new editions of *Dainik Jagran* and in the launch of our second newspaper brand.

Strong Growth Potential in our Areas of Operation

According to the 2001 Census, the literacy rate in India was 65.2%. However, in four of the 10 states where we publish a total of 18 editions of *Dainik Jagran*, the literacy rate was significantly below the national average. The literacy rate in the following states was as follows: Bihar – 47.53%; Jammu and Kashmir – 54.46%; Jharkhand – 54.13%; and Uttar Pradesh – 57.36%. The top two markets for English newspapers are Delhi and Mumbai (which is in the state of Maharashtra). Delhi had a literacy rate of 81.82% and Maharashtra had a literacy rate of 77.27%. As can be seen by these comparisons, we operate in markets with strong growth potential in terms of circulation and readership.

Market Innovator

We do not rest on our success and we are constantly looking at ways to increase *Dainik Jagran's* circulation and readership by increasing its appeal to readers. We believe that *Dainik Jagran* pioneered a number of firsts in the Indian newspaper industry, including the following:

- first to use colour on a regular basis in the main part of the newspaper;
- first to introduce a daily feature on a different topic for each day of the week in the main part of the newspaper;
- first Hindi newspaper to launch a dedicated pullout on appointments/career on a weekly basis;
- first Hindi newspaper to launch a tourism supplement on a monthly basis; and
- first Hindi newspaper to launch a daily commerce page in the main part of the newspaper.

Our Strategy

Following our acquisition in 2000 of four businesses that published a total of eight editions of *Dainik Jagran*, our strategy has been to expand *Dainik Jagran's* footprint so as to increase its circulation and readership and to establish a dominant position in the Hindi newspaper segment. We have successfully implemented this strategy, launching 13 new editions and more than doubling *Dainik Jagran's* readership, whilst increasing *Dainik Jagran's* lead as the most read newspaper in India in each of the last five IRS surveys.

Having established *Dainik Jagran's* dominant position, our goals are to:

- consolidate *Dainik Jagran's* position as the most read and most widely circulated newspaper in India and for *Dainik Jagran* to become the market leader in all of its current markets;
- increase our advertising revenue from *Dainik Jagran*;
- increase our market share in markets where *Dainik Jagran* is a strong number one by launching a second newspaper brand;
- acquire and invest in other newspapers, magazines, journals and other media related businesses in India to expand our business and improve our competitive position;
- leverage our strong newspaper business and pan-India infrastructure as a foundation for growth in other allied areas, including outdoor advertising and promotional marketing and event management services;
- generate revenue from our Internet portal to a level commensurate with its ranking as the world's most visited website in all Hindi categories (source: Alexa.com, November 11, 2005); and
- increase our printing capacity, particularly colour printing capacity; and
- modernise and upgrade our existing printing centres, which will reduce operating costs by increasing productivity, reducing staff costs for mailroom, handling and other allied operations and decreasing newsprint waste.

To achieve these goals our business strategy emphasises the following elements:

Consolidate Dainik Jagranís Leadership Position as the Number One Newspaper in India in Terms of Total Readership and Circulation

Although *Dainik Jagran* has increased its lead as the most read newspaper in India in each of the last five IRS surveys, we do not intend to rest on our laurels. In order to consolidate *Dainik Jagran's* number one position, we plan to invest in sales,

marketing and promotion activities in order to improve *Dainik Jagran's* readership and circulation in its current markets, especially in those markets where it is not currently the market leader. To strengthen further our position in our current footprint, we plan to launch wholly-owned editions of *Dainik Jagran* in Chandigarh, the capital of Punjab and Haryana, and in Shimla in Himachal Pradesh within the next five years.

In addition, an Indore edition of *Dainik Jagran* is expected to begin publication in April 2006. This edition and any other new editions of *Dainik Jagran* in the States of Madhya Pradesh and Chattisgarh will be published by a newly formed company, Jagran Prakashan (MPC) Private Limited, in which we have a 50% equity interest. For details on Jagran Prakashan (MPC) Private Limited, see the section titled "History and Certain Corporate Matters" on page 92.

Increase our Advertisement Revenue from Dainik Jagran

Our advertisement rates are based in part on *Dainik Jagran's* readership and circulation. The launching of each new edition of *Dainik Jagran* has resulted in both increases in its circulation and readership. However, there is a lag between increases in circulation and readership and receiving the full benefits of the same in terms of increased advertisement revenue. Our ability to increase our advertisement rates is dependent to a major extent on receiving figures for readership and circulation, which are generally published twice a year.

In addition to increasing our advertisement revenue based on increased circulation and readership, we also plan to increase our advertisement revenue by:

- increasing our focus on regional and local advertisers, which pay higher average rates than national advertisers;
- increasing our sale of colour advertisement space, which are charged at higher rates than black & white, by increasing our colour printing capacity and encouraging our advertising customers to buy more colour space;
- providing our multiple advertising solutions (outdoor advertising, promotional marketing and event management and online advertising) to our customers under one roof; and
- using innovative marketing techniques.

Launch a New Hindi Newspaper Brand in Some of our Existing Markets

Where *Dainik Jagran* is already a strong number one in a market, we believe that it would be difficult to significantly increase our share of the newspaper advertisement market. Therefore, we intend to launch a new newspaper brand that will be targeted at a different readership segment in certain of our markets in order to capture a greater share of the advertising market. The launch of the new brand in a market will also have the added strategic advantage of creating barriers to entry for any potential competitors.

The new brand will be designed to compete with the number two and three Hindi newspapers in each market. In order to help avoid cannibalizing *Dainik Jagran's* market share, this new brand will be a completely different product from *Dainik Jagran*, with different editorial content, a different brand position and a lower cover price. Reflecting the lower cover price, the new brand will contain less pages compared with *Dainik Jagran.*

By setting the cover price at a low level, we believe the new brand will also expand the overall circulation and readership in these markets, leading to an increase in the total size of the newspaper advertising market.

Because we plan to launch the new brand in our existing markets, except for the purchase of additional printing presses, we will be able to utilize our existing infrastructure to publish and distribute the new brand. This means our set-up costs to launch our new brand will be significantly less than what it would have been if it was a greenfield project. The new brand will utilize our existing printing workforce, reporters, marketing personnel and administrative staff. Except for the hiring of additional editorial staff, we do not expect to incur any significant additional staff costs for the new brand.

We have not set a timetable for the launch of the new brand in each market.

Acquire and Invest in Print and other Media-Related Businesses in India

We may make acquisitions and investments in other newspapers in our existing markets in order to increase our market share. In markets where *Dainik Jagran* is not the leading newspaper, we may look at opportunities to acquire and/or invest in the leading newspaper in such markets. In markets where *Dainik Jagran* is the leading newspaper, we may look at opportunities to acquire and/or invest in the number two or three newspapers in such markets.

We may look at expanding our geographical footprint by acquiring and/or investing in non-Hindi newspapers outside our current markets. This would allow us to offer a wider advertising footprint to our customers and extend our reach.

If the right opportunities arise we may make acquire and invest in magazines, journals and other media-related businesses in India, including outdoor advertising companies and advertising agencies.

We have an internal evaluation system for all acquisition or investment opportunities based on identified parameters of financial performance, operating parameters and infrastructure. We intend to acquire or invest in profitable companies only. Each opportunity will be evaluated by a cross functional team of senior management, before being referred to our Board for further evaluation and approval.

However, we have not entered into any letters of intent or definitive commitments for any acquisitions, investments or joint ventures.

Expand our Promotional Marketing and Event Management Business

Since the beginning of fiscal 2006, we have hired six professionals dedicated to expanding our promotional marketing and event management business. These professionals are collectively responsible for strategic planning and procuring business. These professionals are based in Delhi and they are supported by executives and other staff in our various offices and printing centres, who assist on local client liaison and the execution of marketing programs and event management. As this business utilizes our existing infrastructure, we do not incur much additional expense to earn the revenue from this business.

Expand our Outdoor Advertising Businesses

We plan to expand our outdoor advertising business by entering into the mobile outdoor media business. We currently have two mobile hoarding vans, which we have used to trial our service. We plan to purchase approximately 250 vans for use in mobile advertising within the next two years. It is our intention to position these mobile hoarding vans in hubs in over 60 major towns located throughout the states in which *Dainik Jagran* is published. We will be able to leverage our existing infrastructure to expand and run this business at significantly lower cost than a greenfield operator.

Generate Revenue from our Internet Portal to a Level Commensurate with its Ranking as the Worldís Most Visited Website in all Hindi Categories

Our Internet portal (www.jagran.com) is the world's most visited website in all Hindi categories. (Source: Alexa.com, November 11, 2005.) However, until the beginning of fiscal 2006 we ran the website for brand building purposes only. Our goal is to generate revenue from our portal to a level commensurate with its position as the world's most visited website in all Hindi categories. To this end, in August 2005, we launched Jagran Shopping, our online shopping website. We earn commission on all goods purchased on Jagran Shopping. We test launched an e-paper edition of *Dainik Jagran* in October 2005 and plan to launch all editions of *Dainik Jagran* on our website within the next few months. Access to the e-paper editions shall initially be free but we will consider making it available as a paid service only after some time. If the readership of the e-paper editions is sufficient for us to justify the commercial case to our advertisers, we will also introduce advertisement fees for the e-paper editions. We will also consider charging for other services being provided on our website.

Increase our Printing Capacity and Improve our Existing Printing Facilities

We intend to expand our printing capacity, particularly colour capacity, and modernise and upgrade our existing printing centres. We intend to install computer to plate (CTP) printing at certain of our printing centres and automate the packing and bundling process at all of our printing centres, which will result in an increase in productivity and a reduction in personnel costs for mailroom, handling and other allied operations. In addition, we intend to purchase forklifts and rewinding machines for use at our centres, which will reduce newsprint waste.

We also intend to acquire heat set machines for use at our printing centre at Noida. These machines are utilized for printing of glazed supplements and magazines. Our existing machine at Noida does not have the capacity to print our existing glazed magazine *Sakhi*, the printing of which we have outsourced, and to meet the increased requirements of supplements caused by *Dainik Jagran's* increase in circulation. These machines will not only meet our existing as well as additional requirements but will also enable us to undertake job printing for third parties, which we are currently unable to do to the extent of demand due to the existing capacity constraint. Printing for third parties has contributed a reasonable amount to our revenue in the past.

Our Products and Services

Dainik Jagran

Dainik Jagran covers international, national and local news, politics, business, entertainment, education, health sports and also contains other articles/views of interest to various segments of society. It also has two different editorials, one with a focus on major issues and the other with a State specific focus, which presents readers' opinions and also the newspaper's views on various issues. It also has opinion pieces by eminent columnists. *Dainik Jagran* contains feature pages on a different topic for each day of the week (e.g., Jharokha (entertainment) on Sundays, Shree (economics) on Mondays, etc.). We believe that *Dainik Jagran* was the first newspaper in India to have two editorials in each edition and was also the first newspaper in India to have feature pages on a different topic for each day of the week.

Since *Dainik Jagran,* then known as *Jagran*, was first published in 1942 amidst the freedom movement, its vision has been to be a newspaper that reflects the free voice of the people. In order to achieve this vision, our philosophy is to build a relationship with our readers. In India, we believe the Hindi dialect changes approximately every 25 kilometres. By publishing nearly 200

sub editions, we are able to adapt *Dainik Jagran's* content to reflect the colloquial tastes of each distinct market. In addition to using the dialect in each market and customising the content of the newspaper to reflect the interests of readers in each market, we regularly get the views of our readers through the use of reader panels, where we receive readers' views on such things as the content of the newspaper, improvements we could make to the newspaper and the readers' aspirations. We also have drop boxes in residential areas where people can drop suggestions for editorial content or raise issues they believe should be addressed.

We publish supplements to the main newspaper. Supplements form an integral part of our product base as they address specific reader needs, while offering advertisers a focused reach to a target audience. We believe that *Dainik Jagran* was the first newspaper in India to publish colour supplements.

Set out below is a summary of our supplements to *Dainik Jagran* as on January 10, 2006:

Supplement	Frequency	Positioning
Tarang	Thursdays	● Film/ TV
Kasauti	Fridays	● Debates / Discussions
Shehnai	Sundays	● Matrimonial
Jagran City	Fridays	● Local City Edition
Khet Khaliahaan	once a month	● Agriculture
Josh	Wednesdays	● Education/Career
Yaatra	Monthly (last Sunday)	● Travel
Jhankaar	Sundays	● Lifestyle
Sangini	Saturdays	● Women's
Junior Jagran	Weekly	● Teenagers (a Bi-Lingual supplement)

Editions

Dainik Jagran is published in a total of 28 editions. We publish *Dainik Jagran* in 25 editions, one of our associated companies publishes two editions of *Dainik Jagran* (Bhopal and Rewa editions) and an unrelated firm publishes one edition of *Dainik Jagran (Jhansi edition)*. Set forth below is a map of India showing where all editions of *Dainik Jagran* are published from and our head office.



The table below shows total readership for *Dainik Jagran* (including readership for the Bhopal, Rewa and Jhansi editions) as per the last five IRS Round 2 surveys (there was no IRS 2004 Round 2 survey):

	2000	2001	2002	2003	2005
Readership[1]('000s)	9,356	11,516	14,106	16,403	19,174

(1) These figures are exclusive of readership of certain areas which though catered to by our editions, are not reported by IRS.

The table below shows *Dainik Jagran's* ABC certified net paid sales (including the Bhopal and Jhansi editions but not including the Rewa edition, which is not a member of ABC), which is referred to herein as circulation, for the period January to June for each of the past five years:

	2001 Jan. - June	2002 Jan. - June	2003 Jan. – June	2004 Jan. - June	2005 Jan. - June
Circulation ('000s)	1,150	1,290	1,460[1][2]	1,910[2]	2,410

(1) Does not include net paid sales for the Meerut and Dehradun editions. As a result of intense competition between *Dainik Jagran* and *Amar Ujala* in Meerut and Dehradun, we gave trade discounts to our agents in excess of that allowed as per ABC rules. As a result, the Meerut and Dehradun editions of *Dainik Jagran* did not receive an ABC certificate for their circulation for the periods January-June 2003 and July-December 2003.

(2) Does not include net paid sales for the Ranchi, Jamshedpur and Dhanbad editions. The Ranchi, Jamshedpur and Dhanbad editions, which were launched in February 2003, only became ABC members for the first time for the January-June 2005 period.

Other Editions

Our associate, Jagran Publications Private Limited, publishes the Bhopal and Rewa editions of *Dainik Jagran* and Daily Jagran Jhansi, a firm owned by the family of one of the brothers of the late Mr. P.C. Gupta, the founder of *Dainik Jagran*, publishes the Jhansi edition of *Dainik Jagran*. Both of these entities have the right to publish *Dainik Jagran* only from the existing locations and nowhere else. These entities rely upon us for editorial content and marketing of advertisement space at the national level. We also provide technical and managerial support from time to time. We have a 40% shareholding, with 50% voting rights, in Jagran Publications Private Limited along with the right to nominate our representatives (who shall always be from the family of the founder of *Dainik Jagran*, the late Mr. P.C. Gupta) as its Chairman and directors on its board of directors in the same proportion as the other group of shareholders (Bhopal family) has the right to nominate. In the event a vote by its board of directors is tied, the Chairman nominated by us shall have casting vote. In addition, we have the right to nominate our representative as the Managing/Chief Editor of these editions.

An Indore edition of *Dainik Jagran* is expected to begin publication in April 2006. This edition and any other new editions of *Dainik Jagran* in the States of Madhya Pradesh and Chattisgarh will be published by a newly formed company, Jagran Prakashan (MPC) Private Limited, in which we and the members of the Bhopal family have 50:50 interest, with us enjoying the same rights as we do in the case of Jagran Publications Private Limited.

We benefit from the association with these entities in terms of additional circulation, readership and geographical coverage, which are used by us to command higher advertisement rates for national and other multi-edition advertising. In addition, we also recover service charges from their share of billing of these advertisements.

Our Editions

We publish *Dainik Jagran* in 25 editions in 10 states: Kanpur; Gorakhpur; Lucknow; Meerut; Agra; Aligarh; Bareilly; Moradabad; Varanasi; Allahabad; Dehradun; Haldwani; Patna; Muzaffarpur; Bhagalpur; Ranchi; Jamshedpur; Dhanbad; Delhi; Hisar; Panipat; Jalandhar; Ludhiana; Jammu; and Dharamshala.

Set forth below is information on each of our editions of *Dainik Jagran*:

Kanpur

The Kanpur edition of *Dainik Jagran* was launched in 1947. The Kanpur edition has 12 sub editions and is printed in Kanpur and distributed in Kanpur and its surrounding areas. Its average current cover price is of Rs. 2.50.

The readership of *Dainik Jagran* in Kanpur as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1]('000s)	621	672	754	788	861

(1) The readership numbers above refer to readership within Kanpur city only. Edition readership would have been higher than the above numbers.

The Kanpur edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	177.75	180.36	182.02	211.93	222.52	216.45	215.78	225.68	238.76	252.16	262.10

Dainik Jagran is the number one newspaper in Kanpur. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Kanpur market.

Newspaper	Readership[(1)] ('000s)	Circulation[(2)] ('000s)
Dainik Jagran	861	262.1
Amar Ujala	408	108.1
Aj	198	-[(3)]

(1) Source: IRS 2005, Round 2. Readership in Kanpur city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Not accepted.

The size of the newspaper advertising market in the Kanpur market in fiscal 2005 was Rs. 1094.75 million, a 29% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 675 million, a 40% increase from the previous year; *Aj's* share was Rs. 223.97 million, a 19% increase from the previous year; and *Amar Ujala's* share was Rs. 195.58 million, an 11% increase from the previous year. (Source: TAM Adex.)

Gorakhpur

The Gorakhpur edition of *Dainik Jagran* was launched in 1975. The Gorakhpur edition has four sub editions and is printed in Gorakhpur and distributed in Gorakhpur and its surrounding areas, the current cover price is Rs. 3.00.

The readership of *Dainik Jagran* in Gorakhpur as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[(1)]('000s)	N.A.	N.A.	N.A.	147	141

(1) The readership numbers above refer to readership within Gorakhpur city only. Edition readership would have been higher than the above numbers.

The Gorakhpur edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	52.56	57.52	59.73	76.64	85.15	84.43	89.86	94.38	97.72	103.19	103.91

Dainik Jagran is the number one newspaper in Gorakhpur. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Gorakhpur market.

Newspaper	Readership[(1)] ('000s)	Circulation[(2)] ('000s)
Dainik Jagran	141	103.91
Rashtriya Sahara	47	36.94
Hindustan	8	- [(3)]

(1) Source: IRS 2005, Round 2. Readership in Gorakhpur city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Source: Gorakhpur is not a separate edition; hence separate figures are not certified by ABC.

The size of the Gorakhpur newspaper advertising market in fiscal 2005 was Rs. 409.53 million, a 41% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 275.75 million, a 55% increase from the previous year; *Rashtriya Sahara's* share was Rs. 52.46 million, a 44% increase from the previous year. (Source: TAM Adex.)

Lucknow

The Lucknow edition of *Dainik Jagran* was launched in 1979. The Lucknow edition has four sub editions and is printed in Lucknow and distributed in Lucknow and its surrounding areas. Its current cover price is Rs. 3.00.

The readership of *Dainik Jagran* in Lucknow as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1]('000s)	473	504	448	457	461

(1) The readership numbers above refer to readership within Lucknow city only. Edition readership would have been higher than the above numbers.

The Lucknow edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	115.99	120.37	122.01	135.02	155.10	158.27	158.76	170.37	167.16	176.36	189.98

Dainik Jagran is the number one newspaper in Lucknow. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Lucknow market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Dainik Jagran	461	189.98
Hindustan	311	142.78[3]
The Times of India	137	84.16[4]

(1) Source: IRS 2005, Round 2. Readership in Lucknow city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Lucknow-Varanasi. It also includes circulation in part of Kanpur and Gorakhpur area, which is catered by us from other editions.

(4) The Times of India, Lucknow edition also caters to places like Kanpur, Varanasi, Allahabad, Gorakhpur and Bareilly, which are catered by us separately.

The size of the Lucknow newspaper advertising market in fiscal 2005 was Rs. 2,045.35 million, an 18% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 683.49 million, a 44% increase from the previous year; *The Times of India's* share was Rs. 533.26 million, a 5% increase from the previous year and *Hindustan's* share was Rs. 189.63 million, a 3% increase from the previous year. (Source: TAM Adex.)

Meerut

The Meerut edition of *Dainik Jagran* was launched in 1984. The Meerut edition has seven sub editions and is printed in Meerut and distributed in Meerut and its surrounding areas. Its current average cover price is Rs. 2.43.

The readership of *Dainik Jagran* in Meerut as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	147	196	233

(1) The readership numbers above refer to readership within Meerut city only. Edition readership would have been higher than the above numbers.

The Meerut edition's circulation for the last five years and the first six months of 2005 as per ABC is set below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	52.45[1]	56.48[1]	55.64[1]	63.39	68.87	60.20	NC	NC	103.89	165.85	192.46

(1) Part of the combined ABC certificate for Meerut – Dehradun.

Dainik Jagran is the number two newspaper in Meerut. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Meerut market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Amar Ujala	250	NC[3]
Dainik Jagran	233	192.46

(1) Source: IRS 2005, Round 2 – Readership in Meerut city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Not considered since last 3 rounds.

The size of the Meerut newspaper advertising market in fiscal 2005 was Rs. 528.54 million, a 43% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 315.67 million, an 80% increase from the previous year; *Amar Ujala's* share was Rs. 212.86 million, a 9% increase from the previous year. (Source: TAM Adex.)

Agra

The Agra edition of *Dainik Jagran* was launched in 1986. The Agra edition has six sub editions and is printed in Agra and distributed in Agra and its surrounding areas. Its current average cover price is Rs. 2.71.

The readership of *Dainik Jagran* in Agra as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	103	110	124	195	173

(1) The readership numbers above refer to readership within Agra city only. Edition readership would have been higher than the above numbers.

The Agra edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	102.24	98.58	101.49	113.60 [1]	NC	83.04[1]	89.82[1]	97.09[1]	98.70[1]	102.41[1]	99.69[1]

[1] Part of the combined ABC certificate for Agra-Aligarh.

Dainik Jagran is the number two newspaper in Agra. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Agra market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Amar Ujala	284	162.22[3]
Dainik Jagran	173	99.69[4]

(1) Source: IRS 2005, Round 2. Readership in Agra city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Includes circulation of Aligarh, for which we have separate edition.

(4) Part of the combined ABC certificate for Agra –Aligarh.

The size of the Agra newspaper advertising market in fiscal 2005 was Rs. 641.59 million, a 28% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 318.29 million, a 70% increase from the previous year; and *Amar Ujala's* share was Rs. 233.95 million a 3% increase from the previous year. (Source: TAM Adex.)

Aligarh

The Aligarh edition of *Dainik Jagran* was launched in early 2001. The Aligarh edition has four sub editions and is printed in Aligarh and distributed in Aligarh and its surrounding areas. Its current average cover price is Rs. 2.71.

The readership of *Dainik Jagran* in Aligarh as per the last two IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2003	2005
Readership ('000s)	N.A.	112

Dainik Jagran's circulation in Aligarh for the last four years and the first six months of 2005 as per ABC is set forth below:

	2001	2002		2003		2004		2005
	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation[1] ('000s)	16.54	NC	35.55	43.30	43.80	44.62	45.36	44.99

(1) Aligarh is part of the combined ABC certificate for Agra-Aligarh.

Dainik Jagran is the number one newspaper in Aligarh. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Aligarh market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Dainik Jagran	112	44.99[3]
Amar Ujala	103	- [4]

(1) Source: IRS 2005, Round 2. Readership in Aligarh city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Agra-Aligarh.

(4) Aligarh is not a separate edition; hence separate figure is not certified by ABC. Its circulation in Aligarh is included in the circulation of the Agra edition.

As *Dainik Jagran* is the only newspaper with an Aligarh edition, there is no meaningful data on the size of the Aligarh newspaper advertising market.

Bareilly

The Bareilly edition of *Dainik Jagran* was launched in 1989. The Bareilly edition has six sub editions and is printed in Bareilly and distributed in Bareilly and its surrounding areas. Its current average cover price is Rs. 3.21.

The readership of *Dainik Jagran* in Bareilly as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	N.A.	118	130

(1) The readership numbers above refer to readership within Bareilly city only. Edition readership would have been higher than the above numbers.

The Bareilly edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation [1] ('000s)	54.41	53.29	55.73	75.32	47.86	47.60	47.77	75.66	75.16	54.23	58.26

(1) Part of the combined ABC certificate for Bareilly- Moradabad.

Dainik Jagran is the number one newspaper in Bareilly. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Bareilly market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Dainik Jagran	130	58.26[3]
Amar Ujala	123	74.79

(1) Source: IRS 2005, Round 2 in Bareilly city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Bareilly-Moradabad.

The size of the Bareilly newspaper advertising market in fiscal 2005 was Rs. 475.203 million, a 22% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 238.51 million, a 35% increase from the previous year; and *Amar Ujala's* share was Rs. 149.44 million, an 8% increase from the previous year. (Source: TAM Adex.)

Moradabad

The Moradabad edition of *Dainik Jagran* was launched in early 2000. The Moradabad edition has four sub editions and is printed in Moradabad and distributed in Moradabad and its surrounding areas. Its current average cover price is Rs. 3.01.

The readership of *Dainik Jagran* in Moradabad as per the last four IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	N.A.	48	49

(1) The readership numbers above refer to readership within Moradabad city only. Edition readership would have been higher than the above numbers.

Dainik Jagran's circulation in Moradabad for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation[1] ('000s)	12.02	10.06	10.55	14.41	19.95	18.39	15.89	17.78	28.61	35.61	39.88

(1) Part of the combined ABC certificate for Bareilly – Moradabad.

Dainik Jagran is the number two newspaper in Moradabad. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Moradabad market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Amar Ujala	148	58.50[3]
Dainik Jagran	49	39.88

(1) Source: IRS 2005, Round 2. Readership in Moradabad city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Bareilly-Moradabad.

The size of the Moradabad newspaper advertising market in fiscal 2005 was Rs. 286.95 million, a 47% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 176.13 million, an 82% increase from the previous year; and *Amar Ujala's* share was Rs. 110.82 million, a 12% increase from the previous year. (Source: TAM Adex.)

Varanasi

The Varanasi edition of *Dainik Jagran* was launched in 1979. The Varanasi edition has nine sub editions and is printed in Varanasi and distributed in Varanasi and its surrounding areas. Its current average cover price is Rs. 3.38.

The readership in Varanasi as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	289	315	204	237	225

(1) The readership numbers above refer to readership within Varanasi city only. Edition readership would have been higher than the above numbers.

The Varanasi edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation[1] ('000s)	113.74	97.56	105.31	109.54	110.80	97.56	102.40	110.72	120.68	131.28	141.19

(1) Part of ABC certificate for Varanasi-Allahabad

Dainik Jagran is the number one newspaper in Varanasi. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Varanasi market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Dainik Jagran	225	141.19[3]
Hindustan	117	49.13
Amar Ujala	109	NR

(1) Source: IRS 2005, Round 2 in Varanasi city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of ABC certificate for Varanasi-Allahabad.

The size of the Varanasi newspaper advertising market in fiscal 2005 was Rs. 888.65 million, a 47% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 385.73 million, a 72% increase from the previous year; *Hindustan's* share was Rs. 198.77 million, a 22% increase from the previous year; and *Amar Ujala's* share was Rs. 72 million (its share was not reported in fiscal 2004). (Source: TAM Adex.)

Allahabad

The Allahabad edition of *Dainik Jagran* was launched in 1979. The Allahabad edition has five sub editions and is printed in Allahabad and distributed in Allahabad and its surrounding areas. Its current cover price is Rs. 3.50.

The readership in Allahabad as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	180	230	226

(1) The readership numbers above refer to readership within Allahabad city only. Edition readership would have been higher than the above numbers.

The Allahabad edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation[1] ('000s)	30.73	32.31	35.79	38.84	42.77	42.63	44.51	45.70	47.09	50.93	53.61

(1) Part of the combined ABC certificate for Varanasi – Allahabad.

Dainik Jagran is the number one newspaper in Allahabad. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Allahabad market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Dainik Jagran	226	53.61[3]
Amar Ujala	205	52.45
Hindustan	41	- [4]

(1) Source: IRS 2005, Round 2. Readership in Allahabad city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the ABC certificate for Varanasi-Allahabad.

(4) Allahabad is not a separate edition; hence separate figure is not certified by ABC. *Hindustan's* circulation in Allahabad is included in the Varanasi edition part of the combined ABC certificate for Lucknow – Varanasi editions.

The size of the Allahabad newspaper advertising market in fiscal 2005 was Rs. 468.02 million, a 30% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 268 million, a 78% increase from the previous year; *Amar Ujala's* share was Rs. 128.03 million, a 3% decrease from the previous year. Hindustan was not reported separately. (Source: TAM Adex.)

Dehradun

The Dehradun edition of *Dainik Jagran* was launched in 1997. The Dehradun edition has four sub editions and is printed in Dehradun and distributed in Dehradun and its surrounding areas. Its average current cover price is Rs. 2.69.

The readership of *Dainik Jagran* in Dehradun as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	N.A.	105	108

(1) The readership numbers above refer to readership within Dehradun city only. Edition readership would have been higher than the above numbers.

The Dehradun edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	40.45[1]	41.50[1]	41.27[1]	53.82[1]	80.54	79.44	NC	NC	49.46[2]	72.07[2]	80.58[2]

(1) Part of the combined ABC certificate for Meerut – Dehradun. All other numbers are for the Dehradun edition.

(2) Part of the combined ABC certificate for Dehradun – Haldwani editions.

Dainik Jagran is the number two newspaper in Dehradun. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Dehradun market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Amar Ujala	176	98.57
Dainik Jagran	108	80.58[3]

(1) Source: IRS 2005, Round 2 in Dehradun city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Dehradun – Haldwani editions.

The size of the Dehradun newspaper advertising market in fiscal 2005 was Rs. 400.55 million, a 67% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 242.93 million, a 158% increase from the previous year; and *Amar Ujala's* share was Rs. 157.62 million, an 8% increase from the previous year. (Source: TAM Adex.)

Haldwani

The Haldwani edition of *Dainik Jagran* was launched in 2004. The Haldwani edition has three sub editions and is printed in Haldwani and distributed in Haldwani and its surrounding areas. Its current cover price is Rs. 3.50.

Haldwani is not reported as a separate town as per IRS, so no readership figures are available.

Set forth below is the circulation of *Dainik Jagran* in Haldwani for 2004 and the first six months of 2005 as per ABC:

	2004		2005
	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s) [(1)]	39.65	35.94	36.78

(1) Part of the combined ABC certificate for Dehradun – Haldwani.

Set forth below are the most recent circulation figures for the top two newspapers in the Haldwani market as per ABC for the period January-June 2005 for the edition.

Newspaper	Circulation ('000s)
Amar Ujala	61.21
Dainik Jagran	36.78[(1)]

(1) Part of the combined ABC certificate for Dehradun – Haldwani.

The size of the Haldwani newspaper advertising market is not reported by TAM Adex.

Patna

The Patna edition of *Dainik Jagran* was launched in April 2000. The Patna edition has 12 sub editions and is printed in Patna and distributed in Patna and its surrounding areas. Its current cover price is Rs. 3.50.

Readership of *Dainik Jagran* in Patna as per the last four IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2001	2002	2003	2005
Readership ('000s)[(1)]	177	249	267	331

(1) The readership numbers above refer to readership within Patna city only. Edition readership would have been higher than the above numbers.

The Patna edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	-	81.04	85.94	110.16	113.45	111.78	111.11	107.85[(1)]	118.65[(1)]	135.74[(1)]	140.71[(2)]

(1) Part of the combined ABC certificate for Patna-Bhagalpur edition.

(2) Part of the combined ABC certificate for Patna- Bhagalpur – Muzaffarpur.

Dainik Jagran is the number two newspaper in Patna in terms of readership. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Patna market.

Newspaper	Readership[(1)] ('000s)	Circulation[(2)] ('000s)
Hindustan	441	254.50[(3)]
Dainik Jagran	331	140.71[(4)]
Aj	105	134.71

(1) Source: IRS 2005, Round 2 in Patna city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

(4) Part of the combined ABC certificate for Patna –Bhagalpur – Muzaffarpur.

The size of the Patna newspaper advertising market in fiscal 2005 was Rs. 1532.98 million, an 8% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 344.83 million, a 45% increase from the previous year, *Hindustan's* share

was Rs. 491.65 million, a 7% increase from the previous year and *Aj's* share was Rs. 154.72 million, a 5% increase from the previous year. (Source: TAM Adex.)

Muzaffarpur

The Muzaffarpur edition of *Dainik Jagran* was launched in April 2005. The Muzaffarpur edition has eight sub editions and is printed in Muzaffarpur and distributed in Muzaffarpur and its surrounding areas. Its current cover price is Rs. 3.50.

There are no readership figures reported for the Muzaffarpur edition. The Muzaffarpur edition's circulation for the first six months of 2005 is set forth below.

	Jan. - June 2005
Circulation ('000s)	47.73(1)

(1) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur. As it was launched on April 4, 2005, this figure is the average circulation for 89 days.

Set forth below are the most recent circulation figures for the top two newspapers in the Muzaffarpur market.

Newspaper	**Circulation(1) ('000s)**
Hindustan	104.59(2)
Dainik Jagran	47.73(3)

(1) Source: ABC circulation figures for the period of January-June 2005.

(2) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

(3) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur.

The size of the newspaper advertising market in Muzaffarpur is not reported in TAM Adex.

Bhagalpur

The Bhagalpur edition of *Dainik Jagran* was launched in July 2003. The Bhagalpur edition has 13 sub editions and is printed in Bhagalpur and distributed in Bhagalpur and its surrounding areas including part of West Bengal. Its average current cover price is Rs. 3.00.

Bhagalpur has not been reported as a separate city as per IRS. Therefore, there are no separate readership numbers available for that market.

The Bhagalpur edition's circulation for the last six months of 2003, 2004 and the first six months of 2005 as per ABC is set forth below:

	2003	**2004**		**2005**
	July - Dec.	**Jan. - June**	**July - Dec.**	**Jan. - June**
Circulation ('000s)	33.93(1)	49.67(1)	65.06(1)	76.79(2)

(1) Part of the combined ABC certificate for Patna – Bhagalpur.

(2) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur.

Dainik Jagran is the number two newspaper in Bhagalpur in terms of circulation. Set forth below is the most recent circulation figures for the top two newspapers in the Bhagalpur market as per ABC circulation figures for the period of January-June 2005 for the edition.

Newspaper	**Circulation(1) ('000s)**
Hindustan	101.03(1)
Dainik Jagran	76.79(2)

(1) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

(2) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur.

As *Dainik Jagran* is the only newspaper to have a Bhagalpur edition, there are no meaningful TAM Adex estimates of the size of the advertising market.

Ranchi

The Ranchi edition of *Dainik Jagran* was launched in February 2003. The Ranchi edition has six sub editions and is printed in Ranchi and distributed in Ranchi and its surrounding areas. Its average current cover price is Rs. 3.42.

The Ranchi edition's readership as per the last three IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2002	2003	2005
Readership[1] ('000s)	5	54	71

(1) The readership numbers above refer to readership within Ranchi city only. Edition readership would have been higher than the above numbers.

The Ranchi edition's circulation as per ABC for the period January to June 2005 was 34,170, prior to which circulation was not certified by ABC because the edition did not become a member of ABC until then.

Dainik Jagran is the number three newspaper in Ranchi in terms of readership. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Ranchi market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Prabhat Khabar	188	133.06
Hindustan	134	72.34[3]
Dainik Jagran	71	34.17[4]

(1) Source: IRS 2005, Round 2 in Ranchi city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

(4) Part of the combined certificate for Ranchi –Jamshedpur – Dhanbad.

The size of the Ranchi newspaper advertising market in fiscal 2005 was Rs. 494.32 million, a 46% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 200.54 million, a 90% increase from the previous year; *Prabhat Khabar's* share was Rs. 128.01 million, a 5% increase from the previous year; and *Hindustan's* share was Rs. 78 million (its share was not reported in fiscal 2004). (Source: TAM Adex.)

Jamshedpur

The Jamshedpur edition of *Dainik Jagran* was launched in February 2003. The Jamshedpur edition has seven sub editions and is printed in Jamshedpur and distributed in Jamshedpur and its surrounding areas including part of West Bengal. Its average current cover price is Rs. 2.85.

The readership of *Dainik Jagran* in Jamshedpur as per the last three IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	N.A.	5	104	149

(1) The readership numbers above refer to readership within Jamshedpur city only. Edition readership would have been higher than the above numbers.

The Jamshedpur edition's circulation as per ABC for the period January to June 2005 was 50,750, prior to which circulation was not certified by ABC because the edition did not become a member of ABC until then.

Dainik Jagran is the number two newspaper in Jamshedpur in terms of readership. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Jamshedpur market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Prabhat Khabar	176	54.58
Dainik Jagran	149	50.75[3]
Hindustan	66	26.08[4]

(1) Source: IRS 2005, Round 2. Readership in Jamshedpur city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Ranchi – Jamshedpur – Dhanbad.

(4) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

The size of the Jamshedpur newspaper advertising market in fiscal 2005 was Rs. 381.26 million, a 51% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 222.73 million, a 100% increase from the previous year; and *Prabhat Khabar's* share was Rs. 103.58 million, a 20% increase from the previous year. *Hindustan's* share is not reported separately. (Source: TAM Adex.)

Dhanbad

The Dhanbad edition of *Dainik Jagran* was launched in February 2003. The Dhanbad edition has seven sub editions and is printed in Dhanbad and distributed in Dhanbad and its surrounding areas including part of West Bengal. Its average current cover price is Rs. 3.23.

Dainik Jagran's readership in Dhanbad as per the last three IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2002	2003	2005
Readership ('000s)[1]	7	84	137

(1) The readership numbers above refer to readership within Dhanbad city only. Edition readership would have been higher than the above numbers.

Dhanbad edition's circulation as per ABC for the period January-June 2005 was 42,000, prior to which circulation was not certified by ABC because the edition did not become a member of ABC until then.

Dainik Jagran is the number two newspaper in Dhanbad in terms of readership. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Dhanbad market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Hindustan	151	53.58[3]
Dainik Jagran	137	42.00[4]
Prabhat Khabar	90	27.79[5]

(1) Source: IRS 2005, Round 2 in Dhanbad city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for Patna – Bhagalpur – Muzaffarpur – Ranchi – Jamshedpur – Dhanbad.

(4) Part of the combined ABC certificate for Ranchi – Jamshedpur – Dhanbad.

(5) Part of the combined ABC certificate for Deoghar – Dhanbad edition.

The size of the newspaper advertising market in the Dhanbad market in fiscal 2005 was Rs. 341.55 million, a 110% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 217.42 million, a 111% increase from the previous year; *Prabhat Khabar's* share was Rs. 73.36 million, a 23% increase from the previous year. *Hindustan's* market share is not reported separately. (Source: TAM Adex.)

Delhi

The Delhi edition of *Dainik Jagran* was launched in 1990. The Delhi edition has 16 sub editions and is printed in Delhi and distributed mainly in Delhi and its surrounding areas. Its current average cover price is Rs. 2.36.

The readership in Delhi as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	283	336	402	491	582

(1) The readership numbers above refer to readership within Delhi city only. Edition readership would have been higher than the above numbers.

The Delhi edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	192.03[1]	165.38[2]	171.45[2]	221.32[2]	237.89[2]	240.32[2]	253.61[2]	223.47[3]	266.88[3]	297.29[3]	324.76[3]

(1) Part of the combined ABC certificate for New Delhi – Jalandhar – Hisar.

(2) Part of the combined ABC certificate for New Delhi – Hisar.

(3) Part of the combined ABC certificate for New Delhi – Hisar – Panipat.

Dainik Jagran is the number five newspaper in Delhi in all languages in terms of readership. Set forth below are the most recent readership and circulation figures for the top five newspapers in the Delhi market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Hindustan Times	2,095	761.16[3]
The Times of India	1,755	NR
Navbharat Times	1,593	NR
Punjab Kesari	1,096	329.90
Dainik Jagran	582	324.76[4]

(1) Source: IRS 2005, Round 2 in Delhi city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of the combined ABC certificate for New Delhi –Bhopal –Chandigarh –Jaipur.

(4) Part of the combined ABC certificate for New Delhi – Hisar – Panipat.

The size of the Delhi newspaper advertising market in fiscal 2005 was Rs. 12,438.03 million, a 13% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 388.44 million, a 92% increase from the previous year; *Hindustan Times'* share was Rs. 4,506.41 million, a 12% increase from the previous year; *The Times of India's* share was Rs. 4,069.90 million, a 12% increase from the previous year; *Navbharat Times'* share was Rs. 595.98 million, a 6% increase from the previous year; and *Punjab Kesari's* share was Rs. 234.88 million, an 8% decrease from the previous year. (Source: TAM Adex.)

Hisar

The Hisar edition of *Dainik Jagran* was launched in May 2000. The Hisar edition has eight sub editions and is printed in Hisar and distributed in Hisar and its surrounding areas. Its average current cover price is Rs. 2.20.

Hisar has not been reported as a separate city as per IRS. Therefore, there are no separate readership estimates available for that market.

The Hisar edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	11.09[1]	21.01[2]	21.36[2]	29.59[2]	33.49[2]	32.57[2]	43.59[2]	43.06[3]	53.58[3]	59.58[3]	74.80[3]

(1) Part of the combined ABC certificate for New Delhi – Jalandhar – Hisar.

(2) Part of the combined ABC certificate for New Delhi – Hisar.

(3) Part of the combined ABC certificate for New Delhi – Hisar-Panipat.

Dainik Jagran is the number two newspaper in Hisar in terms of circulation. Set forth below are the circulation figures for the top two newspapers in the Hisar market as per ABC circulation figures for the period of January-June 2005 for the edition.

Newspaper	Circulation[1] ('000s)
Dainik Bhaskar	106.45
Dainik Jagran	74.80[2]

(1) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(2) Part of the combined ABC certificate for New Delhi – Hisar – Panipat.

The size of the Hisar newspaper advertising market in fiscal 2005 was Rs. 387.63 million, a 77% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 242.09 million, a 145% increase from the previous year; and *Dainik Bhaskar's* share was Rs. 145.54 million, a 21% increase from the previous year. (Source: TAM Adex.)

Panipat

The Panipat edition of *Dainik Jagran* was launched in July 2003. The Panipat edition has six sub editions and is printed in Panipat and distributed in Panipat and its surrounding areas. Its current average cover price is Rs. 2.07.

Panipat has not been reported as a separate city as per IRS. Therefore, there are no separate readership estimates available for that market.

The Panipat edition's circulation since last six months of 2003, 2004 and the first six months of 2005 as per ABC is set forth below:

	2003	2004		2005
	July - Dec.	Jan. - June	July - Dec.	Jan. –June
Circulation ('000s)[1]	57.55	58.90	65.65	66.44

(1) Part of the combined ABC certificate for New Delhi-Hisar-Panipat.

Dainik Jagran is the number two newspaper in Panipat in terms of circulation. Set forth below are the circulation figures for the top two newspapers in the Panipat market as per ABC circulation figures for the period of January-June 2005 for the edition.

Newspaper	Circulation[1] ('000s)
Dainik Bhaskar	135.72
Dainik Jagran	66.44[2]

(1) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(2) Part of the combined ABC certificate for New Delhi-Hisar-Panipat.

As only *Dainik Jagran's* Panipat edition is reported in TAM Adex, there is no useful estimate as to the size of the newspaper advertising market in Panipat.

Jalandhar

The Jalandhar edition of *Dainik Jagran* was launched in 1999. The Jalandhar edition has nine sub editions and is printed in Jalandhar and distributed in Jalandhar and its surrounding areas. Its average current cover price is Rs. 2.31.

The readership in Jalandhar as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1]('000s)	N.A.	N.A.	N.A.	141	121

(1) The readership numbers above refer to readership within Jalandhar city only. Edition readership would have been higher than the above numbers.

The Jalandhar edition's circulation for the last five years and the first six months of 2005 as per ABC is set forth below:

	2000		2001		2002		2003		2004		2005
	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June	July - Dec.	Jan. - June
Circulation ('000s)	44.69[1]	59.41	63.01	73.07	75.64	134.02	160.79	193.60	143.71[2]	154.42[2]	120.17[2]

(1) Part of ABC combined certificate for New Delhi – Hisar – Jalandhar.

(2) Part of ABC combined certificate for Jalandhar – Ludhiana.

Dainik Jagran is the number two newspaper in Jalandhar in terms of readership. Set forth below are the most recent readership and circulation figures for the top three newspapers in the Jalandhar market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Punjab Kesari	135	227.27[3]
Dainik Jagran	121	120.17[4]
Jagbani	29	257.88[5]

(1) Source: IRS 2005, Round 2 in Jalandhar city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of ABC combined certificate for Jalandhar – Ludhiana – Palampur – Ambala.

(4) Part of ABC combined certificate for Jalandhar – Ludhiana.

(5) *Jagbani* is a Punjabi daily printed from Jalandhar and circulated throughout Punjab.

The size of the Jalandhar newspaper advertising market in fiscal 2005 was Rs. 1,368.2 million, a 40% increase from the previous year. *Dainik Jagran's* share of this market was Rs. 328.15 million, a 86% increase from the previous year, *Punjab Kesari's* share was Rs. 530.72 million, a 9% increase from the previous year and *Jagbani's* share was Rs. 141.22 million, a 58% increase from the previous year. (Source: TAM Adex.)

Ludhiana

The Ludhiana edition of *Dainik Jagran* was launched in January 2004. The Ludhiana edition has nine sub editions and is printed in Ludhiana and distributed in Ludhiana and its surrounding areas. Its current average cover price is Rs. 2.28.

The readership of *Dainik Jagran* in Ludhiana as per the last five IRS Round 2 surveys is set forth below (there was no IRS Round 2 survey in 2004):

	2000	2001	2002	2003	2005
Readership[1] ('000s)	N.A.	48	64	163	221

(1) The readership numbers above refer to readership within Ludhiana city only. Edition readership would have been higher than the above numbers.

The Ludhiana edition's circulation for the 2004 and the first six months of 2005 as per ABC is set forth below:

	2004		2005
	Jan. - June	July - Dec.	Jan. – June
Circulation* ('000s)	55.45	68.86	60.14

* Part of the combined ABC certificate for Jalandhar – Ludhiana.

Dainik Jagran is the number two newspaper in Ludhiana in terms of readership. Set forth below are the most recent readership and circulation figures for the top two newspapers in the Ludhiana market.

Newspaper	Readership[1] ('000s)	Circulation[2] ('000s)
Punjab Kesari	277	73.22[3]
Dainik Jagran	221	60.14[4]

(1) Source: IRS 2005, Round 2. Readership in Ludhiana city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) Part of ABC combined certificate for Jalandhar – Ludhiana – Palampur – Ambala.

(4) Part of ABC combined certificate for Jalandhar – Ludhiana.

As *Dainik Jagran's* Ludhiana edition is the only newspaper reported in TAM Adex's estimate of the newspaper advertising market in Ludhiana, there are no meaningful estimates of the size of the newspaper advertising market in Ludhiana.

Jammu

The Jammu edition of *Dainik Jagran* was launched in August 2005. The Jammu edition has five sub editions and is printed in Jammu and distributed in Jammu and its surrounding areas. Its current average cover price is Rs. 2.57.

Although the edition was launched in August 2005, since there were some copies of *Dainik Jagran* being circulated from neighbouring areas, there was a certain level of readership being measured in Jammu. Set forth below is the readership of *Dainik Jagran* in Jammu as per the last two IRS Round 2 surveys.

	2003	2005
Readership ('000s)	27(1)	21(1)

(1) Readership for Jammu city only. Our Jalandhar edition was distributed in Jammu prior to August 2005.

Set forth below are the most recent readership figures for the top four newspapers in the Jammu market.

Newspaper	Readership(1) (4) ('000s)	Circulation(2) ('000s)
Amar Ujala	129	- (3)
Daily Excelsior	56	N.A.
Punjab Kesari	56	- (3)
Dainik Jagran	21	N.A.

(1) Separate edition launched in August 2005.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) No separate edition from Jammu in January-June 2005 period.

(4) Source: IRS 2005, Round 2. Readership in Jammu city only.

The market size of the newspaper advertising market of Jammu is yet to be realistically assessed by a third party research agency.

Dharamshala

The Dharamshala edition of *Dainik Jagran* was launched on October 24, 2005. The Dharamshala edition has seven sub editions and is printed in Dharamshala and distributed in seven of the 12 districts in Himachal Pradesh: Kangra, Kullu, Chamba, Mandi, Bilaspur, Hamirpur and Una. Its current average cover price is Rs. 2.57.

The Dharamshala edition of *Dainik Jagran* is the first national Hindi daily to be printed and published from Himachal Pradesh. Prior to publishing the Dharamshala edition, we distributed the Jalandhar edition in Himachal Pradesh.

The Himachal Pradesh newspaper market has a daily newspaper readership of 1.1 million, which is dominated by Hindi newspapers. The readership of the Hindi daily newspapers is 1.02 million. The readership of the English newspapers is 0.13 million and the Punjabi newspaper readership is 0.03 million. (Source: NRS 2005). Set forth below are the most recent readership and circulation figures for the top four newspapers in the Himachal Pradesh market.

Newspaper	Readership(1) ('000s)	Circulation(2) ('000s)
Punjab Kesari	448	N.A. (3)
Amar Ujala	357	N.A. (3)
Dainik Bhaskar	118	N.A. (3)
Dainik Jagran	95	N.A.(4)

(1) Source: IRS 2005, Round 2 in Dharamshala city only.

(2) Source: ABC circulation figures for the period of January-June 2005 for the edition.

(3) No separate edition from Dharamshala in January-June 2005 period.

(4) No Separate edition untill October 2005.

Dainik Jagran's Competition

The Indian newspaper industry is competitive and the extent to which each of our editions of *Dainik Jagran* faces competition varies from market to market. In each of our major markets, we face competition from other newspapers for circulation, readership and advertising. We do not use a uniform competition strategy but adopt our strategy depending upon the intensity of the competition and the strength of our competitors. *Dainik Jagran's* positioning in a particular market is a strong influence on our strategy. However, our commonly used strategies include reducing or not increasing the cover price, launching readership schemes and maintaining the same amount of trade discount to the distribution agents even if we reduce the cover price. We also strive to constantly improve *Dainik Jagran*'s appeal to newspaper readers by keeping abreast of the changing needs of our readers through personal contact campaigns, readers' forums, and conducting research on our markets through Jagran Research Centre, our in-house research centre.

For further information on the competition for each of our editions, see "Our Business—Our Products and Services—Dainik Jagran—Editions" beginning on page 58.

In addition, we face competition from other forms of media including, but not limited to, television broadcasters, magazines, radio broadcasters, and websites. These other forms of media compete with newspapers for advertisers and also for the time and attention of our readers.

Editorial Team

Dainik Jagran's editorial teams have vast experience in providing quality content and expertise in journalism and have won numerous awards. We believe that editorial content is a critical driver of our business.

Our editorial team is headed by Mr. Mahendra Mohan as its Managing Editor and supported by Mr. Sanjay Gupta, Editor for all editions. The Editor is assisted by the resident editors of each edition and other editors.

The resident editors and other editors are assisted by their respective teams of sub-editors, reporters and freelance journalists, known as stringers. The editorial content for each newspaper comes from the respective reporters in the field as well as across offices throughout India. We send our reporters to cover international events of significance. Our editor/editors/reporters also accompany national and international dignitaries for first hand news coverage. We also receive content from various news bureaus and news wires/news service agencies such as Bhasha, PTI, UNI, AFP and Reuters.

The volume of information received by us is very high compared with the information used. The priority of using the information depends on the judgment of editorial staff. Our editorial teams develop their respective newspapers by reviewing and prioritising information by importance and type of content.

Sales and Circulation

We earn revenues mainly from selling *Dainik Jagran* (circulation revenue) and from selling advertising space in *Dainik Jagran.*

The circulation of *Dainik Jagran* was approximately 2.4 million copies as per ABC certified figures for January to June 2005. Circulation figures for each of the last five years are set forth in a table in the section titled "Our Business—Our Products and Services—Dainik Jagran—Editions" beginning on page 58. Detailed information on the circulation of each edition is given above in the section entitled "Our Business—Our Products and Services—Dainik Jagran—Editions" beginning on page 58.

The cover prices for our editions of *Dainik Jagran* do not cover our newsprint costs but we take into account the cost of newsprint in setting our cover prices. However, the cover prices of our editions of *Dainik Jagran* are largely driven by competition. Newspaper buyers in India are price sensitive and cover price is a significant factor in their purchasing decision. In looking at increasing cover prices, in addition to newsprint prices and competition, we also look at *Dainik Jagran's* positioning in a particular market and readers' sensitivity to the price in that area.

The cover prices we charge for our editions of *Dainik Jagran* depend on the location and on the point of sale. Customers often pay prices below the cover price when purchasing by subscription. The current cover price or the current average cover price for each of our editions of *Dainik Jagran* is given above in the section entitled "Our Business—Our Products and Services—Dainik Jagran—Editions" beginning on page 58.

The sale of our newspapers can be classified as follows:

- Regular sales through trade and vendors;
- Subscription sales;
- Institutional sales, such as to airlines and hotels; and
- Sales to young readers through schools.

For newspapers sold through trade and vendors, we receive the price paid by the customer net of trade discounts. Trade discounts currently range between 26%-38%, which are withheld by our agents and vendors. For sales through other channels, we give various discounts on the cover price.

Our circulation revenue constituted 36.68% and 34.40% of our total revenues for fiscal 2005 and the six months ended September 30, 2005 (these figures include revenue from *Sakhi* and other publications).

Distribution

Our Circulation department is responsible for managing and monitoring our distribution activities by maintaining relationships in the distribution chain. The vendors are controlled and organized by our agents, who operate from distribution centres. From the distribution centre, individual vendors take the newspapers to be delivered to households, offices and institutions. A distribution centre allows for early morning distribution. Our agents generally collect cash from the vendors on a daily basis, but our agents generally pay us on a monthly basis. Set out below is our distribution network in our top six markets.

	Kanpur	**Lucknow**	**Varanasi**	**Meerut**	**Patna**	**Noida**
No. of Distribution Centres	12	5	6	5	22	72
No. of Agencies	273	280	141	215	226	140

Distribution centres are usually common to various newspapers being circulated in a particular area. In order to promote circulation, we organize various trade related activities (including incentive schemes) from time to time.

Our Circulation department also works closely with our Marketing and Brand department on various reader promotion activities, such as sampling of newspapers and co-ordinating reader promotion contests.

Sale of Advertising Space

Market Potential

There are 501 million people living in *Dainik Jagran's* footprint (which is all 10 states where it is printed plus West Bengal, where it has a circulation of more than 10,000 copies), which is approximately 49% of the Indian population (source: Census 2001) and accounts for a large part of the Hindi-speaking base in India. There are 93 million households within its footprint. (Source: IRS 2005, Round 2). According to IRS 2005, Round 2, households within its footprint constitute:

- 48% of India's SEC A households;
- 49% of India's Rs. 15,000+ per annum income group;
- 45% of all households in India with a refrigerator;
- 38% of all households in India with a television;
- 48% of all households in India with a washing machines;
- 45% of all households in India with an air conditioner;
- 46% of all households in India with a 4 wheeler (any automobile); and
- 38% of all households in India with a 2 wheeler (motorcycle).

Ad-spend in the print media in India grew at a CAGR of 20.75% over the last three fiscal years (source: TAM Adex).

Advertisements

In order to maintain readership and the quality of our newspaper, we constantly maintain the balance between advertisements and editorial content.

There are three broad categories of advertisements in the main section of our newspapers:

- **Display Advertisements –** These advertisements usually relate to product/corporate promotional campaigns and education. For the purpose of revenue segmentation, display advertisements are further divided into:
  - Colour display advertisements; and
  - Black & white display advertisements.
- **Government –** These are advertisements for publicising: (i) schemes and achievements of various Government departments; (ii) contracts; and (iii) tenders that various government and public sector enterprises publish for their procurements and sales.
- **Classifieds –** These are classified advertisements published in respect of matrimonials, obituaries, real estate, automobiles situations vacant, tenders, social awareness notices and entertainment.

In addition to advertisements in the main section of the newspaper, we also have advertisements in various supplements, which are targeted at different segments of readers and advertisers. The advertisements in supplements are generally placed by retail and local advertisers.

The following table sets forth the volume of advertising per category of *Dainik Jagran* over the past two fiscal years and the six months ended September 30, 2005.

Advertising Category	**Fiscal 2004**	**Fiscal 2005**	**Six Months ended September 30, 2005**
Display Advertisements colour	15%	17%	18%
Display Advertisements black & white	39%	37%	32%
Government	18%	18%	21%
Classifieds	17%	19%	22%
Supplements	11%	9%	7%
Total	100%	100%	100%

Advertisement Sales

Selling of display ad-space is generally undertaken through advertising agencies. For the Central Government, the selling of advertising is done through DAVP (Directorate of Audio and Visual Publications). For State Governments, the selling of advertising is done through various designated authorities. Individuals often place advertisements in our supplements and classified sections directly with us or through quick booking centres without going through advertising agencies.

We have long-standing relationships with most of the leading advertising agencies in India. These agencies are split into two categories namely accredited agencies with INS and non-accredited agencies. At September 30, 2005, we had approximately 1,395 accredited agencies, including all branches, and approximately 3,473 non-accredited agencies as customers, besides numerous quick booking centres.

We enter into rate contracts with many of our large advertisers or advertising agencies on a campaign by campaign basis, volume basis and on market share basis. The advertising agencies place advertisement orders for their clients with us either for a particular day or for a comprehensive advertising campaign. The basic document received by us for the publication of an advertisement in the newspaper is the release order issued by the agency/client. The release order contains all the information in relation to the advertisement including the size of the advertisement, placement, rate to be charged, date of publication, type and category of advertisement. The release orders received are captured on the system, which takes care of the scheduling of the advertisement and the billing of the customer.

Under the INS rules, we allow two calendar months credit after the month in which the advertisement is published. If agencies accredited with INS default in their payment obligations to us, INS supports our credit collection efforts by placing them in the suspended/disaccredited category. Those agencies placed on the suspended/disaccredited category experience difficulties in placing advertisements. In addition, INS can use the security deposit paid by the agency at the time of its accreditation to help to satisfy an outstanding amounts owed to us.

In the case of the non-accredited advertisers, we follow a policy prevalent in the industry. We extend the credit facility, in the case of our existing clients, based on their past track record with us and, in the case of new clients, based on their credit worthiness as assessed by our marketing team. In order to monitor the outstanding payments, we have an established system in place. The above policy minimizes the credit default. Government departments that advertise with us usually take at least six months to pay us.

Advertisement Rates

Rates are generally based on:

- the category of the advertisement, e.g., display, government, tenders, obituaries, classifieds and supplements;
- the size and positioning of the advertisement (e.g., front page, back page) in the newspaper and, in some cases, the positioning of the advertisement on the page;
- the frequency the advertisement is to be placed;
- whether the advertisement is in colour or black & white; and
- the number of editions/sub-editions the advertisement is to be published in.

In addition:

- Volume incentives may be allowed to certain agencies/clients, based on the assured commitment of volume of business;
- Future business potential may prompt us to offer special rates;
- Supplements generally have special rates; and
- Special incentives/rates may at times be offered for special events such as election and under period specific schemes.

As per INS rules, our advertisement rates are subject to a maximum trade discount of 15% payable to advertisement agencies.

Our rates are generally denominated in square centimetres. Our advertisement rates are generally revised once a year at the beginning of the fiscal year and at times on the launch of a new edition. Circulation, readership, our perception with regard to the positioning of *Dainik Jagran* in a particular market and strength of that market from the advertisers' perspective are the key factors taken into consideration while deciding advertisement rates. We also take into account the rates charged by our competitors.

Advertisement revenue from *Dainik Jagran* constitutes a substantial portion of our total income. Advertisement revenue constituted 61.73% and 63.09% of our total income for fiscal 2005 and the six months ended September 30, 2005 (these figures include advertisement revenue from *Sakhi* and our other publications).

The Newspaper Publication Process

Our editorial staff, comprising a network of reporters, stringers and journalists at different level of states, districts and villages, write news and articles and submit the same to their respective units. The desk editor, after checking, circulates the relevant news to our printing centres through our dedicated leased line network.

We subscribe to the major English and Hindi news agencies in India including PTI, Bhasha, Reuters and Vaarta. We also subscribe to various wire agencies for photographs and pictures, including AP and AFP. These picture service agencies transmit pictures via satellite into our picture server.

We have developed our own in-house editorial software. Our editorial software is comprehensive and covers the entire news gathering process, from procurement to pagination, in a stable and customizable manner. The system is comprised of various modules including the following:

- Editor – handles the editing and writing of news.
- Wire – handles news from wired agencies.
- Track – handles production management. The desk editor selects the news and transfers the same to another user who will edit it. Once the news has been edited, it will again go to the desk editor who places the edited news on a page.
- Photo Management – the selected pictures are sent to our process department where they are improved and made with the help of BINUSCAN, which is a software used for graphics.
- Pagination – once the different news items are placed on their respective pages, the person in charge of pagination opens the template wherein he can see the news on that particular page. He will paginate the page as per the priority list with the help of a subordinate editor. All pagination is done through Quark Express software.
- Electronic Dummy – advertisements are placed on the electronic dummy and then the sub editor and the person in charge of pagination place the news on the remaining area of a page. After the complete page has been made, it will be passed by the desk editor so that the database entry can be made in the server. Simultaneously, our editorial software checks for repetition and other errors on the page.

Once all the pages of all editions are finalised, each page is outputted through the image setter or laser printer and then that output is given to the process department for making plates for final printing. Simultaneously, the 'e-paper' on our website is also updated using our editorial software. The newspapers are then printed, stacked and wrapped, ready for distribution.

Jagran.com

Our Internet portal (www.jagran.com) contains a channel where we post all editorial and advertising content of the day's *Dainik Jagran* in electronic form. Our portal also has channel where we update the latest news in Hindi more than 30 times a day. In addition to news, we have more than 30 other channels on our portal including:

- jagranpost (Hindi and English e-mail service);
- matrimonial;
- classifieds;
- Junior Jagran; and
- Jagran Shopping (our online shopping site).

Content on our portal is mainly in Hindi but we also have some content in English, including Junior Jagran and Jagran Shopping.

With more than 2.8 million hits per day, 5.8 million page views per day and 50,000 plus visitors to the site per day in the week ended October 23, 2005 (source: WebLog Expert Report, October 2005), our Internet portal is the world's most visited site in all Hindi categories. (Source: Alexa.com, November 11, 2005.)

We launched jagran.com in 1997 and until recently we ran it for brand building purposes only.

Jagran Shopping, an online shopping site (http://shopping.jagran.com) was launched in August 2005. Jagran Shopping sells a wide variety of goods, including art and collectibles, designer and luxury goods, household items, office items and toys and games on the Internet. In July 2005, we entered into agreement with InterMESH Shopping Network Pvt. Ltd ("Intermesh"), which manages and operates an online shopping mall called www.indiangiftsportal.com, for it to run an online shopping site branded as Jagran Shopping. Intermesh is responsible for entering into agreements with vendors for products to be sold on the website, processing orders and arranging for delivery of the products to the purchasers. In addition to linking the Jagran Shopping website to jagran.com, we are responsible for collecting the purchase prices and delivery charges (if any) from purchasers and we have entered into an agreement with a third party payment gateway service provider to do this on our behalf. We currently earn a 12% commission on net sales (gross sales amount less shipping charges and payment gateway charges) and release the remaining amount of the net sales and shipping amount to Intermesh for all the processed orders on a weekly basis. Our agreement with Intermesh has an initial term of two years.

We have launched an edition of Dainik Jagran as an e-paper on a trial basis in October 2005. We plan to launch all 28 editions of *Dainik Jagran* as e-papers on our website within the next few months. Access to the e-paper editions shall initially be free but we will consider making it available as a paid service only after some time. If the readership of the e-paper editions is sufficient for us to justify the commercial case to our advertisers, we will also introduce advertisement fees for the e-paper editions. We will also consider charging for other services being provided on our website.

Our Internet portal is maintained by Jagran Infotech Limited, a company in which we own 45.96% of the equity shares and the remaining shares are owned by the Promoters, certain Directors and their relatives. Until November 2005, Jagran Infotech Limited maintained our website pursuant to an unwritten agreement under which it received Rs. 2.4 million per year and the right to sell advertising on our website and retain all such proceeds. We have entered into an agreement dated December 24, 2005 with Jagran Infotech Limited for maintaining and updating the website of the Company at a fee of Rs. 3 million per annum with annual escalation of 10%. Under the terms of this agreement, the right to sell advertising is vested solely with our Company with effect from December 15, 2005. Companies that have advertised on our portal include Yahoo India, Direct TV and Shaadi.com.

Short Code Service 7272

IVR/ASR Service

In January 2005, we launched our IVR (integrated voice recording)/ASR (automatic speech recognition) service on short code 7272. The IVR/ASR service enables mobile phone owners to call a short code (which is 7272 for our services) and state the name of the service they want and then receive the information via a pre-recorded voice message. Our IVR/ASR services include news, jokes, cricket scores, contests, interviews with Bollywood stars, horoscopes and Jagran "SAMPARK", which is where the caller can share his or her views with us about *Dainik Jagran*. Some of these services are in both Hindi and English and some services are in English only.

We have launched our IVR/ASR services on the following mobile phone operators in India: Airtel; Hutch; Orange; Idea; and Spice. Jagran 7272 is currently the only ASR/ISR service on these operators across the country. We earn revenue from our IVR/ASR service on a revenue sharing basis, the terms of which vary from operator to operator. Our agreements with these operators have an initial term ranging from one year to two years.

Our competition for our IVR/ASR services includes IndiaTimes.com. We compete on the basis of the quality of our IVR/ASR services, including the timely update of news, and price.

SMS Service

In March 2005, we launched our SMS service on short code 7272. The SMS short code service enables mobile phone owners to send a SMS requesting a service and receive the service via SMS. Our SMS services include news, share prices, examination results, contests, cricket scores, railway inquiries, jokes, ring tones, wallpaper, picture messages, polls and horoscopes. Some of these services are in both Hindi and English and some services are in English only.

We have launched our SMS service on short code 7272 with the following mobile phone operators in India: BSNL; Airtel; MTNL; Hutch; Orange; Spice; Reliance and Idea. We earn revenue from our SMS service on a per SMS and/or revenue sharing basis, the terms of which vary from operator to operator. Our agreements with these operators have an initial term ranging from one year to two years.

Our competition for our SMS services includes Yahoo.com, rdiff.com, Aajtak, Indiatimes.com, NDTV.com and ZeeTV. We compete on the basis of the quality of our SMS services including the timely update of news, and price.

From April 1, 2005 to October 10, 2005, we received a total of 8.6 million SMS/calls for both our SMS and IVR/ASR short code services, which is an average of approximately 1.4 million SMS/calls per month. Revenue from our short code services was Rs. 6.12 million for the six months ended September 30, 2005.

Sakhi

Sakhi is a monthly magazine in Hindi targeted at women. Its current cover price is Rs. 30. *Sakhi* had circulation revenue of Rs. 6.85 million and Rs. 3.39 million in fiscal 2005 and the six months ended September 30, 2005, respectively.

Other Publications

We publish *Jagran Varshiki,* an annual general knowledge digest in Hindi as well as national and statistical compilations. Circulation revenue from *Jagran Varshiki* and our statistical compilations was Rs. 2.29 million and Rs. 0.21 million in fiscal 2005 and the six months ended September 30, 2005, respectively.

Jagran Solutions

Jagran Solutions, a division of the Company established in fiscal 2004, offers outdoor advertising and below the line marketing services including promotional marketing services, such as loyalty and incentive programs, school and college contact programs and road shows, and event management services, such as product launches, presentations, dealer conferences, and internal sales team events.

Jagran Solutions had revenue of Rs. 10.56 million and Rs. 15.80 million in fiscal 2005 and the six months ended September 30, 2005, respectively.

Promotional Marketing and Event Management

We believe that the established media network of *Dainik Jagran* provides Jagran Solutions with a unique opportunity to provide its clients with complete below the line marketing solutions and our pan-India infrastructure will allow Jagran Solutions to target a much larger market share of the below the line marketing industry than its competitors. Since the beginning of fiscal 2006, we have hired six professionals dedicated to expanding our promotional marketing and event management business. These professionals are based in Delhi and they are supported by executives and other staff in our various offices and printing centres, who assist on local client liaison and the execution of marketing programs and event management.

Jagran Solutions' promotional marketing and event management clients have included Hutch, TVS Motors, Gillette, LML, Asian Paints, Zydus, Cadilla, GPI and HLL.

Due to the relatively new emergence of the below the line marketing industry in India, the industry is highly fragmented and largely unorganized. Our main competitors are Wizcraft, Encompass, Percept, DNA and Kidstuff. However, all of our competitors only offer below the line marketing services without any kind of media support or pan-India infrastructure.

Outdoor Advertising

Fixed Outdoor Advertising

We have been offering outdoor advertising sites for lease since fiscal 2004. These sites are leased from third parties, generally for a one year period, and are then on-leased by us to our clients at a higher rate, generally for three-month periods. We currently have approximately 1,500 fixed outdoor advertising sites located throughout the 10 states in which *Dainik Jagran* is published.

Following recent legal and political developments including orders issued by the Supreme Court and various High Courts pursuant to public interest litigations initiated in this regard, outdoor advertising sites have either been restricted or banned in certain areas including the states of Punjab and Haryana and in the cities of Delhi, Mumbai and Allahabad since these tend to be hazardous to the safe movement of traffic and also pose environmental concerns. As a result of these developments, we have investigated alternative means of providing the outdoor advertising to our clients, which do not have the same environmental and aesthetic concerns that have been associated with the fixed outdoor sites.

Mobile Outdoor Advertising

We believe that mobile hoarding vans provide an innovative, flexible and effective solution to restrictions on fixed outdoor advertising. In contrast to the fixed outdoor sites, the mobile hoarding vans will be available to be booked on a short-term basis, allowing them to be used for short-term promotions, such as event marketing and new product launches, as well as longer advertising campaigns.

The technology incorporated in the vans also allows the height of the hoarding to be adjusted, which is designed to ensure that optimum visibility is obtained in each location.

We currently have two mobile hoarding vans, which we have used to trial our service. We plan to purchase approximately 250 vans for use in mobile advertising within the next two years. It is our intention to position these mobile hoarding vans in hubs within more than 60 major towns located throughout the states in which *Dainik Jagran* is published, providing our clients with increased marketing penetration.

Printing Infrastructure

We print our publications from 25 facilities with a total installed capacity of approximately 1.28 million copies per hour.

We own all the press, pre-press, post-press facilities and related equipment at these centres although some of the centres are located in rented/leased premises.

In Kanpur, Moradabad, Gorakhpur and Haldwani, we operate from leased premises under agreements with the Promoters and/or Directors/and/or their relatives that expire in June 2009, but are subject to renewal. All facilities, including the building constructed on each these premises, are owned by us.

In Patna, Muzaffarpur, Allahabad, Agra, Aligarh, Bareilly, Dhanbad, Jamshedpur, Panipat and Bhagalpur, we operate from the premises leased from third parties.

In Lucknow, the facility is situated on leasehold land belonging to the Promoters and their relatives. We are using the property under a building development agreement.

Four centres: Varanasi; Hisar; Ludhiana; and Dharamshala are built on freehold land owned by us. We have a registered agreement to buy and have paid the purchase price for the land on which Jalandhar centre is built and we expect to become the registered owner of this property in due course. The Meerut and Dehradun centres are located at premises owned by Jagran Limited, whose business including these properties has been taken over by us but legal formalities relating to transfer of the properties in our name are pending. Three centres: Noida; Jammu; and Ranchi; are built on land leased by us pursuant to long-term lease with district development authorities.

The details of our printing infrastructure at various locations are provided below:

Centre Name	No. of Machines	Make of Machine	Copies per Hour
Agra	2	City Line Express News Line -30	35,000 30,000
Aligarh	1	Orient Super	30,000
Gorakhpur	1	Orient Super Web Offset	30,000
Lucknow	2	News Line -45 News Line -45	45,000 45,000
Bareilly	1	News Line S-30	30,000
Moradabad	1	Orient Super	30,000
Meerut	2	News Line -30 Star Line -30	30,000 30,000
Dehradun	2	Fast -300 City Line -30	30,000 30,000
Haldwani	1	Orient Super	30,000
Varanasi	1	News Line S -45	45,000
Allahabad	1	News Line S -30	30,000
Ranchi	1	News Line S -30	30,000
Dhanbad	1	News Line S -30	30,000
Jamshedpur	1	News Line S -30	30,000
Patna	1	News Line -45	45,000
Bhagalpur	1	News Line -30	30,000
Muzaffarpur	1	Orient X - Cel	36,000
Kanpur	3	Manugraph News Line -45 Manugraph News Line -45 Manugraph Coroset	45,000 45,000 40,000

Centre Name	No. of Machines	Make of Machine	Copies per Hour
Noida	5	News Line -45 News Line -45 Orient Super City Line Illuman Heat Set	45,000 45,000 30,000 35,000 40,000[(1)]
Panipat	2	Orient Super 4 High Machine	30,000 30,000
Hisar	2	Orient Super 4 High Machine	30,000 30,000
Jalandhar	2	News Line -45 Orient Super	45,000 30,000
Ludhiana	1	City Line -30	30,000
Jammu	1	Orient Web Offset	36,000
Dharamshala	1	City Line -35	35,000
Total	**38**		**1,282,000**[(1)]

(1) The Illuman Heat Set does not print entire newspapers and its capacity is not included in our total printing capacity.

Our Sources of Newsprint

Newsprint is the paper on which we print our newspapers. Newsprint is the most significant cost to our business. For fiscal 2005, newsprint costs were Rs. 1,906.83 million or 50.52% of our total revenues. For the six months ended September 30, 2005, newsprint costs were Rs. 1,021.01 million or 44.73% of our total revenues.

Global Newsprint Industry

The global newsprint industry is a cyclical commodity segment. Newsprint demand has been extremely sensitive to economic cycles and in the short-term, it is not uncommon to observe differences between demand and supply levels. Except for North America, which is the biggest exporter of newsprint globally, most countries/regions are importers of newsprint. The Indian newspaper industry as a whole imports about 70% of its newsprint requirements. (Source: INS, Pre-Budget Memorandum 2006-07.)

Pricing

Although spot purchases of newsprint are available, quantities are also contracted through term contracts, which may be short-term, medium-term or long-term. Newsprint prices in various global markets have not followed a freight-equalisation based pricing. Different prices prevail in markets like Europe and United States and these prices are usually not accounted solely by the difference in freight rates. Prices in India have been more volatile than prices in Europe and the United States. Usually, in periods of low pricing, Indian prices are lower than international prices as newsprint producers prefer shipping their surplus stock to countries such as India to maintain pricing in their home markets and avoid an over-supply situation. Likewise, in a high-pricing scenario, prices in India firm up faster than international prices due to the relatively low bargaining power of Indian newsprint consumers and the preference of the international manufacturers to first meet the demand of their larger clients in the West.

Since January 2003, the cost and freight (C & F) price of newsprint from Canada/Scandinavia has been steadily increasing from an average rate of US$400 per tonne for the period January to March 2003 to US$620 per tonne for the period April to June 2005. (Source: INS, Pre-Budget Memorandum 2006-2007.) The price of Indian newsprint tends to be import parity linked and the price of indigenous newsprint in India has also risen since January 2003. By way of example, a tonne of Tamil Nadu Newsprint Ltd's newsprint cost Rs. 21,250 (plus tax) for the period January to March 2003 and cost Rs. 27,250 (plus tax) for the period April to June 2005. (Source: INS, Pre-Budget Memorandum 2006-2007.)

Sourcing Newsprint

Our materials division handles the procurement of newsprint. The division monitors international price movements in newsprint costs and closely interacts with our main suppliers and endeavors to extract the best terms and prices.

We enter into pricing arrangements with certain suppliers on a short to medium-term basis and vary procurement quantities between suppliers within the overall sourcing framework. These suppliers include:

- Imported Newsprint Suppliers. In the six months ended September 30, 2005, 47.20% of our newsprint requirements by value were imported. We mainly buy Russian newsprint from JSC Solikamask Bumprom and JSC Volga Russia. In the six months ended September 30, 2005, we sourced approximately 69.05% and 7.67% of our imported newsprint requirements from JSC Solikamask Bumprom and JSC Volga Russia, respectively.

- Indian Suppliers. In the six months ended September 30, 2005, approximately 52.80% of our newsprint requirements by value were sourced from Indian suppliers. We currently have about 10 Indian suppliers supplying us newsprint.

Our Newsprint Sourcing Mix

Paper costs vary as a percentage of revenues primarily as the result of mix in quality of paper used. Our newsprint sourcing strategy is based on optimising the total newsprint cost by using different combinations of newsprint for different editions based on the overall importance of the editions from the perspective of circulation and revenues.

Our IT Infrastructure

Utilising Oracle's platform (version 10g) and Developer's platform (version 9i), we have developed our own online information system on a distributed database model. Our system uses Windows 2000/2003 as its standard operating platform. Our online information system resides on state-of-the-art servers, including Integrity's Itanium-based servers.

Our online system includes the following modules:

- Advertisement booking, scheduling and billing;
- Newspaper distribution, sales and billing;
- Financial accounting;
- Inventory control;
- Pay roll; and
- Editorial workflow, including browsing, editing, tracking, reporting and pagination.

All the modules are seamlessly integrated and can be used on stand-alone basis as well as a complete suite.

All of our offices and printing centres can access our system via our 20,000-kilometre dedicated network of leased lines, through our ISDN network and via dial-up connections.

Our in-house team is responsible for establishing and maintaining our IT infrastructure and applications. The key roles of the IT department include:

- Managing the infrastructure - architecture, technology and continued functioning;
- Designing the database and development of applications;
- Subsequent maintenance of applications in terms of enhancement, customization, changes and additional reports;
- Implementation – support, trouble-shooting and monitoring;
- Performing operational activities - back-up and database administration; and
- Monitoring new trends and the conceptualization of new technical requirements.

The IT department comprises qualified IT professionals and is based at our head office and at our various printing centres. We have outsourced the IT work for *Dainik Jagran's* e-paper.

Our Employees

We had 1,974, 2,439, 2,753 and 2,902 employees and 349, 462, 735 and 817 retainers as of March 31, 2003, 2004 and 2005 and September 30, 2005, respectively. The following table sets forth details on our employee and retainer numbers as of September 30, 2005:

Department	Number of Employees	Number of Retainers	Total
Editorial	984	201	1,185
Production	765	297	1,062
Advertisement	480	100	580
Circulation	238	87	325
Finance/Accounts	88	19	107
MIS	52	6	58
Others	295	107	402
Total	**2,902**	**817**	**3,719**

In addition, we have also outsourced various jobs including those relating to printing, handling of material and general assistance in our operations. In the six months ended September 30, 2005, we spent Rs. 25.40 million on outsourced work.

None of our employees are in a union recognized by us. We have not lost a day to industrial action in the last five years. As such, we consider our employee relations to be good.

Our Properties

Our principal business headquarters are located at 2, Sarvodaya Nagar, Kanpur, India. We occupy these premises under an agreement between us and our Promoters, certain other Directors and their relatives. The agreement expires in June 2009. Under the terms of the agreement, the total consideration payable by us is Rs. 4.4 million per annum.

Our 25 printing centres are situated on leased as well as owned properties. For details, see the paragraph titled "Printing Infrastructure" of this section.

As of December 31, 2005, we had 30 business offices, four of which we owned and 26 of which we leased, 25 printing centres, 18 of which we partly or completely leased, and 249 district offices, all of which we leased.

We have the following printing centres that are on premises partly or completely leased by us:

- Agra, Uttar Pradesh
- Aligarh, Uttar Pradesh
- Allahabad, Uttar Pradesh
- Bareilly, Uttar Pradesh
- Bhagalpur, Bihar
- Dhanbad, Jharkhand
- Gorakhpur, Uttar Pradesh
- Haldwani, Uttaranchal
- Jammu, Jammu & Kashmir
- Jamshedpur, Jharkhand
- Kanpur, Uttar Pradesh
- Lucknow, Uttar Pradesh
- Meerut, Uttar Pradesh
- Muzaffarpur, Bihar
- Noida, Uttar Pradesh
- Panipat, Haryana
- Patna, Bihar
- Ranchi, Jharkhand

Insurance

We have taken out standard fire and standard perils insurance policies for our principal business headquarters and each of our printing centres. The maximum amount insured under these policies ranges from approximately Rs. 7.2 million for our policy on our Panipat centre to Rs. 225.2 million for one of our policies on our Noida printing facility. These policies are valid for a year from purchase and expire between December 2, 2005 and November 6, 2006.

We took out key man life insurance policies for nine of our then Directors of whom only four are currently Directors, namely: Mr. Dhirendra Mohan Gupta, Mr. Sunil Gupta, Mr. Sanjay Gupta and Mr. Shailesh Gupta. Three of these policies each provide for payment of Rs. 20 million to us on the death of the insured and one of these policies provides for payment of Rs. 9 million to us on the death of the insured. These policies expire between 2014 and 2025. The remaining five policies are in the names of executive presidents of our Company and each provide for payment of Rs. 20 million to us on the death of the insured. These policies expire between 2025 and 2032. In the event of these policies running for the entire period thereof without claim, we will receive the maturity value, which is different in each case.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our significant outstanding secured borrowings of approximately Rs. 591.45 million and US$ 10.40 million as of October 31, 2005, together with a brief description of certain significant terms of such financing agreements.

Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created
TERM LOANS					
Cooperative Centrale Raiffeisen-Boerenlennbank B.A., Singapore Branch (1) (2) (3) (4)(5)(6)	US$ 4.50 million facility vide agreement dated June 11, 2004	US$ 4.50 million	Six month LIBOR + 1.25% p.a. Plus monitoring fees @1% p.a.	Repayment in three equal installments at the end of the 30th, 42nd and 54th months respectively from the first drawdown date.	Secured by first pari passu charge on all present and future assets excluding assets with a value of not more than Rs. 20 million.
Bank of Baroda(4) (7)(9)(11)	FCNR-B Loan of US$ 10.50 million within the fund based rupee term loan of Rs. 478.10 million vide sanction letter dated February 20, 2004.*	Outstanding foreign currency loan held in US$ is US$ 5.90 million Rupee loan outstanding is Rs. 13.41 million	In case of the FCNR-B Loan Facility:6 months LIBOR + 2.50%. For the Rupee Term Loan: BPLR – 3%	The principal amount is to be repaid in quarterly installments. Interest to be paid on a monthly basis.	Secured by way of a pari passu charge on all immovable assets, plant and machinery and other movable assets including stocks and book debts of the Company. Further secured by way of collateral security in the form of pari passu charge on certain personal properties of promoters/ directors and/or their relatives.
DEBENTURES					
Bank of Baroda (10)	Subscription to 150 secured redeemable cumulative non-convertible debentures of Rs. 1 million each aggregating to Rs. 150 million vide agreement dated July 13, 2004.	Rs. 150.00 million	In three half-yearly instalments of 30%, 30% and 40% commencing from the end of the 3rd year from the date of allotment and ending in the end of the 5th year from the date of allotment.	7.25 per cent p.a. on outstanding amount which is payable by quarterly payments on January 1, April 1, July 1 and October 1. (Subject to put/call option at the expiry of the 3rd year)	Pari-Passu first charge on all present and future assets (fixed and current assets) of the Company.

Name of Lender	Facility & Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created
WORKING CAPITAL					
Central Bank of India [8]	Fund based working capital loan of upto Rs. 450 million vide letter dated March 9, 2004 including commercial papers issued by the Company aggregating to Rs. 250 million.	Rs. 428.04 million including the amount outstanding in relation to the commercial papers issued by the Company	BPLR - 2.5% subject to a minimum of 8.5% with monthly rests. For commercial papers the rate of interest is linked to call money market rates currently ranging between 5.66% and 5.85%.	The said loan is a working capital facility on an ongoing/running basis. (Margin 25%)	Secured by way of hypothecation of inventory and book debts. Collateral security of first pari passu charge on block of assets of the Company with a value of Rs. 5432.55 lacs as on March 31, 2003 and equitable mortgage of certain personal properties of promoters/ director and/or their relatives.

(1) Under the terms of the loan agreement, we are obligated not to effect any material change in the shareholding structure without the prior written consent of the lender.

(2) Under the terms of the loan agreement, we are obligated not to pledge the brand *Dainik Jagran* to any party without the written consent of the lender.

(3) Under the terms of the loan agreement, we are obligated not to declare any dividends or any other distribution of profits and not to make payments of dividends without the prior written consent of the lender for as long as a termination event specified in the agreement is continuing with respect to the loan facility.

(4) Under the terms of the loan agreement, we are mandated not to create or permit to arise any debenture, mortgage, charge, pledge, lien, hypothecation or encumbrance having substantially the same economic effect on or over their respective assets. Further, the Company is required to ensure that its subsidiaries do not do any of the above with respect to their assets.

(5) Under the terms of the loan agreement, we are mandated not to sell, transfer, lease out, lend or otherwise dispose of all or substantially all of its assets, which could have a material adverse effect on it.

(6) Under the terms of the loan agreement, we are required to ensure that certain financial ratios, specified in the loan agreement are maintained by us.

(7) Under the terms of the loan documentation, we are required to obtain the prior consent of the lender before undertaking any expansion or diversification or incurring any capital expenditure for the same.

(8) Under the terms of the loan documentation, except for the purpose of sale or dealings in the ordinary course of business, we are obligated not to remove or cause to be removed or create any encumbrance on the hypothecated premises without the prior approval of the lender.

(9) Under the terms of the loan documentation, we have undertaken not to do any of the following without the prior consent of the lender:

- Enter into any borrowing arrangements with other banks, financial institutions or any other parties.
- Take up any new project or large scale expansion.
- Make any investment in or give loans to our subsidiaries, associate concerns, individuals or other parties.
- Effect any mergers or acquisitions.
- Pay any dividend except out of the current years earnings after making due provisions.
- Provide any guarantee on behalf of third parties.
- Make any pre-mature repayment of loans or discharge other liabilities.

(10) Under the terms of the subscription agreement and the debenture trust deed we are obligated not to do any of the following without the prior approval of the debenture holder:

(a) Alter our capital structure or amend our memorandum or articles of association.

(b) Undertake or permit any merger, consolidation, reorganisation, scheme of arrangements of compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(c) Make any investment by way of deposits, loans, share capital etc.

(d) Revalue our assets

(e) Carry on any general trading activity other than the sale of our own product.

(f) Raise any loan secured or unsecured, issue any debentures or accept any deposits from public or otherwise issue any equity or preference capital, change the capital structure, create any charge on its assets or give any guarantee.

(g) Pull down or remove any building or structure on the land that forms a part of the specifically mortgaged premises, or sell, dispose or create any encumbrance on the specifically mortgaged premises.

(h) Declare or pay any dividend to its shareholders during any financial year unless it has paid the instalment of principal and interest thereon, due on the debentures.

(i) Create any subsidiary or permit any company to become its subsidiary.

(11) Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta, Mr. Devendra Mohan Gupta, Mr. Shailendra Mohan Gupta, Mr. Sanjay Gupta, Mr. Sunil Gupta, Mr. Sandeep Gupta, Mr. Shailesh Gupta and our Company have undertaken not to transfer, dispose of, alienate, encumber or deal with in any manner, without prior permission in writing of the lender, the assets, properties, tangible or intangible, movable or immovable, of our Company as charged or mortgaged to the lender, save in the usual course of business.

* Foreign currency loans are at a value converted at conversion rate prevailing as at October 31, 2005.

** Loans from Bank of Baroda and Central Bank are further secured by personal guarantees of our Promoters/certain Directors and/or their relatives.

*** Pari-passu charges are shared *inter-se* by all the lenders.

Credit Rating for Borrowings

Our Company has obtained credit ratings from CRISIL Limited ("CRISIL") for our borrowings.

The credit ratings of our non-convertible debentures by CRISIL during the last three years are as follows:

Fiscal Year	**CRISIL**
2005	AA-/Stable
2004	AA-
2003	AA-

The "AA-/Stable" and "AA-" ratings by CRISIL indicate 'high degree of safety' with regard to timely payment of interest and principal on the instrument.

The credit ratings of our short-term commercial paper by CRISIL during the last two years are as follows:

Year	**CRISIL**
2005	P1+
2004	P1+

The "P1+" rating by CRISIL indicates that the degree of safety with regard to timely payment of interest and principal on the instrument is 'very strong'.

REGULATIONS AND POLICIES

The Government of India has over the years formulated various regulations and policies for the development of the print media sector in India.

Foreign Investment Regulations:

Foreign investment in the print media sector is regulated by the Government of India. The limits of foreign investments in India are provided in the Industrial Policy issued by the Government of India. In addition, the MIB lays guidelines for investment in Indian entities publishing newspapers and periodicals dealing with news and current affairs.

The MIB has laid down regulations governing foreign investments in the Indian entities publishing newspapers/periodicals dealing with news and current affairs and the publication of facsimile editions of foreign newspapers. The MIB Guidelines dated July 13, 2005, have superceded the previous guidelines of the MIB issued through Press Note dated November 21, 2002.

The MIB Guidelines:

The MIB Guidelines have liberalized the norms relating to foreign investment in Indian entities publishing newspapers and periodicals dealing with news and current affairs by permitting the following:

- FDI (which includes foreign direct investments by NRIs, PIOs) and portfolio investments by recognized FIIs, up to a ceiling of 26% of paid-up equity capital, in an Indian entity publishing newspapers dealing with news and current affairs. Such investments are permissible by foreign entities having sound credentials and international standing, subject to certain conditions. While calculating the 26% foreign investment in the equity of the company, the foreign holding component, if any, in the equity of the Indian shareholder companies of the entity will be duly reckoned on pro rata basis so as to arrive at the total foreign holding in the entity.
- The publication of facsimile editions of foreign newspapers by Indian entities, with or without foreign investment and foreign companies owning the original newspaper, provided they are incorporated and registered in India under the Companies Act.

Eligibility Criteria

The eligibility criteria for foreign investment in an Indian entity publishing newspapers and periodicals dealing with news and current affairs, include the following:

- Foreign Investment is considered only where the resultant entity is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.
- The equity held by the largest Indian shareholder must be at least 51% of the paid-up equity of the resultant entity excluding the equity held by Public Sector Banks and Public Financial Institutions as defined in Section 4A of the Companies Act 1956, in such entity. The largest Indian shareholder has been defined in the following manner:

  (i) In the case of an individual shareholder, the largest Indian shareholder would include:

    (a) The individual shareholder

    (b) A relative of the shareholder within the meaning of section 6 of the Companies Act, 1956

    (c) A company/group of companies in which the individual shareholder/HUF to which he belongs, has management and controlling interest

  (ii) In the case of an Indian company:

    (a) The Indian company

    (b) A group of Indian companies under the same management and ownership control.

  Further, in case the largest Indian shareholders is constituted by of a combination of all or any of the entities mentioned in sub-clause (i) and (ii) above, each of the parties should have entered into a legally binding agreement to act as a single unit in managing the matters of the resultant entity.

- 50% of the FDI has to be inducted by the issue of fresh equity shares. The balance of up to 50% of the foreign direct investment, maybe inducted through transfer of existing equity.
- Permission would be conditional on at least three-fourths of the Directors on the Board of Directors of the resultant entity and all key executives and editorial staff being resident Indians.

The eligibility criteria for publication of a foreign newspaper by an Indian entity, with or without foreign investment or a foreign company owning the original foreign newspaper are as follows:

- The publishing entity is incorporated and registered as a company with the Registrar of Companies under the provisions of the Companies Act, 1956.
- The publishing entity has a commercial presence in India with its principal place of business in India.
- At least three-fourths of the Directors on the Board of Directors of the publishing entity and all key executives and editorial staff are resident Indians.

The permission of the MIB is incumbent, *inter alia*, upon the following conditions and obligations:

- In the case of foreign investment in an Indian entity publishing newspapers and periodicals dealing with news and current affairs:
  - (a) Complete disclosures are to be made by the applicant at the time of making the application regarding any shareholders' agreements and loan agreements that are finalized or proposed to be entered into. Any subsequent change in the above mentioned agreements are required to be disclosed to the MIB within 15 days of the date of such a change.
  - (b) The resultant entity shall frame its memorandum and articles of association to ensure compliance with the above eligibility criteria.
  - (c) Subject to the ceiling prescribed, it will be obligatory to keep the MIB informed about any alteration in the foreign shareholding pattern as on March 31 of every year and within 15 days of the end of the financial year.
  - (d) It is obligatory to take prior permission from the MIB before effecting any changes in the shareholding of the largest Indian shareholder of such entity. Further, within 15 days of effecting any change in the composition of its board of directors or key executives and editorial staff of any entity, the MIB shall be informed of the same. Such a change would be subject to post-facto approval of the MIB.
- In the case of publication of a foreign newspaper by an Indian entity, with or without foreign investment or any foreign company owning the original foreign newspaper
  - (a) The original foreign newspaper, whose facsimile edition is proposed to be brought out in India, is being published with the approval of the regulatory authority of the country of origin and is a standard publication in that country and is not specially designed for Indian readers.
  - (b) The facsimile edition shall not carry any advertisements aimed at Indian readers in any form.
  - (c) The facsimile edition shall not carry any locally generated content/India specific content, which is not simultaneously published in the original edition of foreign newspaper.
  - (d) Prior permission of the MIB is obtained for publication of facsimile editions and the title is registered with the Registrar of Newspapers for India (RNI).
  - (e) The publication shall clearly indicate that it is a facsimile edition, in whole or in part(s), and shall prominently carry the masthead, the editorial page and the place of publication of the original foreign newspaper.

Processing of Applications:

The MIB Guidelines indicate that:

(i) All applications for foreign investments in Indian entities publishing newspapers and periodicals dealing with news and current affairs, shall be processed and decided upon by the MIB on the basis of inter-ministerial consultation with the Ministry of Home Affairs, Government of India and other ministries, as may be required.

(ii) The applicant shall obtain prior clearance from the MIB of all persons not being resident Indians who are proposed to be inducted in the board of directors.

(iii) The Indian entity shall obtain prior clearance of the MIB if any foreigners/NRIs are proposed to be employed/engaged in the company either as consultants (or in any other capacity) for more than 60 days in a year, or as a regular employee.

Please note:

In accordance with the MIB Guidelines, the Company reserves the right to allot Equity Shares up to 26% of its post-Issue capital to foreign shareholders, including to FIIs. In accordance with applicable laws, in calculating the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding component, if any, in the equity capital of the Indian shareholder company applying for Equity Shares in the Issue, requires to be duly reckoned on a pro rata basis.

Therefore, Indian Bidders are requested to compulsorily provide this data in the appropriate column and in the manner indicated for such purpose in the Bid cum Application Form. In the event Bidders provide inadequate or incorrect data in this regard and the same is brought to the notice of our Company, we reserve the right to reverse or rescind the allocation to such Bidder and rectify its register of members according to the procedure indicated in our Articles of Association and as under the Companies Act.

Our Directors shall be entitled to take all necessary steps to ensure compliance with applicable laws relating to foreign shareholding in our Company and they may, subject to the provisions of section 111A of the Companies Act. 1956, by giving reasons, decline to register or rectify the register of members of our Company at any stage when any change comes to our knowledge of excess foreign investment (due to indirect shareholding or otherwise) or acknowledge any transfer or transmission of shares whether fully paid or not, in terms of applicable laws and our Articles of Association. The decision of the Directors in this regard shall be final.

Indian Bidders are also compulsory required to provide details to the Company of any change in their foreign shareholding that occurs any time after submission of the Bid cum Application Form within one day of such change.

For details of the procedure and requirements for Bidders, see the section titled "Issue Procedure" on page 202.

The Industrial Policy

The Industrial Policy, 1991 of the Government of India, as modified from time to time, ("Industrial Policy") specifies that FDI and portfolio investments by recognized FIIs, together up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity.

The policy change of the Government of India towards foreign investment in the print media sector has been stated in the MIB Guidelines.

RBI Circular on holdings by FIIs in Indian companies:

The RBI, through its circular A.P (DIR Series) (2003-2004) Circular No. 53 dated December 17, 2003 stated that when the total holdings of FIIs reach within two percent (2%) of the applicable limit, the RBI will issue a notice to all designated branches of authorised dealers stating that any further purchasers of shares of the said company require prior approval of the RBI.

The current foreign shareholding in the Company is 26% of its equity capital, and is expected to be diluted to some extent upon the issue of Equity Shares pursuant to the Issue. In the event the aggregate foreign shareholding in the Company exceeds 24% of the post Issue capital of the Company pursuant to allotment of shares in the Issue, the Company shall immediately before commencement of trading of the Equity Shares, in accordance with the applicable laws, notify the RBI of the total foreign shareholding reaching within 2% of the applicable 26% sectoral limit. The RBI will thereafter issue a notice to all designated branches of Authorized Dealers, and FIIs should note that in such an event no further purchases of Equity Shares can be made in the secondary market without the prior approval of the RBI.

Newspaper Industry Regulations

Every person publishing, or intending to publish, a newspaper or a periodical, in India has to be registered under Press and Registration of Books Act, 1867 ("PRB Act"). The authority under the PRB Act is the Office of the RNI, which performs the functions of issue of certificate of registration to newspapers, compilation and maintenance of a register of newspapers containing particulars about all the newspapers published in India and certain other specified functions. The chief objective of the RNI is to regulate the newspaper industry and ensure compliance with the provisions of the PRB Act.

Registration of Newspapers

The Registration of Newspapers (Central) Rules, 1956 ("Registration Rules") stipulates certain conditions in relation to the newspapers registered under PRB Act. The authority under the Registration of Newspapers (Central) Rules, 1956 is the Press Registrar who seeks to ensure the governance of the working of the newspapers.

The Registration Rules provide that on receipt of a copy of the declaration, under PRB Act, the Press Registrar shall issue to the publisher a certificate of registration. A publisher of newspapers is obliged to send one copy of every issue of newspaper, within 48 hours of its publication, and also furnish annual statements to the Press Registrar. Further, the publisher of a newspaper is also required to publish in every issue of his newspaper the retail-selling price of each copy. Every copy of a newspaper is also required to print legibly on it the names of the printer, publisher, owner and editor and the place of its printing and publication.

Newsprint Allocation Regulation

Newsprint is an important raw material for printing of the newspaper. The newsprint allocation is regulated by the Newsprint Control Order, 1962 and the Newsprint Import Policy is announced by the Government every year. Since 1994-95, the newspapers are issued Entitlement Certificates for import and purchase from the scheduled indigenous newsprint suppliers. The Newsprint Policy is modified every year depending upon the import policy of the Government. Newsprint has been placed under 'Open General Licence' with effect from May 1, 1995 whereby all types of newsprint have become eligible for import by actual users without any restriction. Under the latest newsprint policy/ guidelines for the import of newsprint issued by the MIB, authentication of certificate of registration is done by the RNI for import of newsprint, on submission of a formal application and necessary documentary evidence.

Import of Newsprint

RNI is the sponsoring authority for the import of newsprint at the concessional rate of custom duty available to the newspapers.

Regulation of the Press

The Press Council Act, 1978 establishes a Press Council for the purpose of preserving the freedom of the press and of maintaining and improving the standards of newspapers and news agencies in India. Under the Press Council Act, 1978, the Council by the name of Press Council of India has been established with effect from March 1, 1979. The functions of the Council include prescribing a code of conduct for newspapers, news agencies and journalists, and to concern itself with the developments such as concentration of or other aspects of ownership of newspapers and news agencies that may affect the independence of the press. The Press Council Act empowers the Press Council to warn, admonish or censure the newspaper, the news agency, the editor or the journalist or disapprove the conduct of the editor or the journalist if it finds that a newspaper or a news agency has offended against the standards of journalistic ethics or public taste or that an editor or a working journalist has committed any professional misconduct.

Press Accreditation Regulations

The Central Press Accreditation Rules, 1985 deal with the grant of accreditation to the representatives of news media organizations with the Government of India. Certain eligibility criteria for grant of accreditation to various categories viz., news agencies, cameraman or journalists, etc. as well as the procedure for grant of accreditation, occasions when accreditation could be suspended or withdrawn and the mechanism for review of accreditation have been provided for under the Central Press Accreditation Rules, 1985.

Guidelines for Syndication Arrangement by Newspapers

All newspapers registered in India are authorised to make syndication arrangements for procuring material including photographs, cartoons, crossword puzzles, articles and features from foreign publications under the automatic approval route provided that the total material procured and printed in one issue of the Indian publication does not exceed 20% of the total printed area, due credit is provided to the content provider as a by-line in the Indian publication and compliance to certain other conditions.

Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955

The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 regulates the conditions of service of working journalists, non-journalists newspaper and news-agency employees. The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 also deals with the fixing or revising rates of wages in respect of working journalists. In this regard, the Central Government is empowered to constitute a Wage Board who recommends wages for such working journalists, non-journalists newspaper and news-agency employees. The recommendations of the Wage Board are then forwarded to the States and the Central Government monitors implementation of the same.

The Delivery of Books & Newspapers (Public Libraries) Act, 1954

The Delivery of Books & Newspapers (Public Libraries) Act, 1954 has been enacted to develop public libraries in India to encourage scholarship and dissemination of knowledge. Under the said Act, the term "newspaper" means any periodical work containing public news published in conformity with the provisions of section 5 of the PRB Act. The PRB Act casts an obligation upon the publishers of newspapers to deliver a copy of the same, free of cost to the public libraries, as notified by the Government of India.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on July 18, 1975 under the Companies Act as "Jagran Prakashan Private Limited" and, subsequently, became a deemed public limited company under Section 43A of the Companies Act. In 2000, upon amendment of Section 43A of the Companies Act, our Company chose to keep its status as a public limited company pursuant to shareholders resolution passed on August 31, 2000. In 2004, our Company was again converted into a private limited company as per the stipulations under the Original Shareholders Agreement and pursuant to shareholders resolution passed on September 28, 2004. Further, on November 23, 2005 our Company was converted into a public limited company in the light of the Issue pursuant to a shareholders resolution passed on November 18, 2005. The name of the Company has been changed from time to time to reflect its status as a private limited company or a public limited company, as the case may be. The name was changed for the first time from Jagran Prakashan Private Limied to Jagran Prakashan Limited with effect from April 1, 1989. The name was subsequently changed from Jagran Prakashan Limited to Jagran Prakashan Private Limited with effect from October 5, 2004. The name was again reconverted from Jagran Prakashan Private Limited to Jagran Prakashan Limited with effect from November 23, 2005.

Acquisition of Business from M/s Jagran Publications

Vide a business purchase agreement dated July 19, 1975 executed between our Company and M/s Jagran Publications (a partnership firm), we acquired publication rights of "Dainik Jagran", Kanpur, "Dainik Jagran", Gorakhpur, "Daily Action", Kanpur and a monthly magazine "Kanchan Prabha", Kanpur. The plant and machinery required for publication of newspapers and magazines were also acquired by us from M/s Jagran Publications, by way of a lease agreement dated July 19, 1975.

Vide an agreement of transfer of patent and copyright dated January 25, 1997 executed between our Company and M/s Jagran Publications, we acquired the self-generated patent and copyright of the contents, which were the absolute and exclusive property of M/s. Jagran Publications and were granted the right to exploit the same globally and universally.

Acquisition of Business from Jagran Prakashan (Delhi) Private Limited, Jagran Prakashan (Varanasi) Private Limited and Rohilkhand Publications Private Limited

On March 31, 2000, our Company executed separate business purchase agreements with Jagran Prakashan (Delhi) Private Limited ("**JPDPL**"), Jagran Prakashan (Varanasi) Private Limited ("**JPVPL**"), Rohilkhand Publications Private Limited ("**RPPL**"), pursuant to which we acquired, on a lock, stock and barrel basis, their entire undertakings (including all the assets and liabilities) for publication of *Dainik Jagran* at various centres.

Acquisition of Business from Jagran Limited

Further, our Company and Jagran Limited executed a business purchase agreement dated July 5, 2000. Prior to the said agreement, Jagran Limited published certain editions of *Dainik Jagran*. Pursuant to the said agreement, we acquired, on a lock, stock and barrel basis, from Jagran Limited the entire undertaking for publication of the newspaper.

Subsequently, our Company and Jagran Limited executed a deed of undertaking dated March 25, 2005, which stipulates that Jagran Limited shall not undertake publication of (i) any newspaper with the name "Dainik Jagran" or any other similar name or any combination or variations thereof, from any place including Meerut and Dehradun and (ii) any Hindi newspaper from the States of Uttar Pradesh, Uttaranchal, Haryana, Bihar, Jharkhand and Punjab.

Scheme of Amalgamation

In 2002, by a scheme of amalgamation between JPDPL, JPVPL, RPPL and our Company, sanctioned by the High Court of Allahabad, vide its order dated June 1, 2002, the whole of the undertakings of each of JPDPL, JPVPL and RPPL were transferred to and vested in our Company. Since JPDPL, JPVPL and RPPL were our wholly-owned subsidiaries, no Equity Shares were allotted in lieu of the shares held by our Company in the said companies. The share capital of each of JPDPL, JPVPL and RPPL stood cancelled.

Acquisition of Business from Jagran Research Centre

In fiscal 2005, we acquired the research business of Jagran Research Centre, a partnership firm, in which our Company was holding 89% of the shares prior to the acquisition. We paid Rs. 1.53 million as consideration for the acquisition.

Major Events

A chronology of some key events in the history of the Company is set forth below:

Year	Event
1975	● Incorporation of our Company. ● Acquisition of business of M/s Jagran Publications.
1979	Launched the Lucknow edition of *Dainik Jagran.*
1986	Launched the Agra edition of *Dainik Jagran.*
1997	Launched our website www.jagran.com.
2000	● Acquisition of businesses of JPDPL, JPVPL, RPPL and Jagran Limited. ● Launched the Hisar and Patna editions of *Dainik Jagran.*
2001	Launched the Aligarh edition of *Dainik Jagran.*
2002	Declared India's largest read daily newspaper (Source: IRS 2002)
2003	Launched the Ranchi, Jamshedpur, Dhanbad, Panipat and Bhagalpur editions of *Dainik Jagran.*
2004	● Launched the Ludhiana and Haldwani editions of *Dainik Jagran.* ● Started Jagran Solutions, our division offering outdoor advertising and event management services.
2005	● Became the first Indian newspaper to cross readership beyond 20 million as per NRS survey. ● Foreign direct investment by IPCL. ● Launched the Muzaffarpur, Jammu and Dharamshala editions of *Dainik Jagran.* ● Acquired equity shares in Jagran Publications Private Limited and Jagran Prakashan (MPC) Private Limited ● Launched short code services (SMS and IVR/ASR). ● Test launched e-paper.

Our Main Objects

Some of the main objects as contained in our Memorandum of Association are:

- To own, undertake, manage, acquire and carry on business of publishing books, periodicals, journals, magazines, periodicals, newspapers, pamphlets and other literary works and the like either as owners, or lessors etc.
- To carry on the business of transmission and broadcasting, telecasting, programming, audio-visual, production & marketing of audio-visual software like music cassettes, soap operas, serials, information & entertainment based programmes and all types of work related to electronic media information and technology and mass communication, software development and provision of information technology related consultancy and other services.
- To have an internet website, offering web based facilities like e-commerce, e-mailing & electronic information services etc.
- To carry on all or any of the business of printers, publishers, stationers, lithographers, typefounders, stereotypers, electrotypers, photographic printers, photolithographers, chromo-lithographers, engravers, diesinkers, book-binders, designers, card printers, calendar printers, translators, papers and ink or the stationery goods manufacturers, book-sellers engineers, contractors and dealers in or manufacturers of or importers and exporters of any other articles, goods, finished or unfinished or other things of a character or kind similar or analogous to the foregoing or any of them or connected directly with them.
- To collect, supply and disseminate, inform or open information to employ correspondents, authors, writers, and others and to pay for news information, caricatures, articles, copy-rights of publication, and translation and other rights in respect of any literary, scientific, artistic or other matter and to publish the same or to dispose of the same, to act as agents or contractors to investigate or enquire into any matter or occurrence, to sell intelligence, information or tender advice on payment or otherwise in matters, financial, legal, scientific, commercial, sociological or religious.
- To undertake and carry on business in India and elsewhere of event management, outdoors advertising activity, producers and providers of contents and information in all its kinds, forms and description including digital, electronic, analogue, internet, radio and mobile phones and to provide other allied services and carry on allied activities.

Changes in the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendment
April 15, 1978	Increase of our authorized share capital from Rs. 100,000 divided into 1,000 equity shares of Rs. 100 each to Rs. 1 million divided into 10,000 equity shares of Rs. 100 each.
October 15, 1999	Insertion of the following new main objects: ● To carry on the business of transmission and broadcasting, telecasting, programming, audio-visual, production & marketing of audio-visual software like music cassettes, soap operas, serials, information & entertainment based programmes and all types of work related to electronic media information and technology and mass communication, software development and provision of information technology related consultancy and other services. ● To have an internet website, offering web based facilities like e-commerce, e-mailing & electronic information services etc. ● Deletion of the term 'advertising agents' from sub-clause (3) of Clause III of our Memorandum of Association.
April 29, 2000	Increase of our authorized share capital from Rs. 1 million divided into 10,000 equity shares of Rs. 100 to Rs. 100 million divided into 10 million Equity Shares of Rs. 10 each.
August 31, 2000	Increase of our authorized share capital from Rs. 100 million divided into 10 million Equity Shares to Rs. 150 million divided into 15 million Equity Shares.
November 18, 2005	Increase of our authorized share capital from Rs. 150 million divided into 15 million Equity Shares to Rs. 550 million divided into 55 million Equity Shares. Insertion of a new main object to enable our Company to undertake and carry on business of event management, outdoors advertising activity, producers and providers of contents and information in all its kinds, forms and description including digital, electronic, analogue, internet, radio and mobile phones and to provide other allied services and carry on allied activities.

Strategic Partner

Independent News & Media PLC, a company based in Ireland and listed on both the London and Dublin Stock Exchanges, through its wholly owned subsidiary INMIL, holds 26% of our pre-Issue Equity Shares and is our strategic partner. According to Independent News & Media PLC Annual Report 2004, its indirect acquisition of a stake in us is considered by it to be a "very important strategic transaction".

Independent News & Media PLC along with its affiliates is a leading international newspaper and communications group, with interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Spanning four continents and nine individual countries, Independent News & Media PLC owns or has investments in companies with market-leading newspaper positions in Australia (regional), India, Ireland, New Zealand and South Africa. In the United Kingdom, it publishes the flagship national title, *The Independent*, which is the largest newspaper group in Northern Ireland and the group is the largest outdoor advertising operator in South Africa. (Source: Independent News & Media PLC Annual Report 2004). Independent News & Media PLC owns 39.7% of its affiliate APN News and Media Limited, which is the largest radio and outdoor advertising operator in Australasia and has leading outdoor advertising positions in Hong Kong, Malaysia and Indonesia. (Source: APN News and Media Limited Annual Report 2004).

In 1973, Sir Anthony O'Reilly, currently the Chief Executive of Independent News & Media PLC, invested in what was a relatively small Irish local newspaper business. This business has now grown such that Independent News & Media PLC manages assets of over € 3.9 billion (approximately Rs.208.5 billion), turnover of over €1.8 billion (approximately Rs. 96.2 billion) and employs approximately 11,000 people worldwide. (Source: Independent News & Media PLC Annual Report 2004.) The conversion of Euros to Rupees in this paragraph is at the rate of €1 = Rs. 53.45, which was the interbank rate on November 16, 2005.

According to its 2004 Annual Report, Independent News & Media PLC operates as a *de facto* support structure/facilitator for its region-by-region operations, assisting in strategy formulation and implementation. In addition, it is able to leverage its global scale and reach, specifically in areas of procurement, editorial copy-sharing and digital convergence. We have been in discussions with Independent News & Media PLC about jointly procuring newsprint, which should enable us to negotiate lower prices from suppliers.

Financial Information:

The summary of audited group financial information for the last five years of the Independent News & Media PLC (which includes the financial information for INMIL), which holds 100% of the shares of INMIL as reported in the Annual repot of Independent News & Media PLC, 2004, are as follows:

	Year 2004	Year 2003	Year 2001 (as restated)	Year 2002 (as restated)	Year 2000 (as restated)
	€m	€m	€m	€m	€m
Group Turnover	1,557.4	1,388.2	1,310.3	1,341.4	1,342.5
Profit on Ordinary Activities before Interest & Exceptional Items	285.7	238.7	223.2	219.9	224.1
Profit before Taxation	189.1	122.0	22.2	61.8	155.3
Profit after Taxation	157.3	107.4	12.5	38.0	128.2
Earnings/(Loss) per Share (cent)	10.90	6.81	(6.58)	0.52	14.15
Fully Diluted Earnings per Share before Exceptional Items and Amortisation (cent)	14.15	12.63	11.40	11.26	14.35
Dividend per Share (cent)	9.00	7.90	7.34	6.98	6.76

The following are the summaries of the key terms and conditions of the agreements executed in relation to the strategic partnership of INMIL with our Company:

Shareholders Agreement

Our Company, INMIL and the Gupta Family Shareholders have recently entered into the Amended and Restated Shareholders Agreement on November 18, 2005 to amend and restate the terms and conditions agreed upon in the Original Shareholders Agreement in the light of the Issue. The key provisions of the Amended and Restated Shareholders Agreement are as follows:

- ***Business Plan and Annual Budget:Annual and Long Term Plans*** The business of our Company shall be conducted in accordance with the business plan and the annual budget. The Agreement contains detailed provisions for preparation and approval of the business plan and the annual budget.
- ***Transfer of Equity Shares:*** If any of INMIL or the Gupta Family Shareholders desires to transfer their Equity Shares and if the transfer is not specifically permitted under the Agreement, such party will obtain a bona-fide offer and give to the other party a written notice of such offer along with a right of first refusal. In addition, if the Gupta Family Shareholders are the selling shareholder(s), INMIL is entitled to tag-along rights under which it may transfer some or all of its Equity Shares to the person making such offer. However, save certain exceptions including inter-se transfer of Equity Shares between INMIL and the Gupta Family Shareholders, for a period of three years from November 18, 2005, the Gupta Family Shareholders and INMIL shall continue to hold at least 45% and 15%, respectively, of Equity Shares held by them as on November 18, 2005. The Agreement contains detailed procedure in relation to such transfer of Equity Shares, tag-along rights and consequences of violations by INMIL or the Gupta Family Shareholders.
- ***Constitution of the Board:*** Subject to the applicable laws (including listing agreements with the Stock Exchanges), INMIL and the Gupta Family Shareholders will appoint Directors on our Board in the proportion of 1:3. Three Directors nominated by the Gupta Family Shareholders and one Director nominated by INMIL shall be non-retiring Directors and the other Directors shall be liable to retire by rotation. Also, INMIL may appoint one member on our audit committee and one member on our remuneration committee.
- ***Board Meetings***: Subject to certain conditions, the quorum for meetings of our Board shall be at least one third of our Directors including at least one nominee Director of each of the Gupta Family Shareholders and INMIL. All resolutions and decisions of our Board shall be by vote of a majority of our Directors present at a duly convened meeting. However, subject to certain conditions, certain specified matters, including the following, to the extent not already approved as part of the business plan can be approved by our Board only with the affirmative vote of at least one nominee Director of each of the Gupta Family Shareholders and INMIL:
  - approval of business plan or any revisions and amendments, departures and modifications thereto;
  - an annual budget which is at material variance from the business plan covering the relevant fiscal year to which such annual budget relates;

- adoption of stock option schemes for employees or amendment of such stock option schemes and deviations from such approved stock option schemes;
- employee compensation policies of certain specified key employees;
- any related party transactions;
- any, increase or decrease in the authorised share capital or reduction in the share capital or any other change in our capital structure;
- any issue of our Equity Shares or any other category of shares;
- issue or grant of any option, warrant, or similar right to acquire our Equity Shares, or any other category of shares or other securities convertible into our Equity Shares;
- any split, division, buy-back or consolidation of our Equity Shares, or other category of shares or other securities convertible into our Equity Shares, or any variation in the rights attached to any Equity Shares, or other category of shares or other securities convertible into our Equity Shares;
- borrowings/financing, including the furnishing of any guarantee of third party obligations by us;
- any expansion of our current business;
- acquisition of any business or participation in any other business with any other person;
- recommend payment of dividend;
- granting of any further security over our material assets.

- ***Chairman:*** A nominee of the Gupta Family Shareholders shall be the Chairman of our Board. The Chairman shall be ex-officio chairman of our general meetings. The Chairman of the Board shall have a second or casting vote at meetings of our Board or any committee thereof or the meetings of shareholders where the Chairman presides.
- ***Managing Director:*** Our Managing Director shall be responsible for the conduct of our day to day management, business and affairs. The Managing Director shall be a nominee of the Gupta Family Shareholders.
- ***General Meetings:*** Save in certain circumstances, the quorum for our general meetings shall be as per the provisions of the applicable law, provided however, at least one authorised representative/shareholder each from INMIL and the Gupta Family Shareholders should be present in person or by proxy. In addition to any special resolutions in the general meetings prescribed by the Companies Act, certain specified matters, including the following decisions, if not previously approved by our Board, would require the affirmative vote of authorised representatives of both INMIL and the Gupta Family Shareholders:
  - amend, alter, repeal or waive any provision of our Memorandum and Articles of Association;
  - discontinuation of our existing lines of business or commencement of a new business that is unrelated to any of our existing lines of business or not contemplated in a business plan;
  - any financial structuring or restructuring of our Company which is not contemplated in a business plan;
  - effect any sale, lease or transfer of all or any substantial portion of our fixed assets, or any consolidation, merger, or statutory exchange of Equity Shares involving our Company, or any reclassification or other change of capital stock, or any recapitalization, or any dissolution, liquidation or winding up of our Company;
  - appointment or removal of our statutory auditors;
  - any increase or decrease in the authorised capital or reduction in our share capital;
  - issue of any further Equity Shares or other category of shares;
  - issue or grant of any option, warrant or similar right to acquire Equity Shares or any other category of shares or other securities of our Company;
  - any split, division, buy-back or consolidation of the Equity Shares or other category of shares or other securities or any variation in the rights attaching to any Equity Shares or other category of shares or other securities of our Company;
  - redemption of our Equity Shares;
  - declare or pay a dividend;

- granting of any further security over our assets/shares;
- giving of any guarantees by us.

- ***Auditor:*** Our auditors, to be appointed upon retirement of M/s J. N. Sharma & Co., Chartered Accountants (being the auditors for the financial year ending March 31, 2006), shall be one of the big four audit firms as specified in the Amended and Restated Shareholders Agreement.
- ***Strategic Partner:*** INMIL, as our strategic partner will (along with its affiliates) use its best efforts to promote the success of our Company in attaining the objectives of the Amended and Restated Shareholders Agreement and as set forth in the business plans, and will provide managerial, strategic and technical support to us.
- ***Termination:*** The Amended and Restated Shareholders Agreement would be terminated, *inter alia*, upon either INMIL or the Gupta Family Shareholders shareholding becoming, directly or indirectly, less than 10% of our paid-up equity shares capital.

Share Subscription Agreement

We entered into a share subscription agreement dated December 22, 2004 with IPCL and the Gupta Family Shareholders for fresh issue and allotment of 2,335,716 Equity Shares representing 19.07% of the then paid-up equity share capital of our Company in favour of IPCL, at Rs. 466.93 per Equity Share.

The subscription to the Equity Shares was subject to fulfillment of certain conditions precedent, including receipt of necessary governmental approvals for the transaction and amendment of the Memorandum and Articles of Association of our Company and approval of the same by the appropriate Government Authority; and nomination of Mr. Mahendra Mohan Gupta by the Gupta Family Shareholders to represent them for their consolidated holding in our Company.

Each party agreed to indemnify the others, and hold their affiliates and their directors, officers, representatives, etc. harmless against damages incurred as a result of breach of any representations and warranties made by such party under the said agreement or due to non-performance of any obligations.

Share Transfer Agreement

Our Company had entered into a share transfer agreement dated December 22, 2004 along with the Gupta Family Shareholders and IPCL for transfer of 856,770 Equity Shares representing 6.93% of the then paid-up equity share capital of our Company at a price of Rs. 466.93 per Equity Share.

The said transfer of our Equity Shares was subject to the fulfillment of certain conditions precedent, including (i) receipt of necessary governmental approvals for the transaction; (ii) issue and allotment of fresh Equity Shares to IPCL by our Company; and (iii) nomination of Mr. Mahendra Mohan Gupta by the Gupta Family Shareholders to represent them for their consolidated holding in our Company.

Each party agreed to indemnify the others, and hold their affiliates and their directors, officers, representatives, etc. harmless against damages incurred as a result of breach of any representations and warranties made by such party under the said agreement or due to non-performance of any obligations.

Agreement with Daily Jagran, Jhansi

Our Company and Daily Jagran, Jhansi, a partnership firm, entered into an agreement dated February 15, 1984 in relation to, *inter alia*, sharing of advertisement revenues from 'Dainik Jagran' printed and published by Daily Jagran, Jhansi in Jhansi.

As per the said agreement, based on revenue sharing between the parties and charges deductible by our Company as per specified formulae and subject to certain conditions, our Company has the exclusive rights to sell advertisement space in Daily Jagran, Jhansi in the national markets.

Agreement with Jagran Publications Private Limited ("Jagran Bhopal")

Our Company and Jagran Bhopal entered into an agreement dated July 3, 2000 in relation to 'Dainik Jagran' printed and published by Jagran Bhopal in Bhopal and Rewa.

As per the said agreement, based on revenue sharing between the parties and charges deductible by our Company as per specified formulae and subject to certain conditions, our Company has the exclusive rights to sell advertisement space in the Bhopal and Rewa editions in the national markets. Our Company had extended an interest free loan to Jagran Bhopal of an amount equivalent to 50% of the said charges for a period of four years from the date of the said agreement. Jagran Bhopal is currently repaying the said loan as per the agreed terms and conditions.

In addition, as per the said agreement, Jagran Bhopal has the exclusive rights on the title 'Dainik Jagran' in relation to any new editions in the states of Madhya Pradesh and Chattisgarh and any expansion of 'Dainik Jagran' in the said states shall be

undertaken on mutually agreed terms between Jagran Bhopal and our Company. Subsequently, our Company has acquired certain equity shares of Jagran Bhopal, details of which are provided in sub-section titled "Subsidiaries and Associate Companies" below.

Further, the agreement stipulates certain parameters for printing, circulation and infrastructure, which Jagran Bhopal would be required to achieve in specified timelines. The said agreement also provides that Jagran Bhopal shall procure certain newspaper supplements from our Company. The said agreement shall be in force for a period of at least 25 years.

Subsidiaries and Associate Companies

Currently, our Company does not have any subsidiaries. However, our Company has made substantial investments by way of equity shares in the following companies:

- Jagran Infotech Limited
- Jagran Publications Private Limited
- Jagran Prakashan (MPC) Private Limited
- Jagran Limited

The financial information of the said companies as presented below is based on the audited accounts of such companies:

1. Jagran Infotech Limited (ìJagran Infotechî)

Jagran Infotech was incorporated on February 28, 2000 and obtained its certificate of commencement of business on March 8, 2000. The main business of Jagran Infotech is to manufacture and deal with all types of information technology related products and services.

Shareholding Pattern

The equity shares of Jagran Infotech are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Equity Share Capital**
Jagran Prakashan Limited	460,000	45.96
Mrs. Bhawna Gupta	50,100	5.00
Mr. Sandeep Gupta	49,100	4.91
Mr. Sunil Gupta	49,100	4.91
Mr. Shailesh Gupta	49,100	4.90
Mr. Sanjay Gupta	49,000	4.89
Mr. Sameer Gupta	49,000	4.89
Mr. Siddhartha Gupta	49,000	4.90
Mr. Devesh Gupta	37,000	3.69
Mr. Bharat Gupta	37,000	3.69
Mr. Tarun Gupta	36,600	3.65
Mr. Rahul Gupta	36,500	3.70
Mr. Mahendra Mohan Gupta	24,500	2.44
Mr. Shailendra Mohan Gupta	24,500	2.45
Mrs. Ritu Gupta	100	0.01
Mr. Devendra Mohan Gupta	100	0.01
Total	1,000,700	100.00

Board of Directors

The board of directors of Jagran Infotech as on January 10, 2006 comprises Mr. Sandeep Gupta, Mr. Sameer Gupta, Mr. Tarun Gupta, Mr. Bharat Gupta and Mr. Sarva Mitra Sharma.

Financial Performance

The financial results of Jagran Infotech for the last three fiscal years are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Total Income	3.49	3.42	3.10
Profit/(Loss) after tax	0.55	0.55	0.00
Equity share capital (paid up)	10.00	10.00	10.00
Reserves and Surplus (excluding revaluation reserves)	(0.14)	(0.68)	(1.24)
Earnings/(Loss) per share (diluted) (Rs.)	0.55	0.55	0.00
Book Value per share (Rs.)	9.86	9.32	8.76

2. Jagran Publications Private Limited (îJagran Bhopalî)

Jagran Bhopal was incorporated on April 29, 1999. The main business of Jagran Bhopal is to print and publish the newspaper 'Dainik Jagran' in Bhopal and Rewa, in the state of Madhya Pradesh.

Shareholding Pattern

The authorized share capital of Jagran Bhopal is Rs. 2.50 million divided into (i) 150,000 "A" class equity shares of Rs. 10 each and (ii) 100,000 "B" class equity shares of Rs. 10 each and carrying voting rights of 1.50 votes per share. As per the articles of association of the company, subject to certain exceptions, the entire authorized share capital representing "A" class equity shares and "B" class equity shares shall at all times remain issued to the M.P. Group and the U.P. Group in the ratio of 60:40 respectively. The M.P. Group has been defined as the shareholders who are lineal descendants of Late Mr. G. D. Gupta (who was the younger brother of Late Mr. P. C. Gupta) and company in which not less than 51% shareholding is owned and controlled by their family members. The U.P. Group has been defined as the shareholders who are lineal descendants of Late Mr. P. C. Gupta and company in which not less than 51% shareholding is owned and controlled by their family members.

In addition, the articles of association of Jagran Bhopal state that the equity shares of the company shall only be held by the M.P. Group and the U.P. Group. Further, the articles of association of company stipulate certain restrictions on transfer of equity shares by a shareholder outside its concerned group. In the event any shareholder proposes to transfer its shares outside its group, it would be required to comply with, *inter alia*, the following conditions:

(a) obtaining written permission of its group's head;

(b) obtaining no objection letter from the other group; and

(c) the transferee shall not be the competitor of Jagran Bhopal.

Jagran Bhopal, hence, has issued two classes of equity shares, namely, "A" class equity shares and "B" class equity shares, with differential voting rights. Neither "A" class equity shares nor "B" class equity shares of the company are listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	Class of Equity Shares	Number of Equity Shares	% of Total Voting Rights	% of Issued Equity Share Capital
The U.P. Group				
Jagran Prakashan Limited	"B"	100,000	50.00	40.00
Sub-total	**"B"**	**100,000**	**50.00**	**40.00**

Name of Shareholder	Class of Equity Shares	Number of Equity Shares	% of Total Voting Rights	% of Issued Equity Share Capital
The M.P. Group				
Mr. Amitabh Bishnoi	"A"	27,490	9.16	11.00
Ms. Sapna Gupta	"A"	21,000	7.00	8.40
Ms. Somvati Gupta	"A"	20,500	6.83	8.20
Ms. Archna Gupta	"A"	19,000	6.33	7.60
Mr. Abhishek Mohan Gupta	"A"	10,000	3.33	4.00
Mr. R.S. Bishnoi	"A"	9,000	3.00	3.60
Mr. Anurag Gupta	"A"	9,000	3.00	3.60
Mr. Rajeev Mohan Gupta	"A"	8,010	2.67	3.20
Mr. S.M. Gupta	"A"	8,000	2.67	3.20
Mr. Ashutosh Mohan Gupta	"A"	7,000	2.33	2.80
Mr. Manoj Brijpuriya	"A"	6,000	2.00	2.40
Mr. Rajeshwar Singh	"A"	2,000	0.67	0.80
Mr. Nitin Ambasalkar	"A"	2,000	0.67	0.80
Mr. R.K. Sharma	"A"	1,000	0.34	0.40
Sub-total	**"A"**	**150,000**	**50.00**	**60.00**
Total		**250,000**	**100.00**	**100.00**

Board of Directors

As per the articles of association of Jagran Bhopal, the board of directors shall comprise of equal number of nominee directors of both the U.P. Group and the M.P. Group and the chairman of the board of directors shall have a casting vote. The chairman of the board of directors and the chief/managing editor shall be nominee(s) of the U.P. Group, while the managing director and editor and resident editor of the company shall be nominee(s) of the M.P. Group. However, the said nominees shall always be from the family of Late Mr. P. C. Gupta and Late Mr. G. D. Gupta. Further, the articles of association of Jagran Bhopal provide that the resolutions of the board of the directors shall be passed by a majority of the votes, subject to affirmative votes on certain specified matters by two nominee directors each of the U.P. Group and the M.P. Group.

The board of directors of the company as on January 10, 2006 comprises Mr. Devesh Gupta, Mr. Sameer Gupta, Mr. Tarun Gupta, Mr. Ashutosh Mohan Gupta, Mrs. Priyanka Gupta, Mrs. Sapna Gupta, Mr. Abhishek Mohan Gupta and Mr. Bharat Gupta.

Financial Performance

The financial results of Jagran Bhopal for the last three fiscal years are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Total Income	66.09	63.05	56.40
Profit/(Loss) after tax	0.03	0.45	0.87
Equity share capital (paid up)	2.50	1.50	1.21
Reserves and Surplus (excluding revaluation reserves)	3.54	3.51	3.06
Earnings/(Loss) per share (diluted) (Rs.)	0.09	2.97	7.19
Book Value per share (Rs.)	24.15	33.40	35.29

Other Restrictions

As per the articles of association of Jagran Bhopal, neither the U.P. Group nor the M.P. Group shall undertake, encourage and/or participate in any new venture engaged in printing and publishing of 'Dainik Jagran' newspaper, magazines, etc. in the states of Madhya Pradesh and Chattisgarh, without the written consent of the other group.

Further, as per the articles of association of Jagran Bhopal, the company shall not, inter alia, wind up, merge or amalgamate without the consent of the U.P. Group and the M.P. Group.

3. Jagran Prakashan (MPC) Private Limited (îJagran Prakashan (MPC)î)

Jagran Prakashan (MPC) has been recently incorporated (i.e. on September 16, 2005), primarily for the purpose of printing and publishing our newspaper 'Dainik Jagran' in Indore and, subsequently, from other places in the states of Madhya Pradesh and Chattisgarh.

Shareholding Pattern

The authorized share capital of Jagran Prakashan (MPC) is Rs. 30 million divided into 3,000,000 equity shares of Rs. 10 each. As per the articles of association of the company, subject to certain exceptions, the entire authorized share capital shall at all times remain issued to the M.P. Group and the U.P. Group in the ratio of 50:50.

In addition, the articles of association of Jagran Prakashan (MPC) state that the equity shares of the company shall only be held by the M.P. Group and the U.P. Group. Further, the articles of association of company stipulate certain restrictions on transfer of equity shares by a shareholder outside its concerned group. In the event any shareholder proposes to transfer its shares outside its group, it would be required to comply with, *inter alia*, the following conditions:

(a) obtaining written permission of its group's head;

(b) obtaining no objection letter from the other group; and

(c) the transferee shall not be the competitor of Jagran Prakashan (MPC).

The equity shares of Jagran Prakashan (MPC) are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Equity Share Capital**
Jagran Prakashan Limited*	5,000	50
Mr. Ashutosh Mohan Gupta**	5,000	50

** Constituent of the U.P. Group*

*** Constituent of the M.P. Group*

Board of Directors

As per the articles of association of Jagran Prakashan (MPC), the board of directors shall comprise of equal number of nominee directors of both the U.P. Group and the M.P. Group and the chairman of the board of directors shall have a casting vote. The chairman of the board of directors and the chief/managing editor shall be nominee(s) of the U.P. Group, while the managing director and editor and resident editor of the company shall be nominee(s) of the M.P. Group. However, the said nominees shall always be from the family of Late Mr. P. C. Gupta and Late Mr. G. D. Gupta. Further, the articles of association of Jagran Prakashan (MPC) provide that the resolutions of the board of the directors shall be passed by a majority of the votes, subject to affirmative votes on certain specified matters by two nominee directors each of the U.P. Group and the M.P. Group.

The board of directors of Jagran Prakashan (MPC) as on January 10, 2006 comprises Mr. Devesh Gupta, Mr. Sameer Gupta, Mr. Tarun Gupta, Mr. Ashutosh Mohan Gupta, Mrs. Priyanka Gupta, Mrs. Sapna Gupta, Mr. Abhishek Mohan Gupta and Mr. Sandeep Gupta.

Financial Performance

Jagran Prakashan (MPC) has been incorporated in the current fiscal year and its first fiscal year would end on March 31, 2006. Hence, no audited information on financial performance of the company is available.

Other Restrictions

As per the articles of association of Jagran Prakashan (MPC), neither the U.P. Group nor the M.P. Group shall undertake, encourage and/or participate in any new venture engaged in printing and publishing of 'Dainik Jagran' newspaper, magazines, etc. in the states of Madhya Pradesh and Chattisgarh, without the written consent of the other group.

Further, as per the articles of association of Jagran Prakashan (MPC), the company shall not, *inter alia*, wind up, merge or amalgamate without the consent of the U.P. Group and the M.P. Group.

4. Jagran Limited

Jagran Limited was incorporated on July 19, 1983 and obtained the certificate of commencement of business on August 2, 1983. Jagran Limited was primarily involved in the business of printing and publishing "Dainik Jagran" in Meerut and Dehradun.

However, in 2000, our Company and Jagran Limited executed a business purchase agreement dated July 5, 2000, pursuant to which we acquired, on a going concern basis, from Jagran Limited entire undertaking of publication of "Dainik Jagran". Subsequently, our Company and Jagran Limited executed a deed of undertaking dated March 25, 2005, which stipulates that Jagran Limited shall not undertake publication of (i) any newspaper with the name "Dainik Jagran" or any other similar name or with any combination or variations thereof, from any place including Meerut and Dehradun and (ii) any Hindi newspaper from the States of Uttar Pradesh, Uttaranchal, Haryana, Bihar, Jharkhand and Punjab.

Shareholding Pattern

The equity shares of Jagran Limited are listed on the Delhi Stock Exchange Association Limited and the Uttar Pradesh Stock Exchange Association Limited. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Equity Share Capital**
Jagran Prakashan Limited	145,650	29.13
Mr. Dhirendra Mohan Gupta	26,650	5.33
Mr. Yogendra Mohan Gupta	26,000	5.20
Mrs. Rajni Gupta	23,490	4.70
Mr. Devendra Mohan Gupta	22,480	4.50
Mrs. Raj Gupta	22,010	4.40
Mr. Shailendra Mohan Gupta	21,000	4.20
Mr. Sanjay Gupta	18,000	3.60
Mr. Sandeep Gupta	18,000	3.60
Mr. Mahendra Mohan Gupta	16,340	3.27
Kanchan Properties Ltd.	14,000	2.80
Mrs. Madhu Gupta	10,680	2.14
Mr. Shailesh Gupta	10,400	2.08
Mrs. Saroja Gupta	10,120	2.02
Mrs. Pramila Gupta	10,000	2.00
Mrs. Vijaya Gupta	10,000	2.00
Mrs. Ruchi Gupta	7,750	1.55
Mrs. Pragati Gupta	6,600	1.32
Mrs. Manjari Gupta	6,600	1.32
Mr. Sameer Gupta	6,500	1.30
Mrs. Bhawna Gupta	6,000	1.20
Mr. Sunil Gupta	5,900	1.18
Others (being shareholders holding less than 1% of the issued equity share capital of the company)	55,830	11.17
Total	**500,000**	**100.00**

Board of Directors

The board of directors of Jagran Limited as on January 10, 2006 comprises Mr. K. K. Bishnoi, Mr. K. K. Agarwal and Mr. Praveen Gupta.

Financial Performance

The financial results of Jagran Limited are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005	**Fiscal 2004**	**Fiscal 2003**
Total Income	0.16	Nil	Nil
Profit/(Loss) after tax	0.09	(0.02)	(0.02)
Equity share capital (paid up)	5.00	5.00	5.00
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account (if any) & Miscellaneous Expenditure	1.57	1.48	1.50
Earnings/(Loss) per share (diluted) (Rs.)	0.18	Nil	Nil
Book Value per share (Rs.)	13.14	12.96	13.00

Promise v/s Performance

Jagran Limited came out with a public issue in 1984. The objects of the issue were to part finance a specified project and for meeting the expenses of the issue. The objects of the issue have been achieved by Jagran Limited and no projections had been made in the prospectus in relation to the said issue.

Information about Share Price and Capital Structure

There has been no trading in the equity shares or change in the capital structure of Jagran Limited in the last six months.

Details of Public Issue/Rights Issue of Capital in the last three years

There has been no public issue or rights issue of equity shares of Jagran Limited in last three years.

Mechanism for Redressal of Investor Grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Jagran Limited.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have no less than four Directors and no more than 20 Directors. We currently have 14 Directors.

The following table sets out the current details regarding our Board of Directors:

Name, Designation, Father's Name and Occupation	Age	Address	Other Directorships
Mr. Mahendra Mohan Gupta s/o Late Mr. P. C. Gupta Designation: Chairman & Managing Director Occupation: Business	65 years	Puran Niwas, 7/51, Tilak Nagar, Kanpur, India	• Shakumbari Sugar and Allied Industries Limited • Jagran TV Private Limited • Rave Entertainment Private Limited • Rave@Moti Entertainment Private Limited • United News of India • The Indian Newspaper Society • Merchants' Chambers of Uttar Pradesh • Press Trust of India
Mr. Sanjay Gupta s/o Late Mr. Narendra Mohan Designation: Editor & CEO Occupation: Business	42 years	Puran Niwas, 7/51, Tilak Nagar, Kanpur, India	• Jagran TV Private Limited
Mr. Dhirendra Mohan Gupta s/o Late Mr. P. C. Gupta Designation: Whole time Director Occupation: Business	61 years	Puran Niwas, 7/51, Tilak Nagar, Kanpur, India	Nil
Mr. Sunil Gupta s/o Mr. Yogendra Mohan Gupta Designation: Whole time Director Occupation: Business	43 years	Puran Niwas, 7/51, Tilak Nagar, Kanpur, India	• Shakumbari Sugar and Allied Industries Limited
Mr. Shailesh Gupta s/o Mr. Mahendra Mohan Gupta Designation: Whole time Director Occupation: Business	36 years	Puran Niwas, 7/51, Tilak Nagar, Kanpur, India	• Jagran TV Private Limited • Jagmini Micro Knit Private Limited • Rave@Moti Entertainment Private Limited • Audit Bureau of Circulations
Sir Anthony O'Reilly s/o Late Mr. John Patrick O'Reilly Designation: Non-executive Director Occupation: Business Executive	69 years	Lissadell, Lyford Cay, Nassau, Bahamas	• Independent News & Media PLC • Cartson Holdings Limited • Columbia Investments • EIRCOM Funding • EIRCOM Funding (Holdings) Limited • EIRCOM Group PLC • EIRCOM Limited • Fairfield Holdings Limited • Fitzwilton Limited • Galacia Management Limited • Genetix Holdings Limited • Helenof Holdings Limited • Independent Newspapers (UK) Limited • Indexia Holdings Limited • Lionheart Ventures (Overseas) Limited • Stemriver Investments • Stoneworth Investment Limited • The Fitzwilton Charitable Foundation Limited • The Ireland Funds • Valentia Telecommunications Limited • Waterford Wedgwood Public Limited Company

Name, Designation, Father's Name and Occupation	Age	Address	Other Directorships
Mr. Gavin K. O'Reilly s/o Sir Anthony O'Reilly Designation: Non-executive Director Occupation: Business Executive	38 years	Bartra House, Harbour Road Dalkey Co., Dublin, Ireland	• Independent Abbey (Ireland) • Independent Communications (International) Limited • Independent Communications (Ireland) Limited • Independent Communications Limited • Independent Digital Limited • Independent Directories Limited • Independent News & Media Finance (Ireland) PLC • Independent News & Media Investments Limited • Independent News & Media PLC • Independent News & Media Holdings (Ireland) Limited • Independent Newspapers (Ireland) Limited • Independent Newspapers Management Services • Independent Newspapers Marketing Limited • Independent Newspapers Property Limited • The Drogheda Independent Company Limited • The Kerryman, Limited • The People Newspapers Limited • Affit Limited • Angels Quest • APN News & Media Limited • Ashford Castle Limited • Ashford Castle Owners Association Inc. • Ashford Castle Properties Limited • Dromoland Castle Holdings Limited • Dromoland Castle Limited • Dromoland Castle Reversions Limited • Independent News & Media (Australia) Limited • Independent News & Media (South Africa) (Pty) Limited • Independent Trustee Limited • Irish Heart Foundation • News & Media NZ Limited • Newspread Limited • Norkom Group Limited • Norkom Technologies Limited • Nutley Investments Limited • Sunday Newspapers Limited • Terenure Printers Limited
Mr. Kishore Biyani s/o Mr. Laxminarayan Biyani Designation: Independent Director Occupation: Industrialist	45 years	406, Jeevan Vihar, 5, Manav Mandir, Malabar Hill, Mumbai, India	• Pantaloon Retail (India) Limited • Galaxy Entertainment Corporation Limited • PFH Entertainment Limited • KB Mall Management Company Limited • Home Solutions Retail (India) Limited • PFH Investment Advisory Company Limited • PAN India Restaurants Limited • Pantaloon Industries Limited • Idiom Design and Consulting Limited • Indus-League Clothing Limited • Indian Merchant Chambers • Retailers Association of India • Planet Sports Private Limited • Manz Retail Private Limited • Anchor Malls Private Limited • Nishta Mall Management Company Private Limited • Bartraya Mall Development Company Private Limited • Acute Realty Private Limited

Name, Designation, Father's Name and Occupation	Age	Address	Other Directorships
			• Naman Mall Management Company Private Limited • Unique Malls Private Limited • Srishti Mall Mangement Company Private Limited • BLB Mall Management Company Private Limited • Galaxy Rain Restaurants Private Limited • Ambit Investment Advisory Company Limited • Varnish Trading Private Limited
Mr. Vijay Tandon s/o Late Mr. Ramnath Tandon Designation: Independent Director Occupation: Chartered Accountant	61 years	C-356 (SFS Flats), Sheikh Sarai, Phase I, New Delhi, India	• GHK Consultants India (P) Ltd.
Mr. Bharat Ji Agrawal s/o Late Mr. K.L. Agrawal Designation: Independent Director Occupation: Senior Advocate	63 years	3/15, Patrika Marg, Allahabad, India	Nil
Mr. Naresh Mohan s/o Late Mr. G.N. Mohan Designation: Independent Director Occupation: Media Consultant	63 years	C2/102, Janakpuri, New Delhi, India	• United News of India
Mr. Rashid Mirza s/o Mr. Irshad Mirza Designation: Independent Director Occupation: Industrialist	49 years	14/6, Civil Lines, Kanpur, India.	• Mirza Interational Limited • Emgee Projects Private Limited • Achee Shoes Pvt. Ltd. • Mirza (UK) Ltd. • MTL Trading (Proprietary) Ltd.
Mr. Anuj Puri s/o Mr. Raghudev Puri Designation: Independent Director Occupation: Business Executive	39 years	43/12 East Patel Nagar, New Delhi, India	• Trammell Crow Meghraj Private Limited
Mr. Vikram Bakshi s/o Mr. Late Mr. D. N. Bakshi Designation: Independent Director Occupation: Business Executive	50 years	157 Golf Links, New Delhi, India	• PVR Limited • Ascot Hotels & Resorts Ltd. • Ascot Estates Pvt. Ltd. • Bee Gee Promoters Pvt. Ltd. • Bakshi Holdings Pvt. Ltd. • Brite India Pvt. Ltd. • Crescent Printing Works Pvt. Ltd. • Bakshi Vikram Vikas Construction. Co. Pvt. Ltd. • CCPL Developers Pvt. Ltd. • Connaught Plaza Restaurants Pvt. Ltd. • Golden Diamond Estates Pvt. Ltd. • Jupiter Estates Pvt. Ltd. • Kalanidhi International Pvt. Ltd. • Karmyogi Finlease Pvt. Ltd. • Panipat Properties Pvt. Ltd. • Penguin Resorts Pvt. Ltd. • Vikram Bakshi & Co. Pvt. Ltd. • EDM Mall Management Pvt. Ltd.

Details of Directors

Mr. Mahendra Mohan Gupta is the Chairman & Managing Director of our Company and also holds the position of Managing Editor of our Company. He holds a bachelor's degree in commerce. Mr. Gupta has more than 45 years of experience in the print media industry. Mr. Gupta has held various key positions in the industry including being the Chairman of United News of India ("UNI"), President of Indian Newspaper Society, President of Indian Languages Newspaper Association ("ILNA"), Council

Member of Audit Bureau of Circulations, Member of Press Council of India and Member of Film Censor Board of India, member of the board of Press Trust of India besides holding senior honorary positions in various social and cultural organizations.

Mr. Gupta is presently Member on the Board of UNI and INS and Member of the Managing Committee of ILNA. His work for the cause of society, Indian trade and industry in general and newspaper industry in particular has been recognized by various social, cultural and professional bodies in India. For excellence in Hindi newspaper, he has been honoured with 'Indira Gandhi Priyadarshni Award' by All India National Unity Conference, New Delhi. Mr. Gupta also holds the post of the Non-Executive Chairman of Shakumbari Sugar and Allied Industries Limited, Jagran TV Private Limited, Rave Entertainment Private Limited and Rave@Moti Entertainment Private Limited. Mr. Gupta has been a director of our Company since inception and is a nominee of our Promoters.

Mr. Sanjay Gupta is a whole-time Director and also holds the position of Editor & CEO of our Company. He holds a bachelor's degree in sciences. Mr. Gupta has more than 23 years of experience in the print media industry. Besides being the Editor & CEO of our Company, he is also responsible for our operations in the northern region comprising of New Delhi, Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir. Mr. Gupta is also Director of Indian Institute of Management, Lucknow and Motilal Nehru Institute of Technology, Allahabad. Mr. Gupta has been a director of our Company since 1993 and is a nominee of our Promoters.

Mr. Dhirendra Mohan Gupta is a whole-time Director of our Company. He holds a bachelor's degree in arts. Mr. Gupta has more than 40 years of experience in the print media industry. He is the Director-in-charge of our operations in the western regions of Uttar Pradesh and Uttaranchal. Mr. Gupta has been a director of our Company since inception and is a nominee of our Promoters.

Mr. Sunil Gupta is a whole-time Director of our Company. He holds a bachelor's and a master's degree in commerce. Mr. Gupta has more than 23 years of experience in the print media industry. He is incharge of our operations in Bihar, Jharkhand and parts of eastern Uttar Pradesh. Mr. Gupta has been a director of our Company since 1993 and is a nominee of our Promoters.

Mr. Shailesh Gupta is a whole-time Director of our Company. He holds a bachelor's degree in commerce. Mr. Gupta has more than 16 years of experience in the print media industry. He is Member of Council of Audit Bureau of Circulations and heads our advertisement and marketing department. Mr. Gupta has been a director of our Company since 1994 and is a nominee of our Promoters.

Sir Anthony O'Reilly is a non-executive Director of our Company. Sir Anthony was educated in Ireland at Dublin's Belvedere College, University College Dublin (UCD) and at the Incorporated Law Society of Ireland. He is an honors graduate in civil law, is a solicitor and has completed a doctorate degree in agricultural marketing from the University of Bradford, England. Sir Anthony was the Chairman and President of HJ Heinz Company and a member of the board of the New York Stock Exchange. He is the Chairman of Waterford Wedgwood PLC and Eircom Group PLC. He has been a director of Independent News & Media PLC since 1973, became the Executive Chairman in 2000 and Chief Executive in 2004. Sir Anthony joined our Board on July 25, 2005 as a nominee of INMIL.

Mr. Gavin K. O'Reilly is a non-executive Director of our Company. He holds a bachelor's degree in science from Georgetown University Business School, Washington D.C. He has been a Director of Independent News & Media PLC since 1997 and was appointed the Chief Operating Officer of Independent News & Media PLC in 2001. Mr. O'Reilly is the President of the World Association of Newspapers and Chairman of the National Newspapers of Ireland. He serves on the board of a number of companies including APN News & Media Limited. Mr. O' Reilly joined our Board on July 25, 2005 as a nominee of INMIL.

Mr. Kishore Biyani is an independent Director of our Company. He holds a bachelor's degree in commerce and a post graduate degree in marketing. Mr. Biyani is the Managing Director of Pantaloon Retail (India) Limited (a Pantaloon Knowledge Group Company), a leading retail company in India and has more than 18 years of work experience. His contributions to the retail industry have been recognized with several awards including 'The Retail Professional of the Year' at the Images Retail Awards – 2001, 'CEO of the Year – 2001' at the India Brand Summit, 'Retail Face of the Year' and 'Most Admired Retailer of the Year' at the Images Retail Awards – 2004, 'Retailer of the Year' and 'Retail Professional of the Year' at the Reid & Taylor India Retail Summit – 2004, 'Fashion Visionary of the Year' at the Fifth Annual Images Fashion Awards – 2005 and has also been a finalist at the 'Ernst & Young Entrepreneur of the Year Award 2005'. In addition, he is a Member of the Indian Merchant Chamber and Confederation of Indian Industry ("CII"). Mr. Biyani joined our Board on November 18, 2005.

Mr. Vijay Tandon is an independent Director of our Company. He graduated from the University of Delhi. Mr. Tandon is a qualified chartered accountant and fellow with Institute of Chartered Accountants of India. After qualifying as a chartered accountant in 1969, Mr. Tandon worked with Thakur, Vaidyanath Aiyar & Co., a leading firm of Chartered Accountants in New Delhi and was a partner of the firm between 1980 and 1999. As a chartered accountant and financial management consultant, with over 30 years of professional experience in various capacities, Mr. Tandon has been associated with number of private and public sector companies and banks in the finalisation of accounts. Mr. Tandon has extensive knowledge of the corporate

laws and was heading the Corporate Division of Thakur Vaidyanath Aiyar & Co., Chartered Accountants. Mr. Tandon has been associated with print media industry in various capacities, as publisher auditor, auditor representing the Audit Bureau of Circulations and as director in Associated Journals Ltd. (National Herald Group of Publications). Also, as a management consultant, Mr. Tandon has been associated with a number of consulting services in diverse sectors of economy, industry and public utilities funded by the Asian Development Bank and the World Bank in India, South & Central Asia. Presently, Mr. Tandon is Principal Consultant with GHK Consulting Ltd. a UK-based development consultants. Mr. Tandon joined our Board on November 18, 2005.

Mr. Bharat Ji Agrawal is an independent Director of our Company. He holds a bachelor's degree in science and a bachelor's degree in law. Mr. Agrawal has been practicing as an advocate for about 43 years. Mr. Agrawal has been designated as Senior Advocate by the High Court, Allahabad in 1997 and has been appointed as the Senior Standing Counsel of the Income Tax Department in the High Court at Allahabad. He has been the Chairman and the Vice Chairman of U.P. Bar Council and has been nominated as the Vice President (North Zone) of All India Federation of Tax Practitioners. Mr. Agrawal has been awarded 'SUMMAN' by the Income Tax Department in fiscal 1997. In addition, Mr. Agrawal has been the President of Allahabad Inter College, Agrawal Jatiya Shiksha Paarishad, Allahabad Degree College, Lalit Kala Kendra and Allahabad Primary School. Mr. Agrawal joined our Board on November 18, 2005.

Mr. Naresh Mohan is an independent Director of our Company. He holds a bachelor's degree in arts. Mr. Mohan has more than 43 years of work experience in the print media industry. Prior to retirement in 1998, he worked with The Hindustan Times Limited. Subsequently, Mr. Mohan has been engaged in media consultancy. Mr. Mohan has held various key positions in the print media industry including being the President of INS, Chairman of UNI, Chairman of Audit Bureau of Circulations and Member of Press Council of India. Mr. Mohan joined our Board on November 18, 2005.

Mr. Rashid Mirza is an independent Director of our Company. He holds a diploma in leather technology from Leather Sellers College, London and served with various leather companies in the U.K. Upon his return to India, he joined his family business. In 1979, he along with his father promoted Mirza Tanners Ltd. (now, Mirza International Ltd.). He has around 30 years of experience in the leather industry. Mr. Mirza is presently the Managing Director of Mirza Interational Limited. Mr. Mirza joined our Board on November 18, 2005.

Mr. Anuj Puri is an independent Director of our Company. He holds a bachelor's degree in commerce, is an Associate of the Institute of Chartered Accountants of India, Associate of the Chartered Insurance Institute, UK, Associate of Insurance Institute of Surveyors & Adjusters (India) and an Associate of the Insurance Institute of India. Mr. Puri has over 15 years experience in multi-disciplinary consulting ranging from real estate to social development projects. Specifically in real estate sector, he has expertise in planning and undertaking demand assessment studies, valuation and transactional services including marketing strategies based on technical analysis of real estate markets. His past experience ranges from feasibility studies, program requirement derivation, fund and investor sourcing. Mr. Puri has held various key positions in the industry and is the Chairman of the Real Estate and Construction Committee (Western Zone) CII, a Member of National Retail Committee, CII and a Member of Public and Works Development Committee, FICCI. At present, Mr. Puri is the Managing Director of Trammell Crow Meghraj Private Limited (formerly, Chesterton Meghraj Property Consultants Pvt. Ltd.). Mr. Puri joined our Board on November 18, 2005.

Mr. Vikram Bakshi is an independent Director of our Company. He holds a bachelor's degree in science. Mr. Bakshi has extensive experience spanning 25 years in real estate, hospitality and retail. As the Managing Director & JV Partner of McDonalds India, a Joint Venture with McDonald's Corporation of U.S., he has successfully established McDonalds as the industry leader in the food services sector in North India. Mr. Bakshi was nominated by Images Retail Forum for "Retail Face of the Year Award 2004 & 2005. He was also nominated by ET under the category of "Entrepreneur of the year" for the Economic Times awards 2004 & 2005. Mr. Bakshi's role in institutional work includes, among others, being the Chairman, Sub-Committee on Tourism (Northern Region), CII, Chairman, CII National Committee on Retailing, Chairman, CII Delhi State Council, Vice-President of the Hotel & Restaurant Association of Northern India, Chairman, CII Northern Region Committee on Retailing, Member Delhi State Council for Rights to Information with the Government of National Capital Territory of Delhi, Administrative Reforms Department, Council Member of CII Northern Region & National Council. Mr. Bakshi joined our Board on November 18, 2005.

Mr. Mahendra Mohan Gupta, Mr. Sanjay Gupta, Mr. Dhirendra Mohan Gupta, Mr. Sunil Gupta and Mr. Shailesh Gupta are related to each other and Sir Anthony O'Reilly and Mr. Gavin K. O'Reilly are related to each other. None of our other Directors are related to each other.

Borrowing Powers of our Board of Directors

Pursuant to a resolution passed by our shareholders in accordance with the provisions of the Companies Act, our Board has been authorised to borrow money for the purposes of the Company upon such terms and conditions and with/without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already

borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 1,500 million.

Details of Term of our Directors

Set forth are the details of the terms of our Directors:

Name of Directors	Term
Mr. Mahendra Mohan Gupta	Appointed as a whole-time Director for a period of five years with effect from January 1, 2005 and is a non-retiring Director.
Mr. Sanjay Gupta	Appointed as a whole-time Director for a period of five years with effect from October 1, 2005 and is a non-retiring Director.
Mr. Dhirendra Mohan Gupta	Appointed as a whole-time Director for a period of five years with effect from October 1, 2005. However, Mr. Gupta is liable to retire by rotation.
Mr. Sunil Gupta	Appointed as a whole-time Director for a period of five years with effect from October 1, 2005. However, Mr. Gupta is liable to retire by rotation.
Mr. Shailesh Gupta	Appointed as a whole-time Director for a period of five years with effect from October 1, 2005 and is a non-retiring Director.
Sir Anthony O'Reilly	Liable to retire by rotation.
Mr. Gavin K. O'Reilly	Non-retiring Director.
Mr. Kishore Biyani	Liable to retire by rotation.
Mr. Vijay Tandon	Liable to retire by rotation.
Mr. Bharat Ji Agrawal	Liable to retire by rotation.
Mr. Naresh Mohan	Liable to retire by rotation.
Mr. Rashid Mirza	Liable to retire by rotation.
Mr. Anuj Puri	Liable to retire by rotation.
Mr. Vikram Bakshi	Liable to retire by rotation.

Remuneration of Our Directors

The following table sets forth the details of the remuneration for the whole-time Directors for fiscal 2005:

Name of Directors	Remuneration
Mr. Mahendra Mohan Gupta	Salary of Rs. 200,000 per month plus perquisites not exceeding Rs. 600,000 per annum.
Mr. Sanjay Gupta	Salary of Rs. 200,000 per month plus perquisites not exceeding Rs. 600,000 per annum.
Mr. Dhirendra Mohan Gupta	Salary of Rs. 200,000 per month plus perquisites not exceeding Rs. 600,000 per annum.
Mr. Sunil Gupta	Salary of Rs. 200,000 per month plus perquisites not exceeding Rs. 600,000 per annum.
Mr. Shailesh Gupta	Salary of Rs. 160,000 per month plus perquisites not exceeding Rs. 600,000 per annum.

We may pay our non-executive Directors sitting fees for every meeting of our Board, audit committee, investor grievance committee and remuneration committee.

Except for our whole-time Directors who are entitled to statutory benefits upon termination of their employment with our Company, no other Director is entitled to any benefit upon termination of his employment with our Company.

Corporate Governance

Corporate governance is administered through our Board of Directors and the committees of the Board. However, primary responsibility for upholding high standards of corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value vests with our Board of Directors.

Pursuant to listing of the Equity Shares, we would be required to enter into listing agreements with the Stock Exchanges. We are in compliance with the applicable provisions of listing agreements pertaining to corporate governance, including appointment of independent Directors and constitution of audit committee, investor grievance committee and remuneration committee.

Audit Committee:

The audit committee of the Board currently comprises Mr. Vijay Tandon, chairman, Mr. Kishore Biyani, Mr. Naresh Mohan and Mr. Gavin K. O'Reilly.

The audit committee has the responsibility to oversee our financial reporting process and disclosure of our financial information. The terms of reference thereof includes reviewing the annual financial results, considering and discussing observations of the statutory and internal auditors, investigating any matter referred to it by our Board and reports to our Board on their recommendations on areas for attention and has the authority to investigate into any matter prescribed by section 292A of the Companies Act and the provisions of the listing agreements with the Stock Exchanges.

Shareholders/ Investor Grievance Committee:

The shareholders/investor grievance committee of our Board consists of Mr. Bharat Ji Agrawal, chairman, Mr. Rashid Mirza and Mr. Sunil Gupta.

Remuneration Committee:

The remuneration committee of our Board consists of Mr. Naresh Mohan, chairman, Mr. Kishore Biyani, Mr. Vijay Tandon and Mr. Gavin K. O'Reilly.

Other Committees:

In addition, our Board constitutes, from time to time, such other committees, as may be required, for efficient functioning and smooth operations.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any Equity Shares as qualification shares. The following table details the shareholding of our Directors:

Name of Directors	Number of Equity Shares (Pre-Issue)
Mr. Mahendra Mohan Gupta	2,674,393
Mr. Sanjay Gupta	1,782,927
Mr. Dhirendra Mohan Gupta	2,674,393
Mr. Sunil Gupta	594,308
Mr. Shailesh Gupta	891,465

Interest of our Directors

All of our Directors, including independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association. The whole time Directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company and the terms of their remuneration.

Mr. Mahendra Mohan Gupta, Mr. Sanjay Gupta, Mr. Dhirendra Mohan Gupta, Mr. Sunil Gupta and Mr. Shailesh Gupta hold Equity Shares and, hence, they may be deemed to be interested to the extent of their shareholding in our Company. Further, all our Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Company had been incorporated primarily to take over and run the publication business of M/s Jagran Publications, of which Mr. Mahendra Mohan Gupta and Mr. Dhirendra Mohan Gupta were partners. For this purpose, Mr. Mahendra Mohan Gupta and Mr. Dhirendra Mohan Gupta had subscribed to our Memorandum of Association and had subscribed to the initial issue of our equity shares.

Our Directors have no interest in any property acquired by the Company within two years of the date of filing of this Red Herring Prospectus.

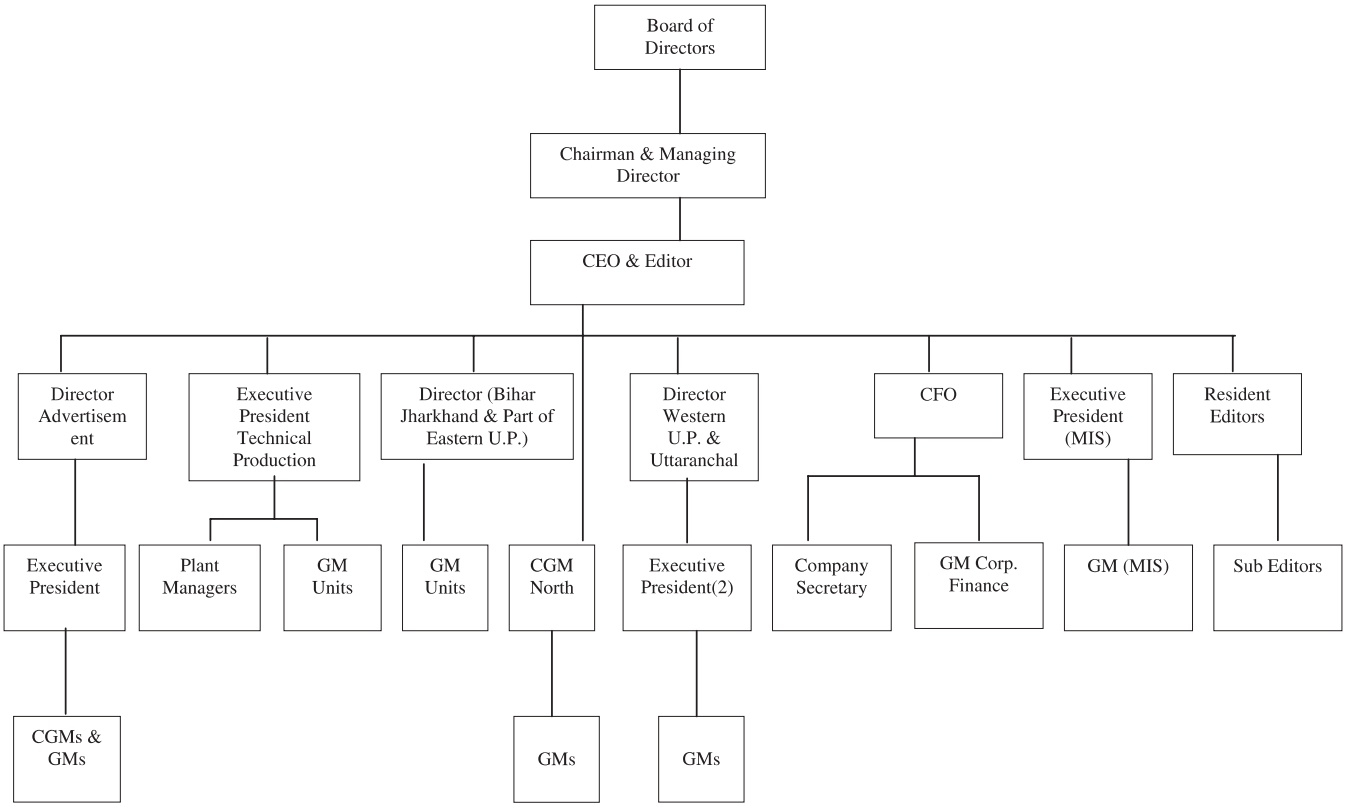
For details of the related party transactions, see section titled **"**Financial Statements - Related Party Transactions**"** beginning on page 150.

Changes in our Board of Directors during the last three years

The changes in our Board of Directors in the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Padam Kumar Jain	December 30, 2002		Appointment
Mr. Deoki Nandan Agarwal	December 30, 2002		Appointment
Mr. Devesh Gupta		December 1, 2004	Resignation
Mr. Bharat Gupta		December 1, 2004	Resignation
Mr. Tarun Gupta		December 1, 2004	Resignation
Mr. Virendra Kumar Gupta		December 1, 2004	Resignation
Mr. Sameer Gupta		December 1, 2004	Resignation
Mr. Krishna Kumar Bishnoi		January 1, 2005	Resignation
Mr. Padam Kumar Jain		January 1, 2005	Resignation
Mr. Deoki Nandan Agarwal		January 1, 2005	Resignation
Sir Anthony O'Reilly	July 25, 2005		Appointment
Mr. Gavin K. O'Reilly	July 25, 2005		Appointment
Mr. Barry Brennan	July 25, 2005		Appointment
Mr. Yogendra Mohan Gupta		November 18, 2005	Resignation
Mr. Sandeep Gupta		November 18, 2005	Resignation
Mr. Devendra Mohan Gupta		November 18, 2005	Resignation
Mr. Shailendra Mohan Gupta		November 18, 2005	Resignation
Mr. Barry Brennan		November 18, 2005	Resignation
Mr. Kishore Biyani	November 18, 2005		Appointment
Mr. Vijay Tandon	November 18, 2005		Appointment
Mr. Bharat Ji Agrawal	November 18, 2005		Appointment
Mr. Naresh Mohan	November 18, 2005		Appointment
Mr. Rashid Mirza	November 18, 2005		Appointment
Mr. Anuj Puri	November 18, 2005		Appointment
Mr. Vikram Bakshi	November 18, 2005		Appointment

Management Organisation Structure



Key Managerial Employees

In addition to our whole-time Directors, following are our key managerial employees. All of our key managerial employees are permanent employees of our Company.

Mr. Sandeep Gupta, 41 years, is the Executive President (Technical) of our Company. He holds a bachelor's degree in electrical engineering and has undertaken a specialised course on photo-composing machines from Itek Graphix USA in 1989. Mr. Gupta joined our Company in 1988 and has over 17 years of experience in the media industry. The remuneration received by him in fiscal 2005 was Rs. 2.35 million.

Mr. Sameer Gupta, 38 years, is the Executive President (MIS) of our Company. He holds a master's degree in commerce. Mr. Gupta has over 18 years of work experience (including three years of experience in the media industry). Prior to joining us in 2003, he worked with Jagran Infotech Limited. The remuneration received by him in fiscal 2005 was Rs. 2.35 million.

Mr. Devesh Gupta, 33 years, is the Executive President (Operations) of our Company. He holds a bachelor's degree in sciences and master's degree in business administration. Mr. Gupta has over 10 years of work experience (including six years of experience in the media industry). Prior to joining us in 1999, he worked with Shakumbari Sugar and Allied Industries Limited. The remuneration received by him in fiscal 2005 was Rs. 1.32 million.

Mr. Bharat Gupta, 29 years, is the Executive President (Brand & Marketing) of our Company. He holds a bachelor's degree in engineering. Mr. Gupta has over seven years of work experience (including five years of experience in the media industry). He joined us in 2000. The remuneration received by him in fiscal 2005 was Rs. 1.11 million.

Mr. Tarun Gupta, 29 years, is the Executive President (Commercial) of our Company. He holds a bachelor's and master's degree in commerce and is qualified as a chartered accountant with Institute of Chartered Accountants of India. Mr. Gupta has over five years of experience in the media industry. Mr. Gupta joined us in 2001. The remuneration received by him in fiscal 2005 was Rs. 1.11 million.

Mr. Virendra Kumar Gupta, 67 years, is the Resident Editor & Executive President (Operations) of our Company. He holds a master's degree in arts. Mr. Kumar has over 45 years of experience in the media industry. Mr. Gupta joined our Company in 2000 and has been instrumental in launching of our units at Allahabad and Varanasi. The remuneration received by him in fiscal 2005 was Rs. 0.30 million.

Mr. R. K. Agarwal, 44 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce and is a qualified chartered accountant and fellow with Institute of Chartered Accountants of India. Mr. Agarwal has over 20 years of experience in accounts and finance. Prior to joining us in 2003, Mr. Agarwal was the Partner of J.N. Sharma & Co. Chartered Accountants. The remuneration received by him in fiscal 2005 was Rs. 0.38 million.

Mr. Amit Jaiswal, 29 years, is the Company Secretary of our Company. He holds a bachelor's degree in commerce and a post graduate diploma in business management and is a qualified company secretary with Institute of Company Secretaries of India. Mr. Jaiswal joined our Company in 1999 and has over six years of experience as a company secretary. The remuneration received by him in fiscal 2005 was Rs. 0.13 million.

Mr. Vinod Shukla, 61 years, is the Resident Editor & Chief General Manager of our Company. He holds a bachelor's degree in sciences and holds a diploma in mining engineering. Mr. Shukla has over 42 years of experience in the media industry. Prior to joining us in 1985, Mr. Shukla worked with *Dainik Aj*, Varanasi and Kanpur. The remuneration received by him in fiscal 2005 was Rs. 0.17 million.

Mr. Nishi Kant Thakur, 52 years, is the Resident Editor & Chief General Manager of our Company. He holds a bachelor's degree in arts. Mr. Thakur has over 26 years of experience in the media industry. Prior to joining us in 1979, Mr. Thakur worked with *Dainik Aj*. Mr. Thakur has been honoured with the Special Journalist Award by Social & Development Society, Purvanchal, the Hindi Sahafat Award by the Indian Culture Society and Matshhree Award for outstanding work in the field of journalism in 2004 and the Life Time Achievement Award by Punjab Sahitya Kala Academy in 2005. The remuneration received by him in fiscal 2005 was Rs. 0.76 million.

Mr. Prashant Mishra, 49 years, is the Political Editor of our Company. He holds a master's degree in arts with specialization in economics. Mr. Mishra has over 18 years of experience in the media industry. Prior to joining us in 1995, Mr. Mishra worked with *Sangaswar, Dinman* and *Amar Ujala*. The remuneration received by him in fiscal 2005 was Rs. 0.43 million.

Mr. G. Gurushanker, 43 years, is the General Manager (Marketing-North) of our Company. He holds a master's degree in arts with specialization in economics, a post graduate diploma in marketing management and a post graduate degree in public relations. Mr. Gurushanker has over 18 years of work experience (including 16 years of experience in the media industry). Prior to joining us in 1996, Mr. Gurushanker worked with *Anand Bazaar Patrika,* Delhi, *The Pioneer* and *The Statesman*. The remuneration received by him in fiscal 2005 was Rs. 0.48 million.

Mr. Vikas Joshi, 44 years, is the General Manager (West) of our Company. He holds a bachelor's degree in commerce. Mr. Joshi has over 19 years of work experience (including 16 years of experience in the media industry). Prior to joining us in 2001, Mr. Joshi worked with *Anand Bazaar Patrika,* Mumbai and *Sandesh Prakashan*, Mumbai. He is a member of the NRS Technical Council. The remuneration received by him in fiscal 2005 was Rs. 0.96 million.

Mr. Shailendra Nath Jaitly, 37 years, is the General Manager (Corporate) of our Company. He holds a bachelor's degree in commerce and master's degree in business administration. Mr. Jaitly has over 14 years of work experience (including 10 years of experience in the media industry). Prior to joining us in 1995, Mr. Jaitly worked with Sumanju Communications & Biotech Limited. The remuneration received by him in fiscal 2005 was Rs. 0.46 million.

Mrs. Sarbani Bhatia, 38 years, is the General Manager (Corporate Systems) of our Company. She holds a master's degree in technology with specialization in computer sciences. Mrs. Bhatia has over 14 years of work experience (including 11 years of experience in the media industry). Prior to joining us in 1995, she worked with ICIM - Fujitsu. She has been instrumental in conceptualizing, designing and developing an integrated software system to automate all the major functional areas of our Company. The remuneration received by her in fiscal 2005 was Rs. 0.37 million.

Mr. K. K. Awasthi, 40 years, is the General Manager (Corporate Finance) of our Company. He holds a bachelor's degree in sciences with specialization in mathematics and is a qualified chartered accountant and fellow with Institute of Chartered Accountants of India. Mr. Awasthi has over 16 years of experience in accounts and finance (including 12 years of experience in the media industry). Prior to joining us in 1995, Mr. Awasthi worked with Frontier Alloy & Steels Ltd. The remuneration received by him in fiscal 2005 was Rs. 0.37 million.

Mr. K. K. Bishnoi, 63 years, is the Executive (Taxation) of our Company. Mr. Bishnoi joined us in 1961 and has over 44 years of experience in the media industry. The remuneration received by him in fiscal 2005 was Rs. 0.27 million.

Mr. K. K. Agarwal, 59 years, is the Plant Manager of our Company. He holds a bachelor's degree in mechanical engineering. Mr. Agarwal has over 35 years of work experience (including 21 years of experience in the media industry). Prior to joining us in 1986, Mr. Agarwal worked with J. Mahabeer & Co., Manubhai & Sons and Sandesh Ltd., Ahmedabad. He has been instrumental in commencing our colour printing activities. As Mr. Agarwal has joined our Company in November 2005 and has therefore not been paid remuneration by our Company in fiscal 2005.

Mr. Sandeep Gupta, Mr. Sameer Gupta, Mr. Devesh Gupta, Mr. Bharat Gupta and Mr. Tarun Gupta are related to each other and to certain of our Directors, namely, Mr. Mahendra Mohan Gupta, Mr. Sanjay Gupta, Mr. Dhirendra Mohan Gupta, Mr. Sunil Gupta and Mr. Shailesh Gupta. Apart therefrom, none of our other key managerial employees are related to each other or to our Directors.

All the above named persons are our key managerial personnel and all of them are permanent employees of the Company.

Apart from the above named key managerial personnel, Mr. Basant Rathore and Ms. Ambika Sharma are consultants to our Company. Their details are as follows:

Mr. Basant Rathore, 33 years, is the General Manager (Brand Development) of our Company. He holds a bachelor's degree in commerce and a post graduation diploma in communications. Mr. Rathore has over nine years of experience in the media industry. Prior to joining us in 2004, Mr. Rathore worked with Mudra Communications and Madisson Media Communications. The remuneration received by him in fiscal 2005 was Rs. 0.80 million.

Ms. Ambika Sharma, 26 years, is the National Head (Jagran Solutions) of our Company. She holds a bachelor's degree in arts with honours in English and a post graduate diploma in advertising and public relations. Ms. Sharma has over seven years of experience in event management and below-the-line-solutions. Prior to joining us in 2005, she worked with Encompass Events Pvt. Ltd., Candid Marketing Services, Brilliant Entertainment Networks Pvt. Ltd. and Kidstuff Promotions. As Ms. Sharma joined our Company in April 2005, she was not paid remuneration by our Company in fiscal 2005.

Shareholding of the Key Managerial Employees

Except as given below, none of our key managerial employees hold any Equity Shares:

Name of Key Managerial Employees	Number of Equity Shares (Pre-Issue)
Mr. Sandeep Gupta	1,782,927
Mr. Sameer Gupta	594,308
Mr. Devesh Gupta	594,311
Mr. Tarun Gupta	594,311
Mr. Bharat Gupta	594,311

Bonus or profit sharing plan for our Key Managerial Employees

There is no bonus or profit sharing plan for our key managerial employees.

Changes in our Key Managerial Employees during the last three years

The changes in our key managerial employees during the last three years are as follows:

Name	Designation	Date of Change	Reason
Mr. Sameer Gupta	Executive President (MIS)	January 1, 2003	Appointment
Mr. R. K. Agarwal	Chief Financial Officer	October 4, 2003	Appointment
Mr. Alok Sanwal	General Manager (Brand Development)	March 8, 2004	Resignation
Mr. K.K. Agarwal	Plant Manager	November 30, 2005	Appointment

Employees Share Purchase and Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees, since incorporation of our Company.

Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page 150, none of the beneficiaries of loans and advances and sundry debtors are related to our Directors.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Currently, our Promoters are Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta and Mr. Sanjay Gupta.



Mr. Yogendra Mohan Gupta, 67 years, (passport number: B 5239179, permanent account number: AAXPG9726A, voter identity number: not available and driving license number: 36766/90). He holds a bachelor's and master's degree in science. Mr. Gupta has more than 48 years of experience in the print media industry. He has acted as the Managing Director of our Company and was responsible for our advertisement and marketing since inception. He is a member of Executive Committee of Media Research Users Council. He also heads philanthropic initiatives of the Jagran Group and is the chairman of Shri Puran Chandra Gupta Smarak Trust, Laxmi Devi Lalit Kala Academy and Himalayan Institute of Yoga Science & Philosophy.



Mr. Mahendra Mohan Gupta, 65 years, (passport number: Z 066044, permanent account number: ACZPG8338G, voter identity number: not available, driving license number: 58540/96) is the Chairman & Managing Director of our Company and also holds the position of Managing Editor of our Company. He holds a bachelor's degree in commerce. Mr. Gupta has more than 45 years of experience in the print media industry. Mr. Gupta has held various key positions in the industry including being the Chairman of UNI, President of INS, President of ILNA, Council Member of Audit Bureau of Circulations, Member of Press Council of India and Member of Film Censor Board of India and a member of the board of Press Trust of India, besides holding senior honorary positions in various social and cultural organizations.

Mr. Gupta is presently a Member on the Board of UNI and INS and a Member of the Managing Committee of ILNA. His work for the cause of society, Indian trade and industry in general and newspaper industry in particular has been recognized by various social, cultural and professional bodies in India. For excellence in Hindi newspaper, he has been honoured with 'Indira Gandhi Priyadarshni Award' by All India National Unity Conference, New Delhi. Mr. Gupta also holds the post of the Non-Executive Chairman of Shakumbari Sugar and Allied Industries Limited, Jagran TV Private Limited, Rave Entertainment Private Limited and Rave@Moti Entertainment Private Limited.



Mr. Dhirendra Mohan Gupta, 61 years, (passport number: A 8567261, permanent account number: ACZPG8337K, voter identity number: not available, driving license number: C-512/MRT) is a whole-time Director of our Company. He holds a bachelor's degree in arts. Mr. Gupta has more than 40 years of experience in the print media industry. He is the Director-in-charge of our operations in the western regions of Uttar Pradesh and Uttaranchal.



Mr. Sanjay Gupta, 42 years, (passport number: B 5775651, permanent account number: ACZPG8332N, voter identity number: not available, driving license number: P03052002314082) is a whole-time Director and holds the position of Editor & CEO of our Company. He holds a bachelor's degree in sciences. Mr. Gupta has more than 23 years of experience in the print media industry. Besides being the Editor & CEO of our Company, he is also responsible for our operations in the northern region comprising of New Delhi, Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir. Mr. Gupta is also a Director of Indian Institute of Management, Lucknow and Motilal Nehru Institute of Technology, Allahabad.

For details of terms of appointment of Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta and Mr. Sanjay Gupta as our Directors, see the section titled "Our Management" beginning on page 104.

Interest in promotion of our Company

Our Company had been incorporated primarily to take over and run the publication business of M/s Jagran Publications, of which Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta and Mr. Dhirendra Mohan Gupta were partners. For this purpose, Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta and Mr. Dhirendra Mohan Gupta had subscribed to our Memorandum of Association and had subscribed to the initial issue of our equity shares.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page 150, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

Other Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters, namely, Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta and Mr. Sanjay Gupta will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with the Stock Exchanges.

Further, Mr. Yogendra Mohan Gupta, Mr. Mahendra Mohan Gupta, Mr. Dhirendra Mohan Gupta and Mr. Sanjay Gupta have confirmed that they have not been detained as willful defaulters by the Reserve Bank of India or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Promoter Group Companies & Entities

In addition to our Promoters, as specified above, the following individuals (being the immediate relatives of our Promoters and holding Equity Shares), companies and entities shall form part of our Promoter group:

- Mrs. Vijaya Gupta
- Mr. Devendra Mohan Gupta
- Mr. Shailendra Mohan Gupta
- Mr. Sunil Gupta
- Mr. Sameer Gupta
- Mr. Shailesh Gupta
- Mrs. Madhu Gupta
- Mr. Devesh Gupta
- Mr. Tarun Gupta
- Mrs. Saroja Gupta
- Mr. Sandeep Gupta
- Shakumbari Sugar and Allied Industries Limited
- Rave Entertainment Private Limited
- Rave@Moti Entertainment Private Limited
- Jagmini Microknit Private Limited
- Jagran TV Private Limited
- Jagran Limited
- P.C. Gupta HUF
- Narendra Mohan Gupta HUF
- Yogendra Mohan Gupta HUF
- Mahendra Mohan Gupta HUF
- Dhirendra Mohan Gupta HUF
- Devendra Mohan Gupta HUF
- Shailendra Mohan Gupta HUF

The details of our Promoter group companies are as below:

1. Shakumbari Sugar and Allied Industries Limited

Shakumbari Sugar and Allied Industries Limited was incorporated on March 29, 1994 and obtained the certificate of commencement of business on April 8, 1994. The main business of Shakumbari Sugar and Allied Industries Limited is to manufacture sugar and allied products.

Equity Shareholding Pattern

The equity shares of Shakumbari Sugar and Allied Industries Limited are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Equity Share Capital**
Unit Trust of India	2,460,000	24.99
Industrial Development Bank of India	1,010,000	10.26
Mrs. Manjari Gupta	540,000	5.50
Mrs. Pramila Gupta	527,400	5.36
Mr. Shailendra Mohan Gupta	499,400	5.07
Mr. Sameer Gupta	438,200	4.45
CRB Capital Markets Limited	410,000	4.16
Mrs. Pragati Gupta	400,000	4.06
CRB Mutual Funds Limited	320,000	3.25
VOU Investment P. Limited	300,000	3.05
Mrs. Rajni Gupta	287,300	2.92
Mrs. Madhu Gupta	285,800	2.90
Mr. Devendra Mohan Gupta	274,700	2.80
Mrs. Raj Gupta	273,000	2.77
Mr. Yogendra Mohan Gupta	261,000	2.65
Mr. Sunil Gupta	253,800	2.58
Mr. Tarun Gupta	250,400	2.54
Mrs. Divya Gupta	250,400	2.54
Mr. Bharat Gupta	239,000	2.43
Mrs. Ruchi Gupta	199,200	2.02
Mayar India Limited	100,000	1.02
Mr. Shailesh Gupta	60,000	0.61
Mr. Sanjay Gupta	59,400	0.60
Mrs. Ritu Gupta	55,200	0.56
Mr. Sandeep Gupta	49,400	0.50
Mrs. Vijaya Gupta	40,600	0.41
Total	**9,844,200**	**100.00**

Board of Directors

The board of directors of Shakumbari Sugar and Allied Industries Limited as on January 10, 2006 comprises Mr. Mahendra Mohan Gupta, Mr. Shailendra Mohan Gupta, Mr. Sunil Gupta, Mr. Devesh Gupta, Mr. S.M. Sharma, Mr. Ajit Kumar Sud, Mr. Pawan Chopra, Mr. V.K. Jhunjhunwala and Mr. K.G. Garg.

Financial Performance

The financial results of Shakumbari Sugar and Allied Industries Limited for the last three financial years are as follows:

(Rs. in million, unless otherwise stated)

	Year Ending September 30, 2004	Year Ending September 30, 2003	Year Ending September 30, 2002
Total Income	655.03	647.88	646.38
Profit/(Loss) after tax	0.18	2.56	(57.50)
Equity share capital (paid up)	98.44	98.44	98.44
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account	92.76	92.71	89.91
Earnings/(Loss) per share (diluted) (Rs.)	0.02	0.26	(5.84)
Book Value per share (Rs.)	19.42	19.42	19.13

2. Rave Entertainment Private Limited

Rave Entertainment Private Limited was incorporated on June 2, 1999. The main business of Rave Entertainment Private Limited is to carry on business of setting up and operation of multiplex complexes.

Shareholding Pattern

The equity shares of Rave Entertainment Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Mr. Vikram M. Kothari	652,500	21.75
Mrs. Sadhana V. Kothari	652,500	21.75
Mrs. Ruchi Gupta	225,000	7.50
Mrs. Raj Gupta	225,000	7.50
Mrs. Rajni Gupta	225,000	7.50
Rotomac Finance Private Limited	195,000	6.50
Mrs. Pragati Gupta	150,000	5.00
Mrs. Manjari Gupta	150,000	5.00
Mrs. Ritu Gupta	150,000	5.00
Mrs. Bhawna Gupta	150,000	5.00
Mrs. Divya Gupta	150,000	5.00
Mrs. Madhu Gupta	75,000	2.50
Total	**3,000,000**	**100.00**

Board of Directors

The board of directors of Rave Entertainment Private Limited as on January 10, 2006 comprises Mr. Mahendra Mohan Gupta, Mr. Vikram M. Kothari, Mr. Boney Kapoor and Mr. Amar Singh.

Financial Performance

The financial results of Rave Entertainment Private Limited for the last three fiscal years are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005	Fiscal 2004	Nine months ending March 31, 2003
Total Income	115.32	92.66	32.32
Profit/(Loss) after tax	17.71	14.79	(5.40)
Equity share capital (paid up)	30.00	30.00	30.00
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account (if any) & Miscellaneous Expenditure	32.18	14.40	(0.47)
Earnings/(Loss) per share (diluted) (Rs.)	5.90	4.93	(1.80)
Book Value per share (Rs.)	20.73	14.80	9.84

3. Rave@Moti Entertainment Private Limited

Rave@Moti Entertainment Private Limited was incorporated on December 8, 2004. The main business of Rave@Moti Entertainment Private Limited is to carry on business of setting up and operation of multiplex complexes.

Shareholding Pattern

The equity shares of Rave@Moti Entertainment Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Rave Entertainment Private Limited	150,000	50.00
Moti Lal Padampat Udyog Limited	150,000	50.00
Total	**300,000**	**100.00**

Board of Directors

The board of directors of Rave@Moti Entertainment Private Limited as on January 10, 2006 comprises Mr. Mahendra Mohan Gupta, Mr. Virendra Kumar Jhunjhunwala, Mr. Vikram M. Kothari, Mr. Mahendra Kumar Jhunjhunwala, Mr. Sanjeev Kumar Jhunjhunwala and Mr. Shailesh Gupta.

Financial Performance

Since the company was incorporated in fiscal 2005, the financial results of Rave@Moti Entertainment Private Limited for the last three fiscal years (apart from fiscal 2005) are not available. The financial results of Rave Entertainment Private Limited for fiscal 2005 are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005
Total Income	Nil*
Profit/(Loss) after tax	Nil*
Equity share capital (paid up) including share application money	3.50
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account (if any) & Miscellaneous Expenditure	Nil*
Earnings/(Loss) per share (diluted) (Rs.)	Nil*
Book Value per share (Rs.)	10.00

* The company has not commenced commercial operations.

4. Jagmini Microknit Private Limited

Jagmini Microknit Private Limited was incorporated on April 26, 1994. Jagmini Microknit Private Limited is in the business of manufacturing socks.

Shareholding Pattern

The equity shares of Jagmini Microknit Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	Number of Equity Shares	% of Issued Equity Share Capital
Mrs. Rajni Gupta	200,000	8.55
Mr. Yogendra Mohan Gupta	150,000	6.41
Mr. Sunil Gupta	150,000	6.41
Mr. Sameer Gupta	150,000	6.41
Mr. Sanjay Gupta	150,000	6.41
Mr. Sandeep Gupta	150,000	6.41
Mrs. Saroja Gupta	150,000	6.41
Mrs. Pramila Gupta	150,000	6.41
Mr. Shailesh Gupta	150,000	6.41
Mr. Devesh Gupta	150,000	6.41
Mr. Tarun Gupta	150,000	6.41
Mr. Devendra Mohan Gupta	150,000	6.41
Mr. Shailendra Mohan	137,500	5.88
Tokyo Kutsushita Co. Limited	90,000	3.85
Mr. Bharat Gupta	75,000	3.21
Mr. Rahul Gupta	75,000	3.21
Mrs. Ruchi Gupta	37,500	1.60
Mrs. Raj Gupta	37,500	1.60
Mrs. Madhu Gupta	25,000	1.07
Mr. Dhirendra Mohan Gupta	12,500	0.53
Total	**2,340,000**	**100.00**

Board of Directors

The board of directors of Jagmini Microknit Private Limited as on January 10, 2006 comprises Mr. Devendra Mohan Gupta, Mr. Shailesh Gupta, Mr. B.L. Kothiwal and Mr. S.S. Bishnoi.

Financial Performance

The financial results of Jagmini Microknit Private Limited are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Total Income	71.04	74.68	87.44
Profit/(Loss) after tax	(0.74)	5.23	12.18
Equity share capital (paid up)	23.40	23.40	23.40
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account (if any) & Miscellaneous Expenditure	33.92	34.64	29.41
Earnings/(Loss) per share (diluted) (Rs.)	(0.32)	2.24	5.20
Book Value per share (Rs.)	24.50	24.80	22.57

5. Jagran TV Private Limited

Jagran TV Private Limited was incorporated on April 8, 2004. The main business of Jagran TV Private Limited is to manage and operate television channels broadcasting, telecasting, relaying, transmitting, video or other programmes and creating software for the industry.

Shareholding Pattern

The equity shares of Jagran TV Private Limited are not listed on any stock exchange. The shareholding pattern of the company, as on January 10, 2006, is as given below:

Name of Shareholder	**Number of Equity Shares**	**% of Issued Equity Share Capital**
New Vernon Bharat Limited	3,458,950	25.70
Mr. Sanjay Gupta	1,000,000	7.43
Mr. Sandeep Gupta	1,000,000	7.43
Mr. Yogendra Mohan Gupta	1,000,000	7.43
Mr. Mahendra Mohan Gupta	750,000	5.57
Mr. Siddhartha Gupta	750,000	5.57
Mr. Shailesh Gupta	750,000	5.57
Mr. Shailendra Mohan Gupta	750,000	5.57
Mr. Sunil Gupta	500,000	3.71
Mr. Sameer Gupta	500,000	3.71
Mr. Dhirendra Mohan Gupta	500,000	3.71
Mr. Devesh Gupta	500,000	3.72
Mr. Tarun Gupta	500,000	3.72
Mr. Devendra Mohan Gupta	500,000	3.72
Mr. Bharat Gupta	500,000	3.72
Mr. Rahul Gupta	500,000	3.72
Total	**13,458,950**	**100.00**

Board of Directors

The board of directors of Jagran TV Private Limited as on January 10, 2006 comprises Mr. Mahendra Mohan Gupta, Mr. Siddhartha Gupta, Mr. Sanjay Gupta and Mr. Shailesh Gupta.

Financial Performance

Since the company was incorporated in fiscal 2005, the financial results of Jagran TV Private Limited for the last three fiscal years (apart from fiscal 2005) are not available. The financial results of Jagran TV Private Limited for the fiscal year 2005 are as follows:

(Rs. in million, unless otherwise stated)

	Fiscal 2005
Total Income	Nil*
Profit/(Loss) after tax	Nil*
Equity share capital (paid up)	100.00
Reserves and Surplus (excluding revaluation reserves) and debit balance of Profit/Loss Account (if any) & Miscellaneous Expenditure	Nil*
Earnings/(Loss) per share (diluted) (Rs.)	N.A.
Book Value per share (Rs.)	10.00

* The company has not commenced commercial operations.

6. Jagran Limited

See section titled “History and Certain Corporate Matters” beginning on page 92.

None of the Promoters or persons in control of the companies which form part of our Promoter group have been restrained from accessing the capital markets by SEBI or any other governmental authority.

Companies with which the Promoter /Promoter group has disassociated in the last three years.

Our Promoters were shareholders in an entity named Jagran Finlease Limited, which had not commenced any business. The company has applied for striking its name under section 560 of the Companies Act through an application dated December 22, 2003. The company has not yet received the order for striking off the name.

Related Party Transactions

For details of the related party transactions, see section titled “Financial Statements- Related Party Transactions” beginning on page 150.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The dividends declared by our Company during the last five fiscal years have been presented below:

	12 months ended December 31, 2000	15 months ended March 31, 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005
Face value of Equity Shares (Rs. per share)	10	10	10	10	10
Dividend (Rs. in million)	Nil	Nil	Nil	Nil	100
Dividend Tax (Rs. in million)	N.A.	N.A.	N.A.	N.A.	14
Dividend per Equity Share (Rs.)	N.A.	N.A.	N.A.	N.A.	10
Dividend Rate (%)	N.A.	N.A.	N.A.	N.A.	100

In addition, our Board of Directors has, pursuant to resolution passed at its meeting held on November 18, 2005, declared an interim dividend of 50% of the face value per Equity Share (i.e., Rs. 5 per Equity Share).

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Some of our financing documents contain restrictive conditions that dividends may not be paid if there are dues owed to the lenders/bondholders, if there are subsisting events of default in respect of the specified loan facility or other than out of our current year earnings. For a description of these and other restrictive covenants in the financing documents, see the section titled “Financial Indebtedness” beginning on page 85.

FINANCIAL STATEMENTS

AUDITORS' REPORT

To,
The Board of Directors,
Jagran Prakashan Limited,
2, Sarvodaya Nagar,
KANPUR-208 005.

Dear Sirs,

We have examined the financial information of Jagran Prakashan Limited (formerly known as Jagran Prakashan Private Limited) ('the Company'/'JPL'), as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors, which has been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 and the amendments made from time to time thereto to the extent applicable, and in accordance with the instructions received by us from the Company requesting us to carry out work in connection with the Red Herring Prospectus being issued by the Company in connection with its Initial Public Offering of Equity Shares (referred to as 'the Issue').

A. Financial Information as per the audited financial statements

We have examined the attached restated Summary of Assets and Liabilities Annexure-1 of the Company as at September 30, 2005, March 31, 2005, 2004, 2003, 2002 and December 31, 2000 and the related Summary of Profit and Loss Account Annexure-2 for each of the periods/years ended on those dates, together referred to as 'Summary Statements'. These Summary Statements have been extracted from the financial statements for these periods audited by us and have been adopted by the Board of Directors/members for the respective periods.

Based on our examination of these Summary Statements, we confirm that:

a. The Summary Statements of the Company have been restated with retrospective effect to reflect the significant accounting policies of the Company (as disclosed in Annexure-5 to this report) as adopted by the Company as at September 30, 2005.

b. All material adjustments including those arising out of qualifications in the auditors' reports relating to relevant previous years/periods have been made in the Summary Statements except for write back and non amortisation of Title, considering its useful life as infinite (refer note 8 of the Notes to Accounts and Accounting Policy no. 6(c), non determination and accounting of Profit/Loss on sale of fixed assets (refer note 3 of the Notes to Accounts) non provision of 100% depreciation on items of fixed assets costing upto Rs.5000/- (refer note 4(a) of the Notes to Accounts) and non determination of liability for leave encashment on actuarial basis (refer Accounting Policy no. 7), composite impact of which as explained is not considered significant.

Summary of significant transactions of Revenue, Purchase, Income and Expenditure of the Company with Promoters and Promoters Group and particulars of loans and advances to Promoters Group disclosed in the Notes to Accounts are as certified by the Company and we confirm that the relationships and transactions between the Company and its related parties have been appropriately reported in accordance with 'AS-18 Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

B. Dividends

We have examined the Statement of Dividend paid by the Company on equity shares in respect of the financial periods/years ended September 30, 2005, March 31, 2005, 2004, 2003, 2002 and December 31, 2000 as disclosed in Annexure-3. We confirm that the Company has no other class of issued and paid-up shares during those years.

C. Other financial information

We have examined the following information relating to the Company proposed to be included in the Red Herring Prospectus, as approved by you and annexed to this report:

i) Summary of Cash Flow enclosed as Annexure-4.

ii) Significant Accounting Policies and Notes to Accounts enclosed as Annexure-5.

iii) Statement of Secured Loans and assets charged as securities, enclosed as Annexure-6.

iv) Statement of Unsecured Loans enclosed as Annexure-7.

v) Statement of Investments enclosed as Annexure-8.

vi) Details of Sundry Debtors, enclosed as Annexure-9.

vii) Statement of Loans and Advances, enclosed as Annexure-10.

viii) Details of items of Other Income which exceed 20 percent of the net profit before tax enclosed as Annexure-11.

ix) Capitalisation Statement of the Company enclosed as Annexure-12.

x) Summary of Accounting Ratios based on the profits relating to earnings per share, net asset value and return on net worth enclosed as Annexure-13.

xi) Tax Shelter Statement of the Company enclosed as Annexure-14.

xii) Changes in Accounting Policies during the last five years enclosed as Annexure-15.

xiii) Statement of Tax Benefits enclosed as Annexure-16.

xiv) Statement of Related Party transactions in accordance with AS 18 enclosed as Annexure-17.

In our opinion, the financial information of the Company, as attached to this report as mentioned in paragraphs (A) to (C) above, read with respective significant accounting policies and notes to accounts after making regroupings/adjustments, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by Securities and Exchange Board of India.

This report is intended solely for use for your information and for inclusion in the Red Herring Prospectus in connection with the issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For J. N. Sharma & Co.
Chartered Accountants

A.K. VERMA
Partner
Membership No.075755

Place : KANPUR
Dated : January 9, 2006.

Annexure-1

SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Million)

Particulars	AS AT 30.09.2005	AS AT 31.03.2005	AS AT 31.03.2004	AS AT 31.03.2003	AS AT 31.03.2002	AS AT 31.12.2000
Assets						
Fixed Assets						
Gross Block	2132.47	1895.54	1610.89	1353.14	1014.03	897.03
Less : Depreciation	921.00	835.87	659.97	511.08	377.69	264.17
Net Block	1211.47	1059.67	950.92	842.06	636.34	632.86
Capital Work in Progress	191.22	192.68	136.26	39.08	67.82	4.13
Total	**1402.69**	**1252.35**	**1087.18**	**881.14**	**704.16**	**636.99**
Investments	6.62	6.56	7.04	7.30	6.34	20.20
Current Assets, Loans and Advances						
Inventories	220.88	367.71	174.05	106.60	138.15	106.14
Sundry Debtors	1100.18	859.14	820.14	651.17	460.88	466.94
Cash and Bank Balances	957.81	112.73	115.65	73.98	67.34	76.34
Other Current assets	9.32	0.46	0.16	1.75	0.98	0.93
Loans and Advances	217.46	159.74	124.25	139.26	104.68	64.40
Total (A)	**2505.65**	**1499.78**	**1234.25**	**972.76**	**772.03**	**714.75**
Current Liabilities and Provisions						
Sundry Creditors and Others	498.67	354.13	286.53	263.65	214.36	201.68
Provisions	28.71	132.55	14.23	10.34	6.04	4.80
Total (B)	**527.38**	**486.68**	**300.76**	**273.99**	**220.40**	**206.48**
Net Current Assets (A-B)	1978.27	1013.10	933.49	698.77	551.63	508.27
Miscellaneous Expenditure not written off	0.00	0.00	0.17	0.34	0.51	0.68
TOTAL	**3387.58**	**2272.01**	**2027.88**	**1587.55**	**1262.64**	**1166.14**
Represented by						
Share Capital	123.56	100.00	100.00	100.00	100.00	100.00
Reserves and Surplus	1780.57	584.38	680.69	528.95	480.87	550.87
Total	**1904.13**	**684.38**	**780.69**	**628.95**	**580.87**	**650.87**
Deferred Tax Liability	315.40	284.00	277.90	227.37	0.00	0.00
Loan Funds						
Secured Loans	1168.05	1080.51	926.22	672.46	615.86	296.26
Unsecured Loans	0.00	223.12	43.07	58.77	65.91	219.01
Total	**1483.45**	**1587.63**	**1247.19**	**958.60**	**681.77**	**515.27**
TOTAL	**3387.58**	**2272.01**	**2027.88**	**1587.55**	**1262.64**	**1166.14**

CHAIRMAN & MANAGING DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

AUDITORS' REPORT

As per our separate Report addressed to the Directors.

For **J. N. SHARMA & CO.**
CHARTERED ACCOUNTANTS

A. K. VERMA
PARTNER.
(M.No.075755)

PLACE : KANPUR.
DATED : 18-11-2005

Annexure-2

SUMMARY OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Rs. in Million)

PARTICULARS	For the 6 months Ended 30.09.2005	For the 12 months Ended 31.03.2005	For the 12 months Ended 31.03.2004	For the 12 months Ended 31.03.2003	For the 15 months Ended 31.03.2002	For the 12 months Ended 31.12.2000
INCOME						
Advertisement Revenue	1439.99	2330.12	1994.98	1556.69	1521.22	993.25
Circulation Revenue	785.29	1384.44	1101.69	980.15	1096.31	598.89
Other Income	57.27	60.16	31.14	25.91	48.38	43.57
Total Income	**2282.55**	**3774.72**	**3127.81**	**2562.75**	**2665.91**	**1635.71**
EXPENDITURE						
Raw Materials Consumed	1095.65	2037.63	1507.65	1187.73	1626.06	900.98
Other Manufacturing Expenses	268.88	471.15	390.31	303.94	316.98	173.90
Employee Cost	269.75	449.81	366.52	272.55	260.43	143.50
Selling & Distribution Expenses	192.07	330.49	242.01	199.63	166.34	73.90
Administrative and Other Expenses	126.55	213.92	171.75	116.29	129.98	60.72
Provision for Bad & Doubtful debts & Bad Debts written off.	15.60	2.43	15.81	17.14	76.38	17.06
Expenditure relating to Previous year	0.00	0.00	5.03	5.66	0.00	0.00
Total Expenditure	**1968.50**	**3505.43**	**2699.08**	**2102.94**	**2576.17**	**1370.06**
Profit before Interest, Depreciation, Tax and Extraordinary items	**314.05**	**269.29**	**428.73**	**459.81**	**89.74**	**265.65**
Interest	39.35	68.68	65.92	66.55	78.18	58.31
Profit before Depreciation, Extra ordinary Items and Tax	**274.70**	**200.61**	**362.81**	**393.26**	**11.56**	**207.34**
Depreciation and Amortisation	85.13	175.90	148.90	133.38	114.11	87.53
Profit before Tax	**189.57**	**24.71**	**213.91**	**259.88**	**(102.55)**	**119.81**
Taxation	47.26	9.44	70.50	91.11	2.65	23.82
Net Profit before Extraordinary Items	**142.31**	**15.27**	**143.41**	**168.77**	**(105.20)**	**95.99**
Add/(Less): Extraordinary Items (net of tax)	(22.52)	0.00	10.20	11.29	0.00	0.00
Net Profit	**119.79**	**15.27**	**153.61**	**180.06**	**(105.20)**	**95.99**

CHAIRMAN & MANAGING DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

AUDITORS' REPORT

As per our separate Report addressed to the Directors.

For **J. N. SHARMA & CO.**
CHARTERED ACCOUNTANTS

A. K. VERMA
PARTNER.
(M.No.075755)

PLACE : KANPUR.
DATED : 18-11-2005

Annexure-3

STATEMENT OF DIVIDEND PAID

(Rs. in Million)

Class of Shares	Face Value Rs./Share	01-04-2005 to 30-09-2005	01-04-2004 to 31-03-2005	01-04-2003 to 31-03-2004	01-01-2001 to 31-03-2002	01-01-2000 to 31-12-2000
Equity Shares						
Paid-Up Equity Share Capital (Rs. in Million)	10.00	123.56	100.00	100.00	100.00	100.00
Interim Dividend (Rs. in Million)	-	-	-	-	-	-
Final Dividend (Rs. in Million)	-	100.00	-	-	-	-
Dividend Tax (Rs. in Million)	-	14.02	-	-	-	-
Interim Dividend (%)	-	-	-	-	-	-
Final Dividend (%)	-	100.00	-	-	-	-

Annexure-4

RESTATED CASH FLOW STATEMENT

(Rs. in Million)

	PARTICULARS	Period Ended 30.09.2005	Year Ended 31.03.2005	Year Ended 31.03.2004	Year Ended 31.03.2003	Period Ended 31.03.2002	Year Ended 31.12.2000
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net profit before tax and extra ordinary items	189.57	24.71	213.91	259.88	(102.55)	119.81
	Add:						
	Depreciation	85.13	175.90	148.90	133.38	114.11	87.53
	Preliminary expenses	0.00	0.17	0.17	0.17	0.17	0.17
	Interest Received	(14.44)	(5.33)	(1.29)	(5.52)	(2.25)	(3.47)
	Interest Paid	39.35	68.68	65.92	66.55	78.18	58.31
	Divedend Received	(0.00)	0.00	(0.05)	0.00	0.00	(0.73)
	Operating profit before working capital changes (1)	**299.61**	**264.13**	**427.56**	**454.46**	**87.66**	**261.62**
	Add/Less : Increase/(Decrease) in Current Assets						
	Debtors*	(241.04)	(37.22)	(170.81)	(190.29)	6.06	(167.71)
	Loans and Advances	(57.72)	(35.49)	15.01	(34.58)	(40.28)	2.72
	Other Current Assets	(8.86)	(0.30)	1.59	(0.77)	(0.05)	(0.49)
	Inventories	146.83	(193.66)	(67.45)	31.55	(32.01)	(24.09)
	Add/Less : Increase/(Decrease) in Current Liabilities & Provisions						
	Current Liabilities & Provisions	40.70	185.92	26.77	53.59	13.92	104.20
	Increase/Decrease in Net Current Assets (2)	**(120.09)**	**(80.75)**	**(194.89)**	**(140.50)**	**(52.36)**	**(85.37)**
	Cash Generated from operations (1)-(2)	**179.52**	**183.38**	**232.67**	**313.96**	**35.30**	**176.25**
	Income Tax Paid	(15.86)	(2.67)	(19.90)	4.28	(2.65)	(23.82)
	Cash flow before prior period and extra ordinary item	**163.66**	**180.71**	**212.77**	**318.24**	**32.65**	**152.43**
	Prior period and Extra ordinary item	(22.52)	0.00	10.20	11.29	0.00	0.00
	Net Cash from operating Activities	**141.14**	**180.71**	**222.97**	**329.53**	**32.65**	**152.43**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of Fixed Assets	(237.55)	(342.13)	(358.76)	(319.36)	(181.70)	(301.32)
	Sale of Fixed Assets	2.09	1.06	3.72	9.00	0.42	0.06
	Interest Received	14.44	5.33	1.29	5.52	2.25	3.47
	Dividend Received	(0.00)	0.00	0.05	0.00	0.00	0.73
	Investments	(0.06)	0.48	0.26	(0.96)	13.86	(15.71)
	Additions to Capital Reserve on take over of business	0.00	0.00	0.00	0.00	35.20	57.15
	Net Cash from Investing Activities	**(221.08)**	**(335.26)**	**(353.44)**	**(305.80)**	**(129.97)**	**(255.62)**

(Rs. in Million)

	PARTICULARS	Period Ended 30.09.2005	Year Ended 31.03.2005	Year Ended 31.03.2004	Year Ended 31.03.2003	Period Ended 31.03.2002	Year Ended 31.12.2000
C.	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from issue of Share Capital	23.56	0.00	0.00	0.00	0.00	0.00
	Proceeds from Securities Premium	1076.39	0.00	0.00	0.00	0.00	0.00
	Proceeds from Long Term Borrowings	87.54	154.29	253.76	56.60	319.60	120.64
	Proceeds from Unsecured Loans	0.00	180.05	0.00	0.00	0.00	79.93
	Repayment of Unsecured Loans	(223.12)	0.00	(15.70)	(7.14)	(153.10)	0.00
	Interest Paid	(39.35)	(68.68)	(65.92)	(66.55)	(78.18)	(58.31)
	Dividend Paid	0.00	(114.03)	0.00	0.00	0.00	0.00
	Preliminary Expenses	0.00	0.00	0.00	0.00	0.00	(0.85)
	Net Cash from financing activities	**925.02**	**151.63**	**172.14**	**(17.09)**	**88.32**	**141.41**
D.	**NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)**	**845.08**	**(2.92)**	**41.67**	**6.64**	**(9.00)**	**38.22**
	Cash and cash equivalents at the beginning of the year/period	112.73	115.65	73.98	67.34	76.34	38.12
	Cash and cash equivalents at the end of the year/period	957.81	112.73	115.65	73.98	67.34	76.34

Note: * Net of adjustment

Deferred Tax being non cash item has not been considered in the statement

Annexure-5

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 2005

A. SIGNIFICANT ACCOUNTING POLICIES:

1. The accounts have been prepared using historical cost convention and on the basis of going concern, with revenues recognized and expenses accounted for on accrual basis. However, interest on Income Tax Refund and claims owing to uncertainty with regard to determination of quantum are accounted for as and when received. (Also refer to Policy No. 15 hereof)

2. Expenses under promotional Schemes are recognized and accounted for at the closure of Schemes.

3. Fixed Assets are stated at Cost.

4. Inventories of Raw Material and Stores are valued at cost and inventory of finished goods is valued at cost or net realisable value, whichever is less. Cost of raw materials and stores is determined on first-in-first-out basis and cost of finished goods is determined on direct cost basis.

5. Provision @ 2.5% on outstanding debtors relating to advertisement billing is made towards bad and doubtful debts. Further, liability for the credits to be allowed to parties on account of rate difference etc. on realisation/settlement is also recognized in the accounts to the extent it is determinate.

6. a) Depreciation is provided according to WDV Method at the rates specified in Schedule XIV to the Companies Act., 1956. However, Depreciation on additions, in case of existing units is provided for full period irrespective of date of addition and no depreciation is provided on assets sold. Keeping in view the useful life, depreciation on assets below Rs. 5,000/- is provided at the rates applicable the category, an asset item belongs to, instead of 100% as prescribed in aforesaid Schedule.

   b) Depreciation is provided on composite cost of Land and Building wherever cost of Land is not separately available. In these cases, the said composite cost is capitalised by debit to Building.

   c) Title is considered to have an infinite life by the management, therefore no part of it is amortized.

   d) Value of properties on long term lease is equally amortized over period of lease.

7. In view of Gratuity Fund created with Life Insurance Corporation of India, no provision for Gratuity is made. Company accounts for Contribution in the said fund as an expense to the extent of demand received from L.I.C.

8. Prepaid and outstanding expenses are accounted for only in those cases, where amount involved in each individual case exceeds Rs.10 Lakhs and Rs. 1000/- respectively.

9. Service charges/incentive payable on achieving targets are accounted for to the extent of claims received and settled.

10. The Company has taken Key man Insurance Policies for some of its directors and Key Managerial personnel and pays premium by debiting Profit & Loss Account. The surrender value of these policies is not accounted for as an asset.

11. Provision for un encashed earned leave is determined on the assumption that all leaves accrued to the employees would be encashed by them at the existing wage rate.

12. Service Charges, Rent, Electricity and other expenses of various Representative offices of the Company are debited to Representative expenses, which are shown as part of News Collection Charges.

13. As per Industry's practice, Newspaper sale and Advertisement charges are net of commission, discounts, returns, and service charges, the amount of which could not be determined.

14. Investments are valued at Cost. However, provision for permanent diminution in value of long-term investment and provision for shortfall in market value as compared to book value in case of current Investment is recognised and made in the accounts. Appreciation in value of these investments subsequent to recognition of diminution is not recognized and accounted for till these investments are actually sold.

15. **Taxation:**

   (i) Company's tax liability determined under the Income tax Act, 1961 for the period and also the tax demand received and paid, if any, during the period in respect of earlier years are shown as current tax. For computation of taxable income, the method of accounting adopted and consistently followed by the Company year after year is cash.

(ii) Deferred tax liability is determined taking current tax rate and is provided on the "timing differences" between taxable income and book income. The "timing differences", as defined by Accounting Standard 22 issued by the Institute of Chartered Accountants of India, are those, which are capable of reversal in future. Further, this is shown net of deferred tax assets, which are recognised to the extent there is a reasonable certainty with regard to their future realisation.

16. (i) Foreign Currency Monetary Items are valued using the conversion rate prevailing as at Balance Sheet date. The difference between the value at which these were initially recorded or reported in the previous financial statements and the value determined using the closing rate is recognized as income or expense as the case may be.

(ii) Conversion as at Balance Sheet date of Foreign Currency Non-Monetary Items, which are carried at historical cost, is done using the closing rate and the difference between the historical cost and the value so arrived at is adjusted in the value of asset and the related liability.

(iii) Remaining Non-Monetary Items which are carried at fair value or other similar values are valued using the exchange rates when the values were determined.

B. NOTES TO ACCOUNTS:

1. CONTINGENT LIABILITIES:

a)	On account of Court Cases relating to defamation labour, etc.	:	Amount indeterminate
b)	Others	:	NIL

2. Title deeds of Leasehold Land at Agra of Rs.4.75 Lacs from U.P.S.I.D.C. Ltd., Land at Mohali of Rs.65.86 Lacs and a Flat at Ahmedabad of Rs. 4.46 Lacs included in Building are yet to be executed.

3. Profit/Loss on sale of Fixed Assets has neither been determined nor accounted for in the cases where complete details necessary for computation of profit/loss were not available. In such cases, entire sale proceeds have been credited to gross block of Fixed Assets. The amount involved however is not material.

4. a) Short fall as compared to Schedule XIV to the Companies Act, 1956 in depreciation provided on assets below Rs. 5000/- in accordance with the accounting policy, has not been determined. However, in the opinion of management, it is not likely to be significant.

b) Shortfall as above is offset by the excess provision for depreciation in consequence of adoption of policy of providing depreciation on addition for full period instead of on pro rata basis as prescribed in the Schedule.

5. Sundry Debtors, Sundry Creditors, Security Deposits and Party account balances made and received by the Company are unconfirmed.

6. Capital Reserve, being realised gain resulted from take over of running business of certain companies in the year 2000, has been transferred to General Reserve during the current period.

7. The Company is engaged in printing and publication of Hindi Newspaper and Magazines in India. These in the context of the Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India are considered to constitute one single primary segment.

8. Accounting Treatment of title "Dainik Jagran" being an intangible asset comes within the purview of Accounting Standard 26 issued by the Institute of Chartered Accountants of India which was made mandatory w.e.f. 1st April, 2003. According to the said Accounting Standard, an intangible asset having an infinite useful life does not require a write off. However, the value of Rs.17.00 Crores of title having an indefinite useful life was completely written off in March, 2003 because firstly, the said Accounting Standard was though in existence was not mandatory and secondly, because the then existing recommendations of the Institute of Chartered Accountants of India with regard to Accounting Treatment of intangible assets suggested the write off.

The matter was reviewed during the financial year 2004-2005 and conclusion was reached that without exhibiting the value of title being a valuable acquired paid for asset having an indefinite useful life, the Accounts cannot be deemed to be giving a true and fair state of affairs of the Company and accordingly the title was brought back in the books by credit to General Reserve.

In view of the aforesaid review of the Accounting Treatment giving in March 2003 and resultant Accounting Treatment given in March 2005, the adjustment in respect of write off of title in March 2003 has been made to nullify the impact of this write off on the profits for the year ended on that date.

9. The corresponding effect of all the Adjustments made in the Profit & Loss Account has been given in Balance Sheet items.

10. No adjustment for deferred tax has been made in financial years upto 2002 as the relevant Accounting Standard became applicable only from financial year 2003-04.

11. **Managerial Remuneration :** **(Rs. in Lacs)**

	CURRENT PERIOD	PREVIOUS YEAR
(i) Salary	76.80	187.60
(ii) Contribution to Provident Fund	4.90	13.63
(iii) Perquisites	18.35	33.77
	100.05	235.00

The amount relating to Directors out of contribution in Gratuity Fund with LIC is not separately available and hence not considered.

12. Expenditure relating to previous year for 2002-03 and for 2003-04 in these restated accounts represent expenditure in respect of earlier years accounted for in the Audited Accounts for the year 2003-04 and 2004-05 respectively

Annexure-6

Statement of Secured Loans

(Rs. in Million)

Particulars	As At 30.09.2005	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003	As At 31.03.2002	As At 31.12.2000	Securities Offered	Interest Rate %	Terms of Repayment
I. Working Capital Facilities									
From Central Bank of India									
Cash Credit	292.76*	145.63	364.38	308.58	242.76	127.18	*Refer Note No. 1 & 2	BPLR-2.5% subject to minimum of with monthly rests 8.5%	
Commercial Paper	250.00*	250.00	100.00	-	-	-		Rs.100.00 Million 5.73%	Payable on 18-10-2005
								Rs.100.00 Million 5.72%	Payable on 16-11-2005
								Rs. 50.00 Million 5.66%	Payable on 15-12-2005
II. Term Loan :									
a. From Banks									
Allahabad Bank	-	-	456.25	-	-	106.91			
Central Bank of India	-	-	-	-	-	26.29		6 month	
Bank of Baroda FCNR	259.50**	314.91	-	-	-	-	**Refer Note No. 1 & 2	Libor+2.5%	Payable in 10 Quarterly Instalments ending on30th March, 2008
Bank of Baroda Rupee Loan	13.41**	16.74	-	-	-	-		BPLR-3% 7.5%	
Rabo Bank ECB	197.95**	197.91	-	-	-	-		6 month Libor +1.25% p.a. +monitery fees @ 1% p.a.	Payable on 3 equal installments on13-3-07, 13-3-08 &13-3-09
b. From Financial Institutions									
Industrial Financial Corporation of India	-	-	-	-	-	17.94			
I C I C I Limited	-	-	-	350.00	350.00	-			
III. From Life Insurance Corporation of India									
Against Keyman Policy	-	-	2.11	11.72	20.70	14.30			
IV. Debentures (Bank of Baroda)									
150, 7.25% NCD of Rs. 10 lac each	150.00***	150.00	-	-	-	-	***Refer Note No.1 & 3	'7.25%	15-7-2007 Rs.45 Million 15-7-2008 Rs.45 Million 15-7-2009 Rs.60 Million
V. Deferred Credits									
Land	0.14****	0.14	0.14	1.04	1.98	2.84	****Refer Note No. 4	Interest ranging between 4.32% to 10.77%	Payable in EMI the last of which is payable on May 2008
Vehicles	3.06****	3.61	3.14	1.12	0.42	-			
Other Assets	1.23	1.57	0.20	-	-	0.80	N.A.		
	1168.05	**1080.51**	**926.22**	**672.46**	**615.86**	**296.26**			

NOTES:

1. Debentures, Working Capital Facilities and Term Loans are secured by first charge ranking pari-passu between the Debenture Trustees, Central Bank of India, Bank of Baroda and Cooperatieve Centrale Raiffeisen Boernleen Bank, B. A.
   a) by way of Hypothecation of all movable assets including fixed assets, stocks, book debts and other receivables both present and future.
   b) by way of equitable mortgage of company's immovable properties, both present and future.
2. Working Capital facilities from Central Bank of India and Term Loan from Bank of Baroda are further secured by personal guarantee of some of the directors and equitable mortagage of some of the properties belonging to the directors.
3. Debentures have tenure of five years, redeemable in three yearly instalments of 30%, 30%, 40% with Call/ Put option. The redemption has to commence and/ or Call/Put option is exercisable after expiry of three years from the date of allotment i.e. 14.07.2004.
4. Deferred Credit secured by Hypothecation of relevant assets and personally guaranteed by any one of the Directors.

Annexure-7

STATEMENT OF UNSECURED LOANS

(Rs. in Million)

	AS AT 30.09.2005	AS AT 31.03.2005	AS AT 31.03.2004	AS AT 31.03.2003	AS AT 31.03.2002	AS AT 31.12.2000
From Banks	-	200.00	-	-	-	-
From Subsidiary Companies	-	-	-	-	-	55.70
From Associate Companies	-	-	-	6.51	6.53	0.92
From Others	-	23.12	43.07	52.26	59.38	162.39
	-	**223.12**	**43.07**	**58.77**	**65.91**	**219.01**

Annexure-8

STATEMENT OF INVESTMENTS **(Rs. in Million)**

Particulars	As At 30.09.2005 Cost	Mkt Value	As At 31.03.2005 Cost	Mkt Value	As At 31.03.2004 Cost	Mkt Value	As At 31.03.2003 Cost	Mkt Value	As At 31.03.2002 Cost	Mkt Value	As At 31.12.2000 Cost	Mkt Value
INVESTMENTS OTHER THAN TRADE UNLESS OTHERWISE STATED (AT COST) :												
A. Quoted												
145650 Fully Paid up Equity Shares of Rs. 10/- each	1.62	NA	1.62	NA	1.62	NA	1.62	NA	1.62	NA	1.62	NA
In Jagran Limited (Trade)												
20100 Fully Paid up Equity Shares of Rs. 10/- each In The Bank of Rajasthan Limited	6.47	1.14	6.47	1.13	6.47	0.75	6.47	0.28	6.47	0.25	6.47	0.32
20000 Fully Paid up Equity Shares of Rs. 10/- each	0.60	NA	0.60	NA	0.60	NA	0.60	NA	0.60	NA	0.60	NA
In C R B Corporation Limited												
18500 Fully Paid up Equity Shares of Rs. 10/- each	0.19	-	0.19	0.15	0.19	NA	0.19	NA	0.19	NA	0.19	NA
In Mega Fin (India) Limited												
1100 Fully Paid up Equity Shares of Rs. 10/- each In Bank of India	0.06	0.13	0.06	0.11	0.06	0.06	0.06	0.04	0.06	0.03	0.06	0.02
	8.94		**8.94**		**8.94**		**8.94**		**8.94**		**8.94**	
Less : Provision	8.00		8.00		8.00		8.00		8.64		6.17	
	0.94		**0.94**		**0.94**		**0.94**		**0.30**		**2.77**	
B. Unquoted												
a. Investment in Subsidiaries :												
110000 Fully Paid up Equity Shares of Rs. 100/- each***** of Jagran Prakashan Delhi Pvt Ltd (A 100% Subsidiary Co.)	-	-	-	-	-	-	-	-	-	-	11.00	-
60000 Fully Paid up Equity Shares of Rs. 10/- each***** of Jagran Prakashan Varanasi Pvt Ltd (A 100% Subsidiary Co.)	-	-	-	-	-	-	-	-	-	-	0.60	-
10200 Fully Paid up Equity Shares of Rs. 10/- each***** of Rohilkhand Publication Pvt Ltd (A 100% Subsidiary Co.)	-	-	-	-	-	-	-	-	-	-	0.10	-

Particulars	As At 30.09.2005 Cost	Mkt Value	As At 31.03.2005 Cost	Mkt Value	As At 31.03.2004 Cost	Mkt Value	As At 31.03.2003 Cost	Mkt Value	As At 31.03.2002 Cost	Mkt Value	As At 31.12.2000 Cost	Mkt Value
100000 Fully Paid up Equity Shares of Rs. 10/- each of Jagran Publication Pvt Ltd	1.00	-	1.00	-	-	-	-	-	-	-	-	-
5000 Fully Paid up Equity Shares of Rs. 10/- each of Jagran Prakashan (MPC) Pvt Ltd	0.05	-	-	-	-	-	-	-	-	-	-	-
510000 Fully Paid up Equity Shares of Rs. 10/- each of Jagran Infotech Ltd (a Subsidiary)	-	-	-	-	-	-	-	-	-	-	5.10	-
460000 Fully Paid up Equity Shares of Rs. 10/- each of Jagran Infotech Ltd.	4.60	-	4.60	-	4.60	-	4.60	-	4.60	-	-	-
b. Investment in Others :												
Investment in Partnership Firm (Jagran Research Centre)	-	-	-	-	1.48	-	1.74	-	1.43	-	0.62	-
50 Fully Paid up Equity Shares of Rs. 100/- each of UNI	0.01	-	0.01	-	0.01	-	0.01	-	0.01	-	0.01	-
100 Fully Paid up Equity Shares of Rs. 100/- each of UNI	0.01	-	0.01	-	0.01	-	0.01	-	-	-	-	-
95 Fully Paid up Equity Shares of Rs. 100/- each of PTI	0.01	-	-	-	-	-	-	-	-	-	-	-
	5.68		**5.62**		**6.10**		**6.36**		**6.04**		**17.43**	
	6.62		**6.56**		**7.04**		**7.30**		**6.34**		**20.20**	

* These were 100% Subsidiary Companies only for the period from 01-04-2000 to 31-12-2000

Annexure-9

Statement of Sundry Debtors **(Rs. in Million)**

Particulars	As At 30.09.2005	As At 31.03.2005	As At 31.03.2004	As At 31.03.2003	As At 31.03.2002	As At 31.12.2000
Debts outstanding for a period exceeding six months						
Considered Good	158.60	169.80	145.87	97.07	81.95	76.04
Considered Doubtful	38.55	29.33	31.41	24.05	16.94	10.35
Other Debts - Considered Good	941.58	689.34	674.27	554.10	378.93	390.90
	1138.73	888.47	851.55	675.22	477.82	477.29
Less : Provision for Doubtful Debts	38.55	29.33	31.41	24.05	16.94	10.35
Total	**1100.18**	**859.14**	**820.14**	**651.17**	**460.88**	**466.94**

Annexure-10

STATEMENT OF LOANS AND ADVANCES

(Rs. in Million)

	AS AT 30.09.2005	AS AT 31.03.2005	AS AT 31.03.2004	AS AT 31.03.2003	AS AT 31.03.2002	AS AT 31.12.2000
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED						
UNSECURED CONSIDERED GOOD						
SECURITY DEPOSITS						
- With Promotor	13.52	13.52	-	-	-	-
- With Others	68.05	67.43	27.74	12.42	6.08	4.55
Advance Income Tax (Net of Provision)	27.42	22.05	58.69	42.49	32.35	37.95
LOANS AND ADVANCES						
- To Promotor Group Companies,	-	-	0.01	3.22	3.15	-
- To Associate Companies	54.23	15.11	-	-	16.98	0.82
- To Others	54.24	41.63	37.81	81.13	46.12	21.08
UNSECURED CONSIDERED DOUBTFUL						
Loans and Advances to Others	0.69	0.69	0.83	0.83	-	-
	218.15	**160.43**	**125.08**	**140.09**	**104.68**	**64.40**
Less : Provision for Doubtful Advances	0.69	0.69	0.83	0.83	-	-
TOTAL :	**217.46**	**159.74**	**124.25**	**139.26**	**104.68**	**64.40**

Annexure-11

Details of other Income exceeding 20% of the Profit before tax of respective periods **(Rs. in Million)**

Sources of Income	For the 6 months ended 30-09-2005	For the 12 months ended 31-03-2005	For the 15 months ended 31-03-2002	For the 12 months ended 31-12-2000	Nature	Arising out of
Income from Outdoor activity	15.80	10.56	0.00	0.00	Recurring	Normal Business activities
Income from SMS Services	6.12	0.83	0.00	0.00	Recurring	Normal Business activities
Job Charges Received	13.61	28.23	26.85	21.13	Recurring	Normal Business activities
Scrap & Waste paper Sale	5.61	9.48	9.28	0.00	Recurring	Normal Business activities
Interest Received on :						
- Bank Deposits (Gross)	12.82	0.41	0.78	0.46	Recurring	Normal Business activities
- Income tax Refund	0.00	3.74	0.00	0.00	Non Recurring	Other than normal Business activities
- Others (Gross)	1.62	1.18	1.47	3.01	Recurring	Normal Business activities
Miscellaneous Income	1.19	4.78	9.27	18.97	Recurring	Normal Business activities
Increase/Decrease in Stock	0.50	0.95	0.73	0.00	Recurring	Normal Business activities
	57.27	**60.16**	**48.38**	**43.57**		

WORKING NOTES

Particulars	For the 6 months ended 30-09-2005	For the 12 months ended 31-03-2005	For the 15 months ended 31-03-2002	For the 12 months ended 31-12-2000
Other Income (A)	57.27	60.16	48.38	43.57
Profit/(Loss) before tax (B)	189.57	24.71	(102.55)	119.81
Percentage (A/B)%	30.21	243.46	-	36.37

Annexure-12

Capitalisation statement as at 30.09.05 **(Rs Million)**

	Pre Issue as on 30.09.05	**As adjusted for Issue**
Debt		
Short term debt	542.76	542.76
Long term debt	625.29	625.29
Total Debt	**1168.05**	**1168.05**
Shareholders funds		
Share capital	123.56	see-note -2
Reserves	1780.57	
Total Shareholders funds	**1904.13**	
Total capitalisation	**3072.18**	**1168.05**
Long term debt / equity	**0.33**	

Notes:

1. Short term debts are debts repayable within one year from the date of above statement.
2. The Equity Share Capital and Reserve & Surplus (Post Issue) can be calculated only on conclusion of Book Build Building Process.

Annexure-13

Summary of accounting Ratios	For the 6 months ended 30-09-2005	For the 12 months ended 31-03-2005	For the 12 months ended 31-03-2004	For the 12 months ended 31-03-2003	For the 15 months ended 31-03-2002	For the 12 months ended 31-12-2000
Accounting Ratios :						
Basic & Diluted Earnings per share before adjusting exceptional items	25.32	1.53	14.34	16.88	(8.42)	9.60
Basic & Diluted Earnings per share after adjusting exceptional items	21.31	1.53	15.36	18.01	(8.42)	9.60
Cash Earnings per share	42.23	19.79	35.31	40.88	0.71	18.35
Return on Net Worth (%) before adjusting exceptional items	14.95%	2.23%	18.37%	26.85%	-14.50%	14.76%
Return on Net Worth (%) after adjusting exceptional items	12.58%	2.23%	19.68%	28.64%	-14.50%	14.76%
Net Assets Value per equity share	154.11	68.44	78.05	62.86	58.04	65.02

Notes:

1. Earnings per share and Return on Net Worth for the 15 months period ended 31-03-2002 has been annualized for making them comparable with rest of the years.
2. Earnings per share and Return on Net worth has been calculated on basis of Profits as calculated in Annexure- 2 of Statement of Profits.
3. Earnings per share and Return on Net worth for the 6 months period ended 30-09-2005 has been annualized for making them comparable with rest of the years.

4. Weighted average number of shares outstanding during the year 2005	**No. of Shares**	**No. of Months**	**Product**	Weighted average number of shares outstanding during the April to Sept. 2005
	10000000	6.00	60000000	
	2355716	3.16	7444063	
	12355716		67444063	11240677

5. **The ratios have been computed as below:**

Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	=	**Net profit/(loss)(after tax, before exceptional item) attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year.**
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	=	Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year.
Cash Earnings per share (Rs.)	=	Net profit/(loss) (after income tax, before depreciation/amortisation and deferred taxes) attributable to equity shareholders/Weighted average number of equity shares outstanding during the year
Return on net worth before adjusting exceptional item (%)	=	Net profit/(loss) after tax as per Profit and Loss Account/ Net worth at the end of the year (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	=	Net profit/(loss) after tax, before exceptional item) as per Profit and Loss Account/ Net worth at the end of the year (excluding preference share capital)
Net asset value per equity share (Rs.)	=	Net worth excluding preference share capital at the end of the year/ Number of equity shares outstanding at the end of the year.

6. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

7. Net profit, as appearing in the summary profit and loss account of the respective years, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis restated financial statements of the Company.

8. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earning Per Share” issued by the Institute of Chartered Accountants of India.

9. The Company has made allotment of equity shares of Rs.10/- each on the following dates :

Date of Allotment	**No. of Equity Shares**
Op. as on 01-01-2000	100000
15-05-2000	4900000
30-06-2000	5000000
25-06-2005	2355716
	12355716

Annexure-14

TAX SHELTER STATEMENT **(Rupees in Million)**

	For the year ended 30.09.2005	For the year ended 31.03.2005	For the year ended 31.03.2004	For the year ended 31.03.2003
Net Profit/(Loss) before Tax and after Extraordinary Items as per books	**156.90**	**19.91**	**228.72**	**104.51**
Normal Tax Rates Applicable (%)	**33.66%**	**36.59%**	**35.88%**	**36.75%**
Minimum Alternate Tax (MAT) Rates Applicable u/s 115 JA/JB (%)	**8.42%**	**7.84%**	**7.69%**	**7.88%**
Tax at notional rate	**52.81**	**7.29**	**82.05**	**38.41**
MAT	12.24	1.56	17.59	8.24
Adjustments				
Permanent Difference				
Expenses Disallowed/ disallowable	-5.03	-0.58	-5.36	-8.82
Income taxable/ exempt from tax	0.00	0.00	0.26	0.16
Amortisation of title , Under IT Act,1961	6.00	12.00	12.00	12.00
Other adjustments	0.00	-1.50	1.84	0.15
Total Permanent Difference –A	**0.97**	**9.92**	**8.74**	**3.49**
Timing Difference				
Difference between Tax Depreciation and Book Depreciation	**-8.50**	**41.69**	**33.77**	**18.29**
Difference between Book Income and Tax Income due to different methods of accounting (Net)	**181.28**	**18.80**	**135.95**	**114.81**
Unabsorbed losses	**-16.85**	**-50.49**	**0.00**	**112.33**
Total Timing Differences –B	**155.93**	**10.00**	**169.72**	**245.43**
C Total Adjustments(A+B)	**156.90**	**19.92**	**178.46**	**248.92**
Tax Saving Thereon:	**52.81**	**7.29**	**64.02**	**91.48**
Total Taxation	**0.00**	**0.00**	**18.03**	**-53.07**
MAT	**0.00**	**1.56**	**0.00**	**0.00**
Taxation on extraordinary Items	**0.00**	**0.00**	**0.04**	**56.08**
Tax on profits before extra-ordinary items	**0.00**	**0.00**	**18.07**	**3.01**

Notes:

1. Tax shelter for the year ended 31-12-2000 and for the period ended 31.03.2002 is not prepared as the accounting year / period were different from the tax year.

2. Tax on Extraordinary items for year ended 31-03-2003 is net of Rs 62.47 million being tax on debits not allowable as deduction from income and Rs 6.39 million being tax on credit taxable under the Income Tax Act, 1961.

Annexure-15

STATEMENT OF CHANGES IN ACCOUNTING POLICIES

For the period ended 30-09-2005	For the year ended 31-03-2005	For the year ended 31-03-2004	For the year ended 31-03-2003	For the period ended 31-03-2002	For the year ended 31-12-2000
—	—	—	The Company started providing for permanent diminution in value of investments.	The Company reviewed its policy with regard to: - 1. Provisioning for bad and doubtful debts and provision @ 2.5% instead of 5% hitherto on debtors relating to advertisement billing has been considered adequate, in provision. As a result of reduction from 5% to 2.5% from the current year, loss for the year is lower and debtors are higher by Rs. 96.12 Lacs. 2. Valuation of newsprint inventory. The Company has started adding freight inward and transit insurance to value of purchases and considering these direct costs for valuation of inventory. As a result, loss for the year is lower and inventories are higher by Rs. 46.89 Lacs respectively. 3. Provision of Liability for the credits to be allowed to the parties on account of rate difference etc. on realisation/settlement with them, Upto the previous year, Company was adjusting the debit balances of parties only on realisation of payment after final negotiations with them. From the current year, keeping in view the past trend of the credits allowed to the parties at the time of receipt of payment, Company has started recognising this liability in the account on estimated basis. As a result, loss for the year and other liabilities are higher by Rs. 281.17 Lacs.	The Company reviewed its policy with regard to: - 1. Stocks are valued at Cost. From current year in order to exhibit more realistic value of inventories, Company has started valuing imported and indigenous stocks taking separately their respective costs. As a result of this change, profits and inventories are higher by Rs.77.03 lacs. 2. Provision for unencashed earned leaves is as determined by the management. Hitherto, Company was not making provision for the same. As a result of this change, profit for the year is lower by Rs. 47.97 Lacs. and provision is higher by the same amount. 3. Service Charges, Rent, Electricity and other expenses of various Representative offices of the Company are debited to Representative expenses, which are shown as part of News Collection Charges.

ANNEXURE-16

STATEMENT OF TAX BENEFITS

Tax benefits listed below are the benefits available under the current tax laws in India. Subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore the ability of the Company or its shareholders to get the tax benefits is dependent upon fulfilling such conditions.

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Taxes.

1. To the Company - Under the Income-tax Act, 1961 (the Act)

1.1 There is no additional benefit arising to the Company under The Income Tax Act, 1961, by proposed Initial Public Offer of Equity Shares.

2. To the Members of the Company – Under the Income Tax Act

2.1 Resident Members

a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 88 E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

f) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

g) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for

purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

h) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

i) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.2 Non Resident Indians/Members other than Foreign Institutional Investors and Foreign Venture Capital Investors

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.

b) **Taxation of Income from investment and Long Term Capital Gains on its transfer**

(i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".

(ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus applicable surcharge and educational cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

(iii) Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

2.3 Return of Income not to be filed in certain cases

Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.

2.4 Other Provisions of the Act

a) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would computed as per normal provisions of the Act.

b) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

c) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

d) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

e) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

f) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).

g) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.5 Foreign Institutional Investors (FIIs)

a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the institutional investor.

b) Under section 115AD capital gain arising on transfer of short capital assets, being shares and debentures in a company, are taxed as follows:

(i) Short term capital gain on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed @ 10% (plus applicable surcharge and educational cess); and

(ii) Short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @ 30% (plus applicable surcharge and educational cess).

c) Under section 115AD capital gain arising on transfer of long term capital assets, being shares and debentures in a company, are taxed @ 10% (plus applicable surcharge and educational cess). Such capital gains would be computed without giving effect to the first and second proviso to section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

d) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –

(i) National Bank for Agriculture and Rural Development established Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;

(ii) National Highways Authority of India constituted under Section National Bank for Agriculture and Rural Development established under 3 of National Highways Authority of India Act, 1988;

(iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

(iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and

(v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

e) Under Section 54ED of the Act, capital gain arising from transfer of long term capital assets, being listed securities or units [other than those exempt u/s 10(38)], shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested in public issue of equity shares issue by of an Indian Public Company within a period of six months from the date of such transfer. If only a part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new equity shares are transferred or converted into money within one year from the date of their acquisition.

2.6 Venture Capital Companies / Funds

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

2.7 Infrastructure Capital Companies / Funds or Co-operative Bank

As per the provisions of section 10(23G) of the Act, income by way of dividends, interest or long term capital gains of

- Infrastructure Capital Company;
- Infrastructure Capital Fund; and
- Co-operative Bank

from investment made in share or long term finance in undertakings specified therein shall be exempt from tax. However, such income earned by an Infrastructure Capital Company shall not be exempt for the purpose of computing tax on book profits u/s 115JB of the Act.

3. Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

4. The Gift Tax Act, 1957

Gift of shares of the company made on or after October 1, 1998 are not liable to tax.

Notes:

a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.

b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

Annexure-17

RELATED PARTIES

(A) (i) Subsidiary :

a)	Jagran Prakashan (Varanasi) Pvt. Limited	From 01-04-2000 to 31.12.2000
b)	Jagran Prakashan (Delhi) Pvt. Limited	From 01-04-2000 to 31.12.2000
c)	Rohilkhand Publication Pvt. Ltd.	From 01-04-2000 to 31.12.2000

(ii) Enterprise over which Promoters, Directors and/or their relatives have significant influences:

a) Jagmini Micro Knit Private Limited
b) Classic Hosiery Private Limited (Earlier known as Jagran Micro Motors Ltd.)
c) Shakumbhari Sugar & Allied Ind. Limited
d) Laxmi Consultants (P) Ltd.
e) P.C. Overseas Private Limited
f) Shri Puran Finance & Leasing Limited
g) Kanchan Properties Limited
h) Jagran Subscriptions Private Limited
I) Om Multimedia Private Limited
j) Jagran TV Pvt Ltd.
k) Jagran Investment Co.
l) Intellistudent Services Private Limited
m) Rave Entertainment Private Limited
n) SPFL Securities Limited
o) Rave@Moti Entertainment Private Limited
p) Jagran Research Centre — Upto 30.06.2004
q) Jagran Publication

(B) Associates :

a) Jagran Limited
b) Jagran Infotech Limited
c) Jagran Publication (P) Ltd.
d) Jagran Prakashan (MPC) Pvt. Limited

(C) Key Management Personal

a)	Shri Narendra Mohan Gupta	Chairman	Upto 19.09.2002
b)	Shri Mahendra Mohan Gupta	Chairman and Managing Director	
c)	Shri Yogendra Mohan Gupta	Whole-time Director	
d)	Shri Dhirendra Mohan Gupta	Whole-time Director	
e)	Shri Sunil Gupta	Whole-time Director	
f)	Shri Sanjay Gupta	Whole-time Director	
g)	Shri Sandeep Gupta	Whole-time Director	
h)	Shri Shailesh Gupta	Whole-time Director	
I)	Shri Virendra Kumar Gupta	Executive President	Director upto 30.11.2004

(D) Directors and Relatives

a)	Shri Devendra Mohan Gupta		
b)	Shri Shailendra Mohan Gupta		
c)	Shri Sameer Gupta	Executive President	Director From 07.06.2002 to 30.11.2004
d)	Shri Devesh Gupta	Executive President	Director From 31.08.2000 to 30.11.2004
e)	Shri Tarun Gupta	Executive President	Director From 20.06.2001 to 30.11.2004
f)	Shri Bharat Gupta	Executive President	Director From 31.08.2000 to 30.11.2004
g)	Smt. Saroja Gupta		
h)	Smt. Vijaya Gupta		
I)	Smt. Pramila Gupta		
j)	Smt. Madhu Gupta		
k)	Smt. Raj Gupta		
l)	Smt. Rajani Gupta		
m)	Smt. Mamta Gupta		Upto 31.03.2005
n)	Smt. Pragati Gupta		
o)	Smt. Bhawana Gupta		
p)	Smt. Ruchi Gupta		

(E) Hindu Undivided Family and Firm of Directors and their Relatives

a) P.C. Gupta Family Trust
b) P.C. Gupta HUF
c) N.M. Gupta HUF
d) M.M. Gupta HUF
e) Y.M. Gupta HUF
f) S.M. Gupta HUF
g) D.M. Gupta HUF
h) DH. M. Gupta HUF
i) Tirupati Printers

(F) Details of Transactions **(Rs. in Millions)***

Nature of Transactions	Parties referred to in A above					
	30.9.2005	**31.3.2005**	**31.3.2004**	**31.3.2003**	**31.3.2002**	**31.12.2000**
Purchase of Fixed Assets	-	-	-	20.25	-	-
Receiving of services	4.80	9.00	7.20	6.75	7.28	5.36
Guarantee Commission	-	-	-	-	-	-
Rent Paid	1.63	3.00	1.50	0.20	0.21	0.22
Sale of Newspapers & advertisement space	0.73	2.77	1.48	2.40	1.40	0.06
Interest Received	1.12	0.35	-	0.22	0.27	1.84
Share in Partnership Firm	-	-	(0.06)	0.16	0.71	-
Loan Given	20.00	20.00	-	38.49	10.03	1.21
Guarantees	-	553.35	754.30	820.78	778.00	712.80
Investment	0.00	0.00	1.49	1.76	1.43	12.32
Security Deposit	16.00	16.00	10.00	7.72	4.77	-
Debtors	1.30	1.01	0.36	2.34	0.12	0.11
Loan Taken	-	-	-	0.03	0.50	60.29
Amounts Payable	0.59	5.18	4.98	31.86	49.90	4.95
Expenses Reimbursed by Others	2.23	1.40	0.83	0.99	0.33	0.00
Other Receivables	0.72	-	6.04	6.01	8.00	0.00
Dividend Received	-	-	-	-	-	0.00
Dividend Paid	-	-	-	-	-	-
Rent Received	0.33	0.08	-	-	0.09	0.06

Nature of Transactions	Parties referred to in B above					
	30.9.2005	**31.3.2005**	**31.3.2004**	**31.3.2003**	**31.3.2002**	**31.12.2000**
Purchase of Fixed Assets	-	-	-	-	-	-
Receiving of services	1.20	4.30	2.40	2.40	2.40	0.32
Guarantee Commission	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-
Sale of Newspapers & advertisement space	-	-	-	-	-	-
Interest Received	0.22	-	0.19	-	-	-
Share in Partnership Firm	-	-	-	-	-	-
Loan Given	53.11	13.03	-	-	14.10	-
Guarantees	-	-	-	-	-	-
Investment	7.27	7.22	6.22	6.22	6.22	6.72
Security Deposit	-	-	-	-	-	-
Debtors	-	-	-	-	-	-
Loan Taken	-	-	-	6.50	6.53	0.92
Amounts Payable	-	-	-	-	-	-
Expenses Reimbursed by Others	-	-	-	-	1.19	0.44
Other Receivables	1.34	-	-	-	2.88	0.82
Dividend Received	-		-	-	-	0.73
Dividend Paid	-		-	-	-	-
Rent Received	-	-	-	-	-	-

Nature of Transactions	Parties referred to in C above					
	30.9.2005	31.3.2005	31.3.2004	31.3.2003	31.3.2002	31.12.2000
Purchase of Fixed Assets	-	-	-	-	-	-
Receiving of services	10.00	23.60	17.36	12.91	14.95	5.84
Guarantee Commission	-	-	-	-	-	-
Rent Paid	0.82	1.83	-	-	-	-
Sale of Newspapers & advertisement space	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Share in Partnership Firm	-	-	-	-	-	-
Loan Given	-	-	-	-	-	0.20
Guarantees	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Security Deposit	4.69	5.79	-	-	-	-
Debtors	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-
Amounts Payable	-	-	-	-	-	-
Expenses Reimbursed by Others	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Dividend Received	-	-	-	-	-	-
Dividend Paid	43.00	-	-	-	-	-
Rent Received	-	-	-	-	-	-

Nature of Transactions	Parties referred to in D above					
	30.9.2005	31.3.2005	31.3.2004	31.3.2003	31.3.2002	31.12.2000
Purchase of Fixed Assets	-	-	-	-	-	-
Receiving of services	3.69	3.10	0.74	0.26	0.23	0.28
Guarantee Commission	1.20	2.40	1.40			
Rent Paid	1.51	2.61	2.28	0.28	0.28	0.28
Sale of Newspapers & advertisement space	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Share in Partnership Firm	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-
Guarantees	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Security Deposit	19.31	17.21	-	-	-	-
Debtors	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-
Amounts Payable	-	-	-	-	-	-
Expenses Reimbursed by Others	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Dividend Received	-	-	-	-	-	-
Dividend Paid	57.00	-	-	-	-	-
Rent Received	-	-	-	-	-	-

Nature of Transactions	Parties referred to in E above					
	30.9.2005	31.3.2005	31.3.2004	31.3.2003	31.3.2002	31.12.2000
Purchase of Fixed Assets	-	-	-	-	-	-
Receiving of services	4.40	-	-	-	-	-
Guarantee Commission	-	-	-	-	-	-
Rent Paid	2.20	4.20	4.20	0.11	0.11	0.11
Sale of Newspapers & advertisement space	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Share in Partnership Firm	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-
Guarantees	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Security Deposit	21.00	21.00	-	-	-	-
Debtors	-	-	-	-	-	-
Loan Taken	-	-	-	-	-	-
Amounts Payable	-	-	-	-	-	-
Expenses Reimbursed by Others	-	-	-	-	-	-
Other Receivables	0.70	-	-	-	-	-
Dividend Received	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Rent Received	-	-	-	-	-	-

***excludes advertisement published for parties referred to in (A) on barter basis.**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You are also advised to read the section titled "Risk Factors" beginning on page ix of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act. The following discussion is also based on internally prepared statistical information and publicly available information.

Since January 1, 2001, our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are, unless otherwise stated, to the twelve-month period ended March 31 of that year. Prior to January 1, 2001, our fiscal year commenced on January 1 and ended on December 31 of the same year. As a result of the change in the dates for the beginning and end of our fiscal year, references to fiscal 2002 are to the 15 months ended March 31, 2002. Therefore, fiscal 2002 is not comparable with fiscal 2003, fiscal 2004 and fiscal 2005 due to the difference in accounting periods.

Overview

We publish India's largest read and highest circulated daily newspaper, *Dainik Jagran*. (Sources: IRS 2005, Round 2 and ABC certified figures for January-June 2005.) *Dainik Jagran* has a total readership of approximately 19.2 million readers per day as per IRS 2005, Round 2, which we believe is the highest readership of any publication in the history of IRS, and a total readership of 21.2 million per day as per NRS 2005. Net paid sales of *Dainik Jagran* were approximately 2.4 million copies per day for January-June 2005 as per ABC certified figures.

Dainik Jagran is a Hindi daily newspaper published in 28 editions across 10 states. We publish *Dainik Jagran* in 25 editions, one of our associated companies publishes two editions of *Dainik Jagran* and an unrelated firm publishes one edition of *Dainik Jagran*. *Dainik Jagran*, then known as *Jagran*, was first published in 1942.

Our internet portal (www.jagran.com) contains a channel where we post all editorial and advertising content of the day's *Dainik Jagran* in electronic form. Our internet portal is the world's most visited site in all Hindi categories. (Source: Alexa.com, November 11, 2005.) We launched jagran.com in 1997 and until recently we ran it for brand building purposes only.

We have a short code service (7272) for mobile phone users to receive various types of information (e.g., news in both Hindi and English) and access various services (e.g., download ring-tones) by SMS (short message service) and voice using IVR (interactive voice recognition) and/or ASR (automatic speech recognition). We launched our IVR/ASR service on short code 7272 in January 2005 and our SMS service on short code 7272 in March 2005.

We provide promotional marketing and event management services and have an outdoor advertising business.

We also publish *Sakhi*, a monthly magazine targeted at women, *Jagran Varshiki*, an annual general knowledge digest, and various national and state statistical compilations.

We print from 25 facilities with a total installed capacity of approximately 1.32 million copies per hour. We distribute our newspapers through a multi-tiered network of agents and vendors.

Expansion of our Publications

As part of our strategy to grow *Dainik Jagran's* footprint, we have added 11 new editions since the beginning of fiscal 2002. Since the beginning of fiscal 2002, we have incurred capital expenditure (including capital works in progress) of Rs. 1,422.53 million, most of which was used in setting up new printing facilities for these new editions and upgrading and modernizing our printing facilities for our other editions.

Revenues

The table below provides a break down of our total income for the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003 and fiscal 2002:

(Rs. In million)

	Six Months ended September 30, 2005		12 Months Ended March 31,						15 Months Ended March 31,2002	
			2005		2004		2003			
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Advertisement Revenue	1,439.99	63.09%	2,330.12	61.73%	1,994.98	63.78%	1,556.69	60.74%	1,521.22	57.06%
Circulation Revenue	785.29	34.40%	1,384.44	36.68%	1,101.69	35.22%	980.15	38.25%	1096.31	41.12%
Other Income	57.27	2.51%	60.16	1.59%	31.14	1.00%	25.91	1.01%	48.38	1.82%
Total Income	**2,282.55**	**100%**	**3,774.72**	**100%**	**3,127.81**	**100%**	**2,562.75**	**100%**	**2,665.91**	**100.00%**

Advertisement Revenue

We derive most of our income from the sale of advertising space in our publications. For the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003 and fiscal 2002, advertisement revenue accounted for 63.09%, 61.73%, 63.78%, 60.74% and 57.06% of our total income, respectively.

We recognize our advertisement revenue as and when advertisements are published and displayed. Our advertisement revenue is net of trade discounts given to advertisement agencies and is also net of incentives paid to advertisement agencies or advertisers on the achievement of certain agreed targets for advertisements by value placed with us.

For information about how we price and collect our advertisement revenue, see “Our Business” on page 51.

Our ability to increase our advertisement rates for *Dainik Jagran* above the inflation rate is to a large extent dependant upon increases in *Dainik Jagran’s* circulation and readership. Although it takes time for a new edition of *Dainik Jagran* to establish itself in a new market and to grow its circulation and readership, the launching of each new edition has resulted in both increases in its circulation and readership. However, readership is generally calculated twice a year by IRS (January to June and July to December) and the NRS is supposed to do likewise (although there was no Round 2 survey in 2004 for IRS and there has only been one NRS survey in each of the last three years). Circulation is also calculated twice a year by ABC (January to June and July to December). We generally revise our advertisement rates at the beginning of each fiscal year (early April) and also at times when we launch a new edition. However, we do not necessarily receive the full benefit of increased readership and circulation until we can show certified figures to our customers and these customers perceive *Dainik Jagran* as strong brand in that particular market. This means there can be a three- to four-year time lag between increased circulation and readership and a corresponding increase in advertisement revenue.

For the periods January-June 2003, July-December 2003, January-June 2004 and July-December 2004, the full extent of *Dainik Jagran’s* total circulation was not captured by ABC. ABC has certain rules with respect to certifying circulation figures. As a result of intense competition between *Dainik Jagran* and *Amar Ujala* in Meerut and Dehradun, we gave trade discounts to our agents in excess of that allowed as per ABC rules. As a result, the Meerut and Dehradun editions of *Dainik Jagran* did not receive an ABC certificate for their circulation for the periods January-June 2003 and July-December 2003. Furthermore the Ranchi, Jamshedpur and Dhanbad editions, which were launched in February 2003, only became ABC members for the first time for the January -June 2005 period.

Our advertisement revenue is higher in the last six months of the fiscal year (October – March) due primarily to the occurrence of the festive season and the end of the financial year for most businesses in India. As a result of this, our quarter-to-quarter results may not be comparable or a meaningful indicator of our future performance.

Circulation Revenue

Circulation revenue (revenue from sale of publications) comprises revenue from the sale of our editions of *Dainik Jagran*, revenue from the sale of supplements to the publishers of the Bhopal, Rewa and Jhansi editions of *Dainik Jagran* and revenue from sale of our other publications, including *Sakhi*. We earn a significant proportion of our revenues from our circulations revenue. For the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003, and fiscal 2002, our circulation revenue accounted for 34.40%, 36.68%, 35.22%, 38.25% and 41.12%, of our total income, respectively. Set forth below is our breakdown of our circulation revenue for the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003 and fiscal 2002.

(Rs. In million)

	Six Months Ended September 30, 2005	Twelve Months Ended March 31,			Fifteen Months Ended March 31, 2002
		2005	2004	2003	
Revenue from sale of newspapers	778.79	1,370.43	1,089.95	966.19	1072.58
Revenue from sale of other publications	3.60	9.14	6.50	6.62	11.39
Revenue from sale of supplements	2.90	4.87	5.24	7.34	12.34

We recognize circulation revenue when the publication is delivered to agents or vendors as the case may be. Our sale of publications revenue is net of trade discounts given to our agents and vendors and returns of unsold stock. For information about how we price and distribute our editions of *Dainik Jagran*, see "Our Business – Our Products and Services – Dainik Jagran – Sales and Circulation" on page 75.

Although we earn a significant proportion of our revenues from sales of our newspapers, this revenue does not even cover the cost of newsprint. It is a feature of the Indian newspaper industry that circulation revenue does not cover newspaper production cost. This loss, known in the industry as newsprint loss, is subsidized by advertisement revenue. However, as discussed above in "Advertisement Revenue", there is usually a lag between increases in circulation and increases in advertisement revenue.

Other Income

Other income includes income from job printing for third parties, income from outdoor advertising, promotional marketing and event management, income for our short code services, sale of scrap and waste paper and interest. For the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003 and fiscal 2002 other income accounted for 2.51%, 1.59% 1.00%, 1.01% and 1.82% of our total income, respectively.

Job Printing

We recognize income from job printing when the printed material is delivered to or picked up by the customer.

Outdoor Advertising and Promotional Marketing and Event Management

We started our outdoor advertising business in fiscal 2004. We recognize income from outdoor advertising on the completion of the period of the advertisement. We started our promotional marketing and event management business in fiscal 2004. We recognize income from promotional marketing and event management on the completion of the marketing campaign and the completion of the event, respectively.

Short Code Services

We launched our short code services in January 2005. We recognize income from our short code services at the time of the delivering the message to the service user.

Expenditure

Our expenditure consists primarily of raw materials consumed (newsprint and ink), other manufacturing expenses, selling and distribution expenses and employee costs. Because the majority of our expenditure, particularly newsprint, is linked to the number of newspapers and magazines we sell, increases in circulation have resulted in an increase in our total expenditure. In addition, when we launch a new edition, we incur additional expenses, including advertising costs, sales promotion costs and brand promotion costs and additional staff costs. Our total expenditure as a percentage of our total income was 86.24%, 92.87%, 86.29%, 82.06% and 96.63% for the six months ended September 30, 2005, fiscal 2005, fiscal 2004, fiscal 2003 and fiscal 2002, respectively.

Raw Materials Consumed

Raw materials consumed comprise newsprint and ink. Newsprint forms the major raw material for our business and is the most significant cost to our business. The following table sets forth the costs of our newsprint in absolute terms, the costs of our newsprint as a percentage of our total revenues and our imported newsprint costs as a percentage of our total newsprint costs for the six months ended September 30, 2005 and the last four fiscal years.

(Rs. In million)

	Six Months Ended September 30, 2005	Twelve Months Ended March 31,			Fifteen Months Ended March 31, 2002
		2005	2004	2003	
Newsprint costs (Rs.million)	1,021.01	1,906.83	1,416.74	1,117.91	1,539.11
Newsprint costs as a percentage of total revenues	44.73%	50.52%	45.29%	43.62%	57.73%
Imported newsprint cost as a percentage of total newsprint cost	47.20%	60.79%	56.71%	53.26%	51.98%

We purchase all of our newsprint from Indian suppliers on a spot basis but generally purchase our imported newsprint on a quarterly basis at a price fixed for that quarter. The price of newsprint, both worldwide and in India, has historically been both cyclical and volatile. During the industry cycle, the price of imported newsprint in India may vary from international prices. We do not hedge the price of our newsprint purchases. At times of steep increase in newsprint prices, we attempt to change the mix of imported and indigenous newsprint and consider cover price increases in areas where we have the greatest strength. Fluctuations in the price of newsprint in any given period will affect our results of operations during that period. For further information on the price of newsprint, see "Our Business-Our Sources of Newsprint" on page 82**.**

Other Manufacturing Expenses

Other manufacturing costs comprise consumption of stores and spares, which includes printing plates, films, chemicals, etc., printing and service charges paid to third parties, news services, news collection and contributions (articles written by third parties), power and fuel, insurance, inward freight (except for freight on newsprint, which is included in newsprint cost), cartage charges and repair and maintenance of plant and machinery, buildings and others.

Employee Cost

Employee cost is the expenditure incurred on employees and comprises salaries, wages and allowances, contributions to provident and other funds, gratuity payments, staff welfare costs, and recruitment and training costs. It also includes payments to retainers engaged on a regular basis by us.

Selling and Distribution Expenses

Selling and distribution costs primarily include outward freight and forwarding charges, advertising costs, sales promotion costs and brand promotion costs.

Administrative and other Expenses

Administrative and other expenses includes telephone charges (including lease line charges), travelling expenses, web site maintenance, rent, auditors' fees, donations and bank and other finance charges.

Depreciation and Amortization

We provide for depreciation according to the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. We provide for depreciation on newly acquired assets for a full accounting period irrespective of the date those assets are put to use in case of existing facilities and from the date of the commencement of printing of a new edition of *Dainik Jagran* in case of newly launched facilities. We do not provide for depreciation on assets sold in the accounting period.

On asset items valued at below Rs. 5,000, we provide depreciation at the normal rate applicable to the category the asset item belongs to keeping in view the asset's useful life instead of the special rate of 100% as provided in the above referred schedule.

Amortization relates to properties taken on long-term lease. The value of these properties is equally amortized over the period of lease.

Set forth below is a table showing our total income, expenditure by line item and significant components thereof and certain other line items for the six months ended September 30, 2005, fiscal 2005, fiscal 2004 fiscal 2003 and fiscal 2002 and their respective percentage of our total income for the corresponding periods.

	Six Months ended September 30, 2005		Twelve Months Ended March 31,						15 Months Ended March 31, 2002	
			2005		2004		2003			
	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income	Rs. Million	% of Total Income
Total Income	**2,282.55**	**100%**	**3,774.72**	**100%**	**3,127.81**	**100%**	**2,562.75**	**100%**	**2,665.91**	**100%**
Expenditure:										
Raw Materials Consumed	1,095.65	48.00%	2,037.63	53.98%	1,507.65	48.20%	1,187.73	46.34%	1,626.06	60.99%
Newsprint Consumed	1,021.01	44.73%	1,906.83	50.52%	1,416.74	45.29%	1,117.91	43.62%	1,539.11	57.73%
Ink	74.64	3.27%	130.80	3.46%	90.91	2.91%	69.82	2.72%	86.95	3.26%
Employee Cost	269.75	11.82%	449.81	11.92%	366.52	11.72%	272.55	10.64%	260.43	9.77%
Other Manufacturing Expenses	268.88	11.78%	471.15	12.48%	390.31	12.48%	303.94	11.86%	316.98	11.89%
Selling & Distribution Expenses	192.07	8.41%	330.49	8.76%	242.01	7.74%	199.63	7.79%	166.34	6.24%
Administrative and Miscellaneous Expenses	126.55	5.54%	213.92	5.67%	171.75	5.49%	116.29	4.54%	129.98	4.88%
Provision for Bad and Doubtful Debts and Bad Debts Written Off	15.60	0.68%	2.43	0.06%	15.81	0.51%	17.14	0.67%	76.38	2.87%
Expenditure Relating to Previous Year	0.00	0.00%	0.00	0.00%	5.03	0.16%	5.66	0.22%	0.00	0.00%
Total Expenditure	**1,968.50**	**86.24%**	**3,505.43**	**92.87%**	**2,699.08**	**86.29%**	**2,102.94**	**82.06%**	**2,576.17**	**96.63%**
Profit before Interest, Depreciation, Amortization, Tax and Extraordinary Items	314.05	13.76%	269.29	7.13%	428.73	13.71%	459.81	17.94%	89.74	3.37%
Interest	39.35	1.72%	68.68	1.82%	65.92	2.11%	66.55	2.60%	78.18	2.93%
Profit before Depreciation, Amortization, Tax and Extraordinary Items	**274.70**	**12.03%**	**200.61**	**5.31%**	**362.81**	**11.60%**	**393.26**	**15.35%**	**11.56**	**0.43%**
Depreciation and Amortization	85.13	3.73%	175.90	4.66%	148.90	4.76%	133.38	5.20%	114.11	4.28%
Profit before Tax and Extraordinary Items	**189.57**	**8.31%**	**24.71**	**0.65%**	**213.91**	**6.84%**	**259.88**	**10.14%**	**(102.55)**	**-3.85%**
Tax	47.26	2.07%	9.44	0.25%	70.50	2.25%	91.11	3.56%	2.65	0.10%
Net Profit before Extraordinary Items	**142.31**	**6.24%**	**15.27**	**0.40%**	**143.41**	**4.59%**	**168.77**	**6.59%**	**(105.20)**	**-3.95%**
Extraordinary Items, net of tax	(22.52)	(0.99%)	0.00	0.00%	10.20	0.33%	11.29	0.44%	0.00	0.00%
Net Profit	**119.79**	**5.25%**	**15.27**	**0.40%**	**153.61**	**4.92%**	**180.06**	**7.03%**	**(105.20)**	**-3.95%**

Foreign Currency

Our foreign currency exposure primarily relates to our import of newsprint, which is priced in US dollars, and bank loans in US dollars.

Foreign currency monetary items are valued using the conversion rate prevailing as at the balance sheet date. The difference between the value at which these were initially recorded or reported in the previous financial statements and the value determined using the closing rate is recognized as income or expense as the case may be.

Conversion as at the balance sheet date of foreign currency non-monetary items that are carried at historical cost is done using the closing rate and the difference between the historical cost and the value so arrived at is adjusted in the value of the asset and the related liability. Remaining non-monetary items that are carried at fair value or other similar values are valued using the exchange rates when the values were determined.

Adverse movements in foreign exchange rates (e.g., depreciation of the Rupee) to the extent unhedged may adversely affect our results of operations.

Hedging Activities

From time to time, depending on our assessment of the prevailing market conditions, we enter into foreign exchange forward contracts to hedge a portion of or all of our foreign exchange exposure in respect of our bank loans. Our foreign exchange forward contracts are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of the transaction is recognized over the period of the contract. Gain or loss on the restatement of the foreign currency transactions and cancellation of forward exchange contracts, if any, is reflected in the profit and loss account except gain or loss on loans relating to the acquisition of fixed assets, which is adjusted to the carrying amounts of the fixed assets.

In January 2005, we entered into an interest rate derivative contract with respect to movements in LIBOR for a US$3 million loan. The derivative contract terminates in March 2009. We will recognize any notional gains or losses from this interest rate derivative contract in the profit and loss account as a net interest expense at the end of a financial period (or actual gains or losses, if earlier, when the contract period ends or the contract is terminated).

Taxation

Tax expense comprises both current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. The timing differences are those that are capable of reversal in future. Further, this is shown net of deferred tax assets, which are recognized to the extent there is a reasonable certainty with regard to their future realization. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The timing differences are mainly due to the fact that we use the cash method of accounting for taxation purposes whilst we use the accrual method for financial statement purposes and also due to the differences in depreciation policies and rates for purposes of taxation compared with our financial statements.

Auditor's Qualifications to Financial Statements

As stated in the Auditors' report included in this Red Herring Prospectus, all adjustments including those arising out of qualifications in the auditors' reports relating to the relevant previous years/periods have been made in our financial statements included herein except for the following items.

Provision for Unencashed Leave

We have been making provision for unencashed leave following a policy of assuming that all leaves accumulated up to close of the accounting period and eligible to be carried forward will be encashed by the employees, which is never the case because employees do avail of some of the leaves and encash only remaining ones. Therefore, in our opinion, the provisions made by us are not less than what we would have made had we followed the policy of making provisions on actuarial basis, as is required under Indian GAAP.

Accounting for Loss/Profit on Sale of Fixed Assets

Where complete details necessary for the computation of profit or loss on the sale of a fixed asset were not available, we have neither determined nor accounted for the profit or loss, as the case may be, which is required in terms of accepted accounting practices. In such cases, the entire sale proceeds have been credited to the gross block of fixed assets. In our opinion, the impact of this on our operating results and the block of our fixed assets is insignificant because we have not had any significant sale of assets.

Depreciation of Assets Costing Less than Rs. 5,000

Under Schedule XIV to the Companies Act, assets costing less than Rs. 5,000 are to be written off at 100% in the year of purchase. Contrary to Schedule XIV, keeping in view the estimated useful life, we depreciate assets costing less than Rs. 5,000 at the rates applicable to the category an asset item belongs to. Had we written-off all assets costing less than Rs. 5,000 in the year of purchase, our depreciation charges would have increased, our profit would have decreased and our total assets would have decreased. We have not determined what these amounts would have been but, in our opinion, they are not likely to have significant impact and would have been offset by our policy of providing for depreciation of some of our newly acquired assets for the entire period rather than on a pro-rata basis from the date of purchase, which policy is further discussed below.

We provide for depreciation on newly acquired assets for a full accounting period irrespective of the date those assets are put to use in case of existing facilities and from the date of the commencement of printing of a new edition of *Dainik Jagran* in case of newly launched facilities. Under Schedule XIV to the Companies Act, an asset should be depreciated on a pro-rata basis from the time it was purchased in the accounting period. Had we followed the above referred schedule, our depreciation charges would have decreased, our profit would have increased and our total assets would have increased. Although we have not determined what these amounts would have been, in our opinion, these changes are not likely to have been significant.

Write Back and Non Amortization of the Dainik Jagran Title

In March 2003, we wrote the entire value of the *Dainik Jagran* title of Rs. 170 million off. In our opinion, Accounting Standard 26 issued by the Institute of Chartered Accountants in India, which became mandatory with effect from April 1, 2003, does not require write-off of an intangible asset having an infinite useful life. In fiscal 2005, we reviewed our decision to write-off the entire value of the *Dainik Jagran* title in view of the fact that we believe it has an infinite useful life and decided to write-back the Rs. 170 million by bringing it back into the books by way of credit to the General Reserve.

Our Results of Operations

Six-month Period Ended September 30, 2005

Some of the key developments during the six months ended September 30, 2005 were:

- We launched two new editions of *Dainik Jagran*: the Muzaffarpur edition in April 2005; and the Jammu edition in August 2005.
- We earned revenue from our short code services, the first of which was launched in January 2005, for an entire accounting period for the first time.
- The hiring of six key senior professionals to strengthen and expand our promotional marketing and event management capabilities.
- In June 2005, Independent News & Media PLC, through its wholly-owned subsidiary INMIL, acquired 3,212,486 Equity Shares for a total consideration of Rs. 1,500 million, of which Rs. 1,100 million was paid to us for 2,355,716 newly issued Equity Shares and the other Rs. 400 million was paid to the Gupta Family Shareholders to acquire 856,770 Equity Shares from them.

Income. Income for the six months ended September 30, 2005 was Rs. 2,282.55 million, comprising Rs. 1,439.99 million of advertisement revenue, Rs. 785.29 circulation revenue and Rs. 57.27 million of other income. In this six-month period, both advertisement and circulation revenue benefited from the launching of the two new editions of *Dainik Jagran.* In addition, income was positively affected by the activities of our six new key senior professionals hired to strengthen and expand our event management capabilities, and Rs. 6.12 million in revenue from our short code services. Our short code services received nearly eight million SMS in this six-month period. Other income also included Rs. 14.44 million in interest primarily earned on fixed deposits with the banks, placed out of the proceeds from the issuance of fresh Equity Shares to INMIL in June 2005.

Expenditure. Our total expenditure was Rs. 2,007.85 million for the six months ended September 30, 2005. Our total expenditure for the period was adversely affected by the additional costs incurred on account of the two new editions launched in this six-month period. As a percentage of total income, our expenditure was 86.24% for the six months ended September 30, 2005.

Raw Materials Consumed. Our raw materials consumed were Rs. 1,095.65 million for the six months ended September 30, 2005. As a percentage of total income, raw materials consumed were 48.00% for the six months ended September 30, 2005.

Employee Costs. Our employee costs were Rs. 269.75 million for the six months ended September 30, 2005. As a percentage of total income, employee costs were 11.82% for the six months ended September 30, 2005.

Other Manufacturing Expenses. Other manufacturing costs were Rs. 268.88 million for the six months ended September 30, 2005. As a percentage of total income, other manufacturing expenses were 11.78% for the six months ended September 30, 2005.

Selling and Distribution Expenses. Selling and distribution expenses were Rs. 192.07 million for the six months ended September 30, 2005. As a percentage of total income, selling and distribution expenses were 8.41% for the six months ended September 30, 2005.

Administrative and Miscellaneous Expenses. Administrative and miscellaneous expenses were Rs. 126.55 million for the six months ended September 30, 2005. As a percentage of total income, administrative and miscellaneous expenses were 5.54% for the six months ended September 30, 2005.

Provision for Bad and Doubtful Debts and Bad Debts Written Off. Provision for bad debts and doubtful debts and bad debts written off was Rs. 15.60 million during the six months ended September 30, 2005. This item reflected the provision for doubtful advertising and circulation debts and the write-off of the outstanding debts relating to advertisements relating to the financial year ended December 31, 1999.

Profit before Interest, Depreciation, Amortization, Tax and Extraordinary Items. As a result of the foregoing factors, our profit before interest, depreciation, amortization, tax and extraordinary items was Rs. 314.05 million for the six months ended September 30, 2005.

Interest. Interest was Rs. 39.35 million for the six months ended September 30, 2005. We reduced our outstanding debt from Rs. 684.88 million as of April 1, 2005 to Rs. 625.29 million as of September 30, 2005.

Depreciation and Amortization. Depreciation and amortization was Rs. 85.13 million for the six months ended September 30, 2005.

Net Profit before Extraordinary Items. As a result of the foregoing, our profit after tax but before extraordinary items for the six months ended September 30, 2005 was Rs. 142.31 million, after providing for total tax expense of Rs. 47.26 million. Our effective tax rate for the six-month period was 24.93%.

Extraordinary Item, net of tax. We paid Rs. 30 million in fees to a professional advisor in connection with the issue of Equity Shares to INMIL in June 2005, which resulted in a Rs. 22.52 million charge as an extraordinary item net of tax.

Net Profit. As a result of the foregoing factors, we made a net profit of Rs. 119.79 million for the six months ended September 30, 2005.

Fiscal 2005 Compared with Fiscal 2004

Some of the key developments during fiscal 2005 were:

- We launched the Haldwani edition of *Dainik Jagran* in May 2005.
- The operation of Bhagalpur, Panipat and Ludhiana editions of *Dainik Jagran* for an entire fiscal period for the first time. The Bhagalpur and Panipat editions were both launched in July 2003 and the Ludhiana edition was launched in January 2004.
- A large increase in *Dainik Jagran's* net paid sales, as evidenced by a 35.53% increase in the circulation of *Dainik Jagran* as per ABC certified figures for the July–December 2004 period compared with the July–December 2003 period. However, the extent of the increase in our net paid sales of *Dainik Jagran* was not as large as the percentage increase in ABC circulation figures would suggest. As a result of intense competition between *Dainik Jagran* and *Amar Ujala* in Meerut and Dehradun, in part of fiscals 2003 and 2004 we paid trade discounts to our agents in excess of that allowed as per ABC rules. As a result, these editions of *Dainik Jagran* did not receive an ABC certificate for their circulation for the periods January-June 2003 and July-December 2003. We ceased paying commission in excess of ABC rules in the last month of fiscal 2004 and as a result the Meerut and Dehradun editions of *Dainik Jagran* received an ABC certificate for their circulation for the period January – June 2004.
- Our average cost of newsprint increased by approximately 13.75%, from approximately Rs. 21,312 per tonne in fiscal 2004 to Rs. 24,242 per tonne in fiscal 2005.

Some of the key developments during fiscal 2004 were:

- Launch of the Bhagalpur and Panipat editions of *Dainik Jagran* in July 2003 and the Ludhiana edition in January 2004.
- The operation of the Ranchi, Jamshedpur and Dhanbad editions of *Dainik Jagran* for an entire fiscal period for the first time. These editions were all launched on February 12, 2003, so their financial performance was only reflected in our results of operations for less than a quarter in fiscal 2003.
- A significant increase in net paid sales of *Dainik Jagran's* in Western Uttar Pradesh. As explained above, as a result of us giving trade discounts to our agents in excess of that allowed by ABC, the Meerut and Dehradun editions of *Dainik Jagran* did not receive an ABC certificate for their circulation for the periods January-June 2003 and July-December 2003.

Total Income. Total income increased by Rs. 646.91 million, or 20.68%, from Rs. 3,127.81 million in fiscal 2004 to Rs. 3,774.72 million in fiscal 2005.

Advertisement Revenue. Our advertisement revenue increased by Rs. 335.14 million, or 16.80%, from Rs. 1,994.98 million in fiscal 2004 to Rs. 2,330.12 million in fiscal 2005. This increase was due to an increase in advertisement space, primarily colour space, and also advertisement rate increases introduced at the beginning of fiscal 2005.

Circulation Revenue. Circulation revenue increased by Rs. 282.75 million, or 25.67%, from Rs. 1,101.69 million in fiscal 2004 to Rs. 1,384.44 million in fiscal 2005. This increase was primarily due to an increase in the circulation of all of our existing editions (except Jalandhar, part of whose area of distribution was shifted to the Ludhiana edition), the launch of the Haldwani edition and the sale of the Bhagalpur, Panipat and Ludhiana editions for the entire fiscal year. Our circulation revenue also increased due to a 6% increase in average realization per copy, which was due to an increase in the average cover price for *Dainik Jagran* and a reduction in the rate of trade discounts paid to agents in Meerut and Dehradun.

Other Income. Other income increased by Rs. 29.02 million, or 93.19%, from Rs. 31.14 million in fiscal 2004 to Rs. 60.16 million. Job printing increased by Rs. 14.68 million, or 108.34%, from Rs. 13.55 million to Rs. 28.23 million primarily due to

increased volume of job work. Income from outdoor advertising and event management increased by Rs. 5.58 million, or 112.05%, from Rs. 4.98 million in fiscal 2004 to Rs. 10.56 in fiscal 2005, reflecting our increased focus on this business. Sale of scrap and waste paper increased by Rs. 3.33 million, from Rs. 6.14 million to Rs. 9.47 million. Interest income increased from Rs. 1.29 million to Rs. 5.33 million primarily due to the receipt of interest on our tax refund.

Total Expenditure. Total expenditure increased by Rs. 806.35 million, or 29.87%, from Rs. 2,699.08 million in fiscal 2004 to Rs. 3,505.43 million in fiscal 2005. As a percentage of total income, total expenditure increased from 86.29% in fiscal 2004 to 92.87% in fiscal 2005.

Raw Materials Consumed. Raw materials consumed increased by Rs. 529.98 million, or 35.15%, from Rs. 1,507.65 million in fiscal 2004 to Rs. 2,037.63 million in fiscal 2005. This increase was primarily due to a Rs. 490.09 million, or 34.59%, increase in newsprint costs, from Rs. 1,416.74 million in fiscal 2004 to Rs. 1,906.83 million in fiscal 2005. This increase was due to an approximately 13.75% increase in average newsprint costs, from approximately Rs. 21,312 per tonne in fiscal 2004 to Rs. 24,242 per tonne in fiscal 2005, coupled with an increase in circulation of *Dainik Jagran*. Imported newsprint represented 60.79% of our total newsprint costs in fiscal 2005 compared with 56.71% in fiscal 2004. As a percentage of total income, newsprint costs increased from 45.29% in fiscal 2004 to 50.52% in fiscal 2005.

Employee Cost. Employee cost increased by Rs. 83.29 million, or 22.72%, from Rs. 366.52 million in fiscal 2004 to Rs. 449.81 million in fiscal 2005. This increase was primarily due to an increase in the number of our employees (including retainers) from 2,901 as of March 31, 2004 to 3,488 as of March 31, 2005. This increase was due to the launching of the Haldwani edition, the strengthening of our editorial and marketing departments and the setting up of one more printing centre at Noida. In addition, the increase in employee costs was also due to average wage increases to our employees of approximately 7% and the operation of the Bhagalpur, Panipat and Ludhiana editions for the entire fiscal year for the first time.

Other Manufacturing Expenses. Other manufacturing expenses increased by Rs. 80.84 million, or 20.71%, from Rs. 390.31 million in fiscal 2004 to Rs. 471.15 million in fiscal 2005. This increase was primarily due to the increase in circulation of *Dainik Jagran*, the launching of the Haldwani edition and the operation of the Bhagalpur, Panipat and Ludhiana edition for the entire fiscal year for the first time.

Selling and Distribution Expensess. Selling and distribution expenses increased by Rs. 88.48 million, or 36.56%, from Rs. 242.01 million in fiscal 2004 to Rs. 330.49 million in fiscal 2005. This increase was due to a Rs. 84.47 million, or 128.39%, increase in sales and brand promotional expenses, from Rs. 65.79 million to Rs. 150.26 million and a Rs. 20.31 million, or 26.28%, increase in outward freight from Rs. 77.26 million to Rs. 97.57 million, which was primarily due to the increase in *Dainik Jagran's* circulation. These increases were partially offset by a Rs. 16.30 million, or 16.47%, decrease in advertising expenses from Rs. 98.96 million in fiscal 2004 to Rs. 82.66 million in fiscal 2005, which decrease was due to less advertising as a result of our increased focus on promotional activities.

Administrative and Other Expenses. Administrative and other expenses increased by Rs. 42.17 million, or 24.55%, from Rs. 171.75 million in fiscal 2004 to Rs. 213.92 million in fiscal 2005. This increase was primarily due to the launching of the Haldwani edition and the operation of the Bhagalpur, Panipat and Ludhiana edition for the entire fiscal year and increased levels of operations in our existing facilities for the first time.

Provision for Bad and Doubtful Debts and Bad Debts Written Off. Provision for bad and doubtful debts and bad debts written off decreased by Rs. 13.38 million, or 84.63%, from Rs. 15.81 million in fiscal 2004 to Rs. 2.43 million in fiscal 2005. This decrease was primarily due to tighter credit control.

Profit before Interest, Depreciation, Amortization, Tax and Extraordinary Items. As a result of the foregoing factors, our profit before interest, depreciation, amortization, tax and extraordinary items decreased by Rs. 159.44 million, or 37.19% from Rs. 428.73 million to Rs. 269.29 million.

Interest. Interest increased by Rs. 2.76 million, or 4.19%, from Rs. 65.92 million in fiscal 2004 to Rs. 68.68 million in fiscal 2005. This increase was primarily due to new long-term borrowings of Rs. 350.00 million, which were used to meet capital expenditure and availing higher working capital loans to meet increased working capital requirements due to increased level of operations. These increases were partly off-set by replacing an outstanding long-term loan of Rs. 425.00 million by another long-term loan of the same amount, bearing a lower rate of interest and by issuing Rs. 150 million more in lower interest bearing commercial paper, which have a credit rating of P1+ (the highest rating for commercial paper given by CRISIL).

Depreciation and Amortization. Depreciation and amortization increased by Rs. 27.00 million, or 18.13%, from Rs. 148.90 million in fiscal 2004 to Rs. 175.90 million in fiscal 2005. This increase was primarily due to the depreciation on the capitalization of Rs. 284.65 million in fixed assets in fiscal 2005, which was primarily due to the launching of the Haldwani edition, setting up one more printing centre at NOIDA and the expansion and upgrading of some of our printing facilities.

Profit before Tax and Extraordinary Items. As a result of the foregoing factors, profit before tax and extraordinary items decreased by Rs. 189.20 million, or 88.45%, from Rs. 213.91 million in fiscal 2004 to Rs. 24.71 million in fiscal 2005.

Tax. Our total tax expense decreased by Rs. 61.06 million, or 86.61%, from Rs. 70.50 million in fiscal 2004 to Rs. 9.44 million in fiscal 2005. This decrease was primarily due to lower profit. Our effective tax rate for fiscal 2004 was 32.95% compared with an effective tax rate of 38.20% for fiscal 2005.

Net Profit before Extraordinary Items. As a result of the foregoing factors, our profit after tax but before extraordinary items decreased by Rs. 128.14 million, or 89.35%, from Rs. 143.41 million in fiscal 2004 to Rs. 15.27 million in fiscal 2005.

Extraordinary Item, net of tax. We received Rs. 15.31 million from the realization of a keyman life insurance policy in fiscal 2004, which resulted in a Rs. 10.20 million benefit after tax. There was no extraordinary item in fiscal 2005.

Net Profit. As a result of the foregoing factors, our net profit decreased by Rs. 138.34 million, or 90.06%, from Rs. 153.61 million in fiscal 2004 to Rs.15.27 million in fiscal 2005.

Fiscal 2004 Compared with Fiscal 2003

Some of the key developments in fiscal 2004 are discussed above in "-Fiscal 2005 Compared with Fiscal 2004".

The key developments during fiscal 2003 were the launch of the Ranchi, Dhanbad and Jamshedpur editions of *Dainik Jagran* in February 2003.

Total Income. Total income increased by Rs. 565.06 million, or 22.05%, from Rs. 2,562.75 million fiscal 2003 to Rs. 3,127.81 million in fiscal 2004.

Advertisement Revenue. Our advertisement revenue increased by Rs. 438.29 million, or 28.16%, from Rs. 1,556.69 million in fiscal 2003 to Rs. 1,994.98 million in fiscal 2004. This increase was primarily due to increase in total advertisement space in our newspapers following the launch of the three new editions in fiscal 2004, the operation of the Ranchi, Jamshedpur and Dhanbad editions for an entire fiscal year for the first time and an increase in sales of colour advertisement space, which command a higher price than black & white advertisements.

Circulation Revenue. Our circulation revenue increased by Rs. 121.54 million, or 12.40%, from Rs. 980.15 million in fiscal 2003 to Rs. 1,101.69 million in fiscal 2004. This increase was primarily due to an increase in *Dainik Jagran's* circulation, which was primarily due to the launch of the three new editions, the operation of the Ranchi, Jamshedpur and Dhanbad editions for an entire fiscal year for the first time and an increase in the circulation of the Meerut and Dehradun editions.

Other Income. Our other income increased by Rs. 5.23 million, or 20.19%, from Rs. 25.91 million in fiscal 2003 to Rs. 31.14 million in fiscal 2004. This increase was primarily due to income from outdoor and event management activities for the first time and increase in third party job printing.

Total Expenditure. Total expenditure increased by Rs. 596.14 million, or 28.35%, from Rs. 2,102.94 million in fiscal 2003 to Rs. 2,699.08 million in fiscal 2004. As a percentage of total income, total expenditure increased from 82.05% for fiscal 2003 to 86.29% for fiscal 2004.

Raw Materials Consumed. Raw materials consumed increased by Rs. 319.92 million, or 26.94%, from Rs. 1,187.73 million in fiscal 2003 to Rs. 1,507.65 million in fiscal 2004. This increase was primarily due to an increase in *Dainik Jagran's* circulation.

Employee Cost. Employee cost increased by Rs. 93.97 million, or 34.48%, from Rs. 272.55 million in fiscal 2003 to Rs. 366.52 million in fiscal 2004. This increase was mainly due to the addition of employees and retainers for the operation of the Panipat, Bhagalpur and Ludhiana editions and the operation of the Ranchi, Jamshedpur and Dhanbad editions for an entire fiscal year for the first time. We had 2,439 employees and 462 retainers as of March 31, 2004 compared with 1,974 employees and 349 retainers as of March 31, 2003.

Other Manufacturing Expenses. Other manufacturing expenses increased by Rs. 86.37 million, or 28.4%, from Rs. 303.94 million in fiscal 2003 to Rs. 390.31 million in fiscal 2004. This increase was primarily due to a significant increase in *Dainik Jagran's* circulation, coupled with increase in prices of other materials. This increase in circulation was primarily due to the launching and operation of the new editions and the operation of the Ranchi, Jamshedpur and Dhanbad editions for an entire fiscal year for the first time.

Selling and Distribution Costs. Selling and distribution costs increased by Rs. 42.38 million, or 21.23%, from Rs. 199.63 million in fiscal 2003 to Rs. 242.01 million in fiscal 2004. This increase was primarily due to an increase in circulation and promotional expenses, particularly for the new editions.

Administrative and Miscellaneous Expenses. Administrative and miscellaneous expenses increased by Rs. 55.46 million, or 47.69%, from Rs. 116.29 million in fiscal 2003 to Rs. 171.75 million in fiscal 2004. This increase was primarily due to the launching and operation of the new editions and the operation of the Ranchi, Jamshedpur and Dhanbad editions for an entire fiscal year for the first time.

Provision for Bad and Doubtful Debts and Bad Debts Written Off. Provision for bad and doubtful debts and bad debts written off decreased by Rs. 1.33 million, or 7.76%, from Rs. 17.14 million in fiscal 2003 to Rs. 15.81 million in fiscal 2004.

Profit before Interest, Depreciation, Amortization, Tax and Extraordinary Items. As a result of the foregoing factors, our profit before interest, depreciation, amortization, tax and extraordinary items decreased by Rs. 31.08 million, or 6.76%, from Rs. 459.81 million in fiscal 2003 to Rs. 428.73 million in fiscal 2004.

Interest. Although our total debt increased in fiscal 2004, interest decreased by Rs. 0.63 million, or 0.95%, from Rs. 66.55 million in fiscal 2003 to Rs. 65.92 million in fiscal 2004. This slight decrease in interest paid was mainly due to paying out a Rs. 350 million long-term loan and replacing it with another Rs. 350 million long-term with a lower interest rate and was also due to our issuance of Rs. 100 million of commercial paper at a lower interest rate. This was our first issuance of commercial paper and it received a P1+ credit rating from CRISIL, which is the highest rating for commercial paper.

Depreciation and Amortization. Depreciation and amortization increased by Rs. 15.52 million, or 11.64%, from Rs. 133.38 million in fiscal 2003 to Rs. 148.90 million in fiscal 2004. This increase was primarily due to depreciation on the capitalization of Rs. 257.75 million of fixed assets in fiscal 2004.

Profit before Tax and Extraordinary Items. As a result of the foregoing factors, profit before tax and extraordinary items decreased by Rs. 45.97 million, or 17.6%, from Rs. 259.88 million in fiscal 2003 to Rs. 213.91 million in fiscal 2004.

Tax. Our total tax expense decreased by Rs. 20.61 million, or 22.62% from Rs. 91.11 million in fiscal 2003 to Rs. 70.50 million in fiscal 2004. Our tax decreased primarily due to lower profits. Our effective tax rate for fiscal 2004 was 32.96% compared with an effective tax rate of 35.06% for fiscal 2003.

Net Profit before Extraordinary Items. As a result of the foregoing factors, our net profit before extraordinary items decreased by Rs. 25.36 million or 15.02%, from Rs. 168.77 million in fiscal 2003 to Rs. 143.41 million in fiscal 2004.

Extraordinary Items, net of tax. We received Rs. 17.39 million from the realisation of a keyman life insurance policy in fiscal 2003, which resulted in a Rs. 11.29 million benefit after tax. We received Rs. 15.30 million from the realization of a keyman life insurance policy in fiscal 2004, which resulted in a Rs. 10.20 million benefit after tax.

Net Profit. As a result of the foregoing factors, our net profit decreased by Rs. 26.45 million, or 14.69%, from Rs. 180.06 million in fiscal 2003 to Rs. 153.61 million in fiscal 2004.

12-Month Period Ended March 31, 2003 compared with the 15-Month Period Ended March 31, 2002

Fiscal 2002 consists of the 15-month period from January 1, 2001 through March 31, 2002. Therefore, the results of operations for fiscal 2002 are not comparable with the results of operations for the 12-month period for fiscal 2003.

The key developments during fiscal 2003 were the launch of the Ranchi, Dhanbad and Jamshedpur editions of *Dainik Jagran* in February 2003.

The key developments during fiscal 2002 comprising of 15 months were:

- The launch of the Aligarh edition of *Dainik Jagran* in the second half of 2001.
- The operation of the Patna and Hisar editions of *Dainik Jagran* for an entire fiscal period for the first time. The Patna edition was launched in April 2000 and the Hisar edition was launched in May 2000.
- The operation of the Jallandhar, Moradabad, New Delhi, Varanasi, Allahabad, Meerut, Bareilly and Dehradun editions of *Dainik Jagran* for an entire fiscal period for the first time. These editions were published by four separate businesses that were acquired by us with effect from April 1, 2000. The Jallandhar edition was launched in 1999 and Moradabad edition was launched in early 2000.
- The provision of Rs. 76.38 million for bad and doubtful debts and bad debts written off, which represented a substantial amount relating to debts from prior fiscal years.
- Increase in circulation by 71.43% from 350 million copies in fiscal 2000 to 600 million copies in 2002.

Income. Total income in fiscal 2003 was Rs. 2,562.75 million, comprising Rs. 1,556.69 million of advertisement revenue, Rs. 980.15 million of circulation revenue and Rs. 25.91 million in other income. Advertisement income and circulation income benefited from the launch of the Ranchi, Dhanbad and Jamshedpur editions of *Dainik Jagran* in February 2003. Advertisement income also benefited from an increase in our advertisement rates in the beginning of fiscal 2003.

Total income in fiscal 2002 was Rs. 2,665.91 million, comprising Rs. 1,521.22 million of advertisement revenue, Rs. 1,096.31 of circulation revenue and Rs. 48.38 million of other income. Advertisement income and circulation income benefited mainly from the launch of the Aligarh edition of *Dainik Jagran* in second half of 2001 and operations of the other eight editions mentioned above for an entire fiscal period for the first time.

Total Expenditure. Total expenditure was Rs. 2,102.94 million in fiscal 2003 and was Rs. 2,576.17 million in fiscal 2002. As a percentage of total income, total expenditure decreased from 96.63% for fiscal 2002 to 82.06% for fiscal 2003.

Raw Materials Consumed. Raw materials consumed were Rs. 1,187.73 million in fiscal 2003 and were Rs. 1,626.06 million in fiscal 2002. As a percentage of total income, raw materials consumed decreased from 60.99% for fiscal 2002 to 46.34% for fiscal 2003. This decrease as percentage of total income was mainly due to newsprint prices decreasing from an average of Rs. 24,829 per tonne in fiscal 2002 to an average of Rs. 20,076 per tonne in fiscal 2003.

Employee Cost. Employee cost was Rs. 272.55 million in fiscal 2003 and was Rs. 260.43 million in fiscal 2002. As a percentage of total income, employee cost increased from 9.77% for fiscal 2002 to 10.64% for fiscal 2003. This increase as percentage of total income was mainly due to the addition of employees and retainers for the operation of the Ranchi, Jamshedpur and Dhanbad editions.

Other Manufacturing Expenses. Other manufacturing expenses were Rs. 303.94 million in fiscal 2003 and were Rs. 316.98 million in fiscal 2002. As a percentage of total income, other manufacturing expenses decreased from 11.89% for fiscal 2002 to 11.86% for fiscal 2003.

Selling and Distribution Expenses. Selling and distribution expenses were Rs. 199.63 million in fiscal 2003 and were Rs. 166.34 million in fiscal 2002. As a percentage of total income, selling and distribution expenses increased from 6.24% for fiscal 2002 to 7.79% for fiscal 2003. This increase as a percentage of total income was primarily due to an increase in circulation and promotional expenses, particularly for the more recent editions.

Administrative and Miscellaneous Expenses. Administrative and miscellaneous expenses were Rs. 116.29 million in fiscal 2003 and were Rs. 129.98 million in fiscal 2002. As a percentage of total income, administrative and miscellaneous expenses decreased from 4.88% for fiscal 2002 to 4.54% for fiscal 2003.

Provision for Bad and Doubtful Debts and Bad Debts Written Off. Provision for bad and doubtful debts and bad debts written off was Rs. 17.14 million in fiscal 2003 and was Rs. 76.38 million in fiscal 2002. As a percentage of total income, provision for bad and doubtful debts and bad debts written off decreased from 2.87% for fiscal 2002 to 0.67% for fiscal 2003.

Profit before Interest, Depreciation, Amortization, Tax and Extraordinary Items. As a result of the foregoing factors, our profit before interest, depreciation, amortization, tax and extraordinary items was Rs. 393.26 million in fiscal 2003 and was Rs. 11.56 million in fiscal 2002.

Interest. Interest was Rs. 66.55 million in fiscal 2003 and was Rs. 78.18 million in fiscal 2002.

Depreciation and Amortization. Depreciation and amortization was Rs. 133.38 million in fiscal 2003 and was Rs. 114.11 million in fiscal 2002. Depreciation and amortization in fiscal 2003 included depreciation on the capitalization of Rs. 339.11 million of fixed assets purchased in fiscal 2003.

Profit before Tax and Extraordinary Items. As a result of the foregoing factors, profit before tax and extraordinary items was Rs. 259.88 million in fiscal 2003 and was Rs. (102.55) million in fiscal 2002.

Tax. Our total tax expense was Rs. 91.11 million in fiscal 2003 and was Rs. 2.65 million in fiscal 2002. Our tax expense in fiscal 2002 related to tax from a previous fiscal year that had not been previously recognized.

Net Profit before Extraordinary Items. As a result of the foregoing factors, our net profit before extraordinary items was Rs. 168.77 million in fiscal 2003 and was Rs. (105.20) million in fiscal 2002.

Extraordinary Items, net of tax. We received Rs. 17.39 million from the realization of a key man life insurance policy in fiscal 2003, which resulted in a Rs. 11.29 million benefit after tax. We did not receive such a payment in fiscal 2002.

Net Profit(Loss). As a result of the foregoing factors, our net profit was Rs. 180.06 million in fiscal 2003 and was Rs. (105.20) million in fiscal 2002.

Review of Assets and Liabilities

Fixed Assets

Fixed assets comprise:

- gross block, which is mainly comprised of land and buildings (freehold and leasehold), plant and machinery, computers, furniture and fixtures, vehicles and office equipment; and
- capital work in progress, including capital advances, which mainly relates to capital expenditure in connection with new editions of *Dainik Jagran* and the expansion and upgrading of existing printing facilities.

The following table sets forth our fixed assets as at September 30, 2005 and as at March 31, 2005, 2004 and 2003.

	As at September 30, 2005	As at March 31, 2005	2004	2003
	(Rs. in millions)			
Gross Block	2,132.47	1,895.54	1,610.89	1,353.14
Less Depreciation	921.00	835.87	659.97	511.08
Net Block	1,211.47	1,059.67	950.92	842.06
Capital Work in Progress	191.22	192.68	136.26	39.08
Total	**1,402.69**	**1,252.35**	**1,087.18**	**881.14**

Investments

Investments consist primarily of investment in both quoted and unquoted equity shares of Indian entities, including associated companies. As of September 30, 2005 our investments were Rs. 6.62 million.

Current Assets, Loans and Advances

Current assets are comprised mainly of:

- Cash and bank balances;
- Sundry debtors, which primarily relates to debts owed to us towards circulation and advertisement space sale; and
- Other current assets, which primarily relates to accrued income.

The following table sets forth details of our loans and advances as at September 30, 2005 and March 31, 2005, 2004, 2003.

	As at September 30, 2005	As at March 31, 2005	2004	2003
	(Rs. in millions)			
Security Deposits:				
With Promoters[1]	13.52	13.52	0.00	0.00
With Others	68.05	67.43	27.74	12.42
Advance Tax	27.42	22.05	58.69	42.49
Loans and Advances to Employees[2]	16.53	13.66	11.23	11.55
Loans to Associate Companies[3]	54.23	15.11	0.00	0.00
Loan to Third Party	20.00[4]	20.00[4]	13.49	8.23
Loan to Promoter Group Companies	0.00	0.00	0.01	3.22
Other business advances	17.71	7.97	13.09	61.35
Total Loans and Advances	**217.46**	**159.74**	**124.25**	**139.26**

(1) Security Deposits with promoters are for the properties taken from them on lease. These are interest free and refundable on vacation of their properties.

(2) Loans and advances to employees are generally interest free.

(3) These are loans to Jagran Publications Private Limited and Jagran Prakashan (MPC) Private Limited, our associate companies.

(4) This is a loan to a third party. The loan has an interest rate of 12% p.a., payable three-monthly, and the loan is repayable on demand.

Current Liabilities and Provisions

Current liabilities comprise sundry creditors and others and provisions. Sundry creditors and others comprise:

- Other Liabilities, which includes liability for newsprint received but not yet paid for, credits to be allowed to advertisement customers for rate incentives, discounts, etc., liability for unpaid expenses other than newsprint and statutory liabilities, such as tax deducted at source, employee provident fund and employee state insurance contributions
- Security deposits from newspaper agents, employees and others;
- Advances from customers for supplies yet to be made to them;
- Interest accrued but not due on borrowings;
- Sundry creditors; and
- Temporary book overdraft.

The following table sets forth details of our sundry creditors and others as at September 30, 2005 and March 31, 2005, 2004 and 2003.

(Rs. in millions)

	As at September	**As at March 31,**		
	30, 2005	**2005**	**2004**	**2003**
Security Deposits from Agents	128.02	117.51	89.63	70.02
Interest Accrued but not due	1.18	6.74	4.52	13.61
Liability for Expense and Newsprint	363.13	200.49	186.22	150.02
Statutory Liabilities	3.61	3.17	3.20	0.75
Other Liabilities	2.73	26.22	2.96	29.25
Total	**498.67**	**354.13**	**286.53**	**263.65**

Provisions comprise unencashed earned leave and provision for fringe benefit tax. Fringe benefit tax was introduced by the Government with effect from the beginning of fiscal 2006. The provision for fringe benefit tax was Rs. 7.00 million as at September 30, 2005.

Deferred Tax Liabilities

Deferred tax liability comprises the income tax benefits that have already been availed by us due to the timing difference between our taxable income and accounting income and will be reversed in future.

Loan Funds

Loan funds are comprised of unsecured and secured loans, both of which may be short-term or long-term loans.

The following table sets forth our short-term, long-term and total indebtedness as at September 30, 2005 and March 31, 2005, 2004 and 2003.

(Rs. in millions)

	As at September	**As at March 31,**		
	30, 2005	**2005**	**2004**	**2003**
Short-term Debt	542.76	395.63	464.38	308.58
Long-term Debt	625.29	684.88	461.84	363.88
Total Debt	**1,168.05**	**1,080.51**	**926.22**	**672.46**

Set forth below is a table showing our long-term debt maturity profile as at September 30, 2005.

(Rs. in millions)

	Total	**Less than 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Long-term Debt	625.29	65.82	499.47	60.00	0.00

For more information on our debt obligations, please refer to the section titled “Financial Indebtedness” on page 85.

Liquidity and Capital Resources

Our primary liquidity needs have been to finance our working capital needs and capital expenditure. We have financed our operations primarily by way of cash flow from operations and long-term and short-term borrowings in the form of cash credit and commercial papers.

As of September 30, 2005, we had Rs. 957.81 million in cash and cash equivalents on hand and Rs. 6.84 million unutilised on our Rs. 200 million overdraft facility with Central Bank of India.

In future, we will need the consent of our shareholders to raise additional funds through the issue of equity shares.

Set forth below is a table showing our cash flows from operations, cash flow from investing activities and cash investments in expansion and financing activities for the six months ended September 30, 2005, fiscal 2005, fiscal 2004 and fiscal 2003, respectively.

(Rs. in millions)

	Six Months ended	Twelve Months ended March 31,		
	September 30, 2005	**2005**	**2004**	**2003**
Cash Flow from Operating Activities	141.14	180.71	222.97	329.53
Cash Flow from Investing Activities	(221.08)	(335.26)	(353.44)	(305.80)
Cash Flow from Financing Activities	925.02	(151.63)	172.14	(17.09)
Net increase in Cash and Cash Equivalents	845.08	(2.92)	41.67	6.64

Capital Expenditure Plans

For details of our capital expenditure plans and how we intend to finance them, see the section titled “Objects of the Issue” beginning on page 31.

Contractual Obligations

We do not have any material long-term contractual obligations as of September 30, 2005.

Off-Balance Sheet Arrangements

As of September 30, 2005, we were not a financial guarantor of obligations of any entity, and we were not a party to any material off-balance sheet obligation or arrangement.

Significant Developments after September 30, 2005 that may affect the Future of our Operations

Pursuant to a resolution passed by our Board of Directors at their meeting held on Friday, November 18, 2005, we declared an interim dividend of Rs. 200.78 million, or Rs. 5 per Equity Share

Pursuant to a resolution passed by our Board of Directors at their meeting held on Friday, November 18, 2005, we have issued bonus shares in the ratio of 2.25:1. The details of the same are as follows:

Date of Allotment	Number of Equity Shares Issued	Face Value per share (Rs.)	Issue Price per share (Rs.)	Consideration (cash, bonus, consideration other than cash)
November 18, 2005	27,800,361	10	10	Bonus (2.25:1)

Except as stated elsewhere in this Red Herring Prospectus and in compliance with AS-4, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus that materially and adversely affect or are likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors and our Promoters that would have a material adverse effect on our business and there are no defaults, non payment or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company or Directors or our Promoters as of the date of this Red Herring Prospectus.

I. Litigation against our Company

A. Contingent liabilities not provided for as of September 30, 2005

Nil.

B. Pending litigation against our Company as on January 7, 2005

1. Public Interest Litigation

Mr. Anand Mohan has filed a writ petition against the Union of India (Civil Miscellaneous Writ Petition No. 2547/2005) in the High Court of Allahabad complaining against the encroachment caused by hoardings in Allahabad. The Company had made an application to the High Court praying for a direction to the municipal authorities not to initiate action against the Company in respect of the signboards installed by the Company. However, the High Court vide its order dated August 10, 2005 rejected the said application made by the Company and has directed that the poles fixed by the Company be removed and re-fixed in such a manner so as not to obstruct traffic or distract the vision of the public moving on the road, since the same may be a safety hazard.

2. Criminal Defamation Cases

There are 52 criminal defamation cases pending against our editor, resident editors, publishers, printers, reporters and correspondents in relation to allegedly defamatory news items published in various editions of the Dainik Jagran, in various courts in India. These cases have been filed against individuals who were associated with our publications at the time of the alleged defamation. Any criminal liability arising from these cases will accrue to the individuals against whom the cases have been filed. The details of these cases are as follows:

(a) The Bahujan Samaj Party has registered two first information reports, one in Noida, Uttar Pradesh (FIR No. 659/04) and another in Hazratganj, Lucknow, Uttar Pradesh (FIR No. Nil) both dated September 6, 2004, against our managing editor, editor, resident editor and our employees in relation to the publication of an allegedly defamatory news item with respect to their leader, Ms. Mayawati published in Dainik Jagran on September 6, 2004. Mr. Mahendra Gupta, Mr. Sanjay Gupta and Mr. Dhirendra Mohan Gupta, directors of our Company, have filed a writ petition (Criminal Writ Petition No. 7145/ 2004) in the High Court of Allahabad for quashing of the first information report registered at Lucknow and to stay the arrest of the petitioners in pursuance of the same, pursuant to which the High Court has vide order dated September 18, 2004 stayed the arrest of the petitioners pending any further orders. Mr. Sanjay Gupta has filed another writ petition in the High Court of Allahabad (Criminal Writ Petition No. 7138/2004) for quashing of first information report registered at Noida, pursuant to which the High Court has vide its order dated September 18, 2004 stayed the arrest of the petitioner pending any further orders.

(b) Dr. Praveen Jain has filed a criminal defamation complaint (Criminal Complaint No. 3353/2003) against Mr. Om Tiwari, our reporter, Mr. Sanjay Gupta, our editor, and others in the court of the Chief Judicial Magistrate, Farukhabad under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on January 6, 2003. The court has issued summons against the accused in connection with this matter. However, the accused have filed a criminal revision application (Criminal Revision No. 2529/2005) before the High Court of Allahabad, which has vide order datedNovember 25, 2005 stayed the proceedings in the trial court till further order.

(c) Dr. Praveen Jain has filed a criminal defamation complaint (Criminal Complaint No. 3354/2003) against Mr. Satyamohan Pandey and others, including our editor, Mr. Sanjay Gupta, in the court of the Chief Judicial Magistrate, Farukhabad under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on June 28, 2003. The court has issued summons against the accused in relation to the same. However, the accused have filed a criminal revision application (Criminal Revision No. 2530/2005) before the High Court of Allahabad, which has vide order dated November 25, 2005 stayed the proceedings in the trial court till further order.

(d) Dr. Praveen Jain has filed another criminal defamation complaint (Criminal Complaint No. 3355/2003) against Mr. Satyamohan Pandey and others, including Mr. Sanjay Gupta, our editor, in the court of the Chief Judicial Magistrate, Farukhabad under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on March 6, 2003. The court has issued summons against the accused in relation to the same. However, the accused have filed a criminal revision application (Criminal Revision No. 6905/2005) before the High Court of Allahabad, which has vide order dated July 4, 2005 stayed till the next date of listing.

(e) Mr. Shiv Charan Lal Hans has filed a criminal defamation complaint (Criminal Complaint No.404/04) against Mr. Satyamohan Pandey, our resident editor and others, in the court of the Chief Judicial Magistrate, Farukhabad under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on July 17, 2002. The court has issued summons against the accused in relation to the same. However, the accused have filed a criminal revision application (Criminal Revision No. 6906/2005) before the High Court of Allahabad, which vide order dated July 4, 2005 has stayed the proceedings in the court of the Chief Judicial Magistrate, Farukhabad till the next date of listing.

(f) Ms. Ram Shri has filed a criminal defamation complaint (Criminal Complaint No.119/98) against Mr. Veer Pal Singh and others including late Mr. Narendra Mohan, our former editor, in the court of the Chief Judicial Magistrate, Farukhabad under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on November 28, 1997. The court has issued summons against the accused in relation to the same. However, due to his non-appearance, a non-bailable warrant was issued against the district reporter of our Company, one of the accused. The said reporter has filed a criminal revision application before the High Court of Allahabad, which vide order dated August 12, 2005 stayed the application of the non-bailable warrant for a period of 20 days on the condition that our reporter physically appears before the Chief Judicial Magistrate, Farukhabad for grant of bail, pursuant to which he has obtained bail from the trial court. The next date of hearing has been scheduled for February 17, 2006.

(g) Mr. Abdul Hafiz has filed a criminal complaint in the court of the Chief Judicial Magistrate, Mahoba (Criminal Case No. 2214/04) under Section 500 and 502 of the Indian Penal Code, 1860. The next date of hearing has been fixed for January 30, 2006.

(h) Mr. Ram Patwa has filed a criminal defamation complaint (Criminal Complaint No.612/05) against Ms. Sadhana Bharti and others, including our editor, Mr. Sanjay Gupta, in the court of the Chief Judicial Magistrate, Farukhabad in relation to an allegedly defamatory news item published in Dainik Jagran. The court has issued summons against the accused in relation to the same. The next date of hearing has been fixed for February 17, 2006.

(i) Mr. Vipin Kumar has filed a criminal defamation complaint (Criminal Complaint No.316/1/2000) against our editor, city editor reporter, publisher and printer of our Company in the court of the Metropolitan Magistrate, New Delhi under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagranon April 6, 2000. Summons have been issued for the appearance of the accused and the next date of hearing of this case has been fixed for January 22, 2006.

(j) Ms. Usha Ravichandran has filed a criminal defamation complaint (Criminal Complaint No.106/1/2001) against late Mr. Narendra Mohan, our former editor, Mr. Sanjay Gupta, our editor and others in the court of the Metropolitan Magistrate, New Delhi under Section 499 and Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on June 25, 2001. The trial court had issued non-bailable warrants against the accused, due to non-appearance of the accused as directed by the court. However, the accused have moved the High Court of Delhi (Criminal Miscellaneous Case No. 3898-99/2005) for quashing of the said complaint, which has stayed the proceedings in the trial court. The next date of hearing has been fixed for April 19, 2006.

(k) Ms. Ruby Devi, has filed a criminal defamation complaint (Criminal Complaint No.316/1/2000) against Ganga Lal and others including our Company and our editor, Mr. Sanjay Gupta, in the court of the Chief Judicial Magistrate, Kurukshetra under Section 500, Section 501 and Section 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on September 24, 2003. Mr. Sanjay Gupta and another have filed a quashing petition before the High Court of Punjab and Haryana ((QP) CRM 42326-2005) for quashing the said complaint. The matter is listed for framing of notice in the trial court and the next date of hearing is scheduled for February 28, 2006.

(l) Mr. Sohan Lal Saini has filed a criminal defamation complaint (Criminal Complaint No.316/1/2000) against Mr. Nirmal Kulshreshta and others, including our resident editor, printer and publisher in the court of the Chief Judicial Magistrate, Ist Class, Faridabad, under Sections 499 to 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on April 24, 2000. A bailable warrant has been issued against our printer and publisher and the matter is pending for appearance of the accused.

(m) Mr. Manjit Singh has filed a criminal defamation complaint (Criminal Complaint No.357-I/2004) against Mr. Sanjay Gupta, our editor and others in the court of the Additional Chief Judicial Magistrate, Una under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on December 2, 2004. The matter is pending in the trial court and the next date of hearing has been fixed for February 25, 2006.

(n) Mr. Bhai Surinder Singh Roopi has filed a criminal defamation complaint (Criminal Complaint No.72-1/2002) against late Mr. Narendar Mohan, our former editor, and others in the court of the Chief Judicial Magistrate, Muktsar under Section 500 and Section 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on July 23, 2001. The matter is pending for appearance of the accused on February 14, 2006.

(o) Ms. Gurcharan Kaur has filed a criminal defamation complaint against Mr. Nishi Kant Thakur, our resident editor and others in the court of the Sub-Divisional Judicial Magistrate, Pathankot under Sections 500 to 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on April 19, 2001. The matter is pending in the trial court and the next date of hearing has been fixed for January 10, 2006.

(p) Ms. Kusum Sharma has filed a criminal defamation complaint against Mr. Madan Mohan Bajaj and others including our resident editor Mr. Nishi Kant Thakur in the court of the Sub-Divisional Judicial Magistrate, Phagwada in relation to an allegedly defamatory news item published in Dainik Jagran on October 11, 2003. The matter is pending for appearance of the accused and the next date of hearing has been fixed for January 31, 2006.

(q) Mr. Bharpur Singh has filed a criminal defamation complaint against Mr. Sanjay Gupta, our editor and others in the court of the Chief Judicial Magistrate, Mansa under Section 500 and 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on December 7, 2002. The matter is pending for appearance of the accused on February 10, 2006.

(r) Mr. Ashok Kumar has filed a criminal defamation complaint (Criminal Complaint No.95/01) against Mr. Amarnath and others including our editor in the court of the Sub-Divisional Judicial Magistrate, Balachaur in relation to an allegedly defamatory news item published in Dainik Jagran on August 28, 2002. The matter is pending for appearance of the accused.

(s) Mr. Ranjit Singh Randhawa has filed a criminal defamation complaint against our editor in the court of the Judicial Magistrate, Second Class, Jalandhar in relation to an allegedly defamatory news item published in Dainik Jagran dated October 16, 1999. The next date of hearing has been fixed for January 18, 2006.

(t) Mr. Tarsem Singh had filed a criminal defamation complaint (Criminal Complaint No.30/1/02) against Mr. Narinder Kaur and others, including our editor, Mr. Sanjay Gupta, in the court of the Chief Judicial Magistrate, Fatehabad. The said court has dismissed the complaint against which the complainant has filed a revision application before the Additional Sessions Judge, Fatehabad. The matter is pending and the next date of hearing is fixed for January 28, 2006.

(u) Mr. Jagbir Singh Malik had filed a criminal defamation complaint against our reporter Mr. Dharampal Verma, and others including our resident editor Mr. Nishi Kant Thakur and our former editor, late Mr. Narendra Mohan in the court of the Sub-Division Judicial Magistrate, Gohana. The next date of hearing has been fixed for February 6, 2006.

(v) Sardar Devendra Singh has filed a criminal defamation complaint (Criminal Complaint No.357-I/2004) against Krishna Kumar Tulasyan and others including our printer and publisher Mr. Satish Chandra Mishra and our former editor, late Mr. Narendra Mohan in the court of the Junior Magistrate, Gorakhpur in relation to an allegedly defamatory news item published in Dainik Jagran on November 14, 1994. The matter is pending and the next date of hearing has been fixed for February 2, 2006.

(w) Mr. Raghuraj Pratap Singh alias Raja Bhaiyya has filed a criminal defamation complaint (Criminal Complaint No.10/1996) against our former editor late Mr. Narendra Mohan, our reporter and our publisher in the court of the Judicial Magistrate, Kunda in relation to an allegedly defamatory news item published in Dainik Jagran on July 18, July 19 and July 21, 1995. The trial court issued non-bailable warrants against the accused, pursuant to which the accused have approached the High Court of Allahabad (Lucknow Bench). The High Court has vide order dated June 3, 1997 stayed the proceedings in the trial court. However, the revision petition was subsequently dismissed and the interim order granting a stay in relation to the proceedings in the trial court was discharged by the High Court vide its order dated September 2, 1997 and the matter was referred back to the trial court. The accused had then made an application to the trial court raising objections against the taking of cognisance and maintainability of the case. This application was rejected by the trial court and the accused has challenged the said order in the High Court of Allahabad, which has once again stayed the proceedings in the trial court vide its order dated June 3, 2002.

(x) Mr. Ram Mohan Garg has filed a criminal defamation complaint (Criminal Complaint No.5/4 ACJM Court 1, Aligarh) against Mr. Sanjay Gupta, our editor and others in the court of the Additional Chief Judicial Magistrate, Aligarh in relation to an allegedly defamatory news item published in Dainik Jagran on November 3, 2003. The trial court dismissed the complaint vide its order dated July 13, 2004. However, the complainant has filed a criminal revision application before the District Judge, Aligarh (Criminal Revision No. 416/04), pursuant to which the court of revision has issued summons against the accused. The next date of hearing has been scheduled for January 12, 2006.

(y) Mr. Shiv Shankar has filed a criminal defamation complaint (Criminal Complaint No.1121/2003) against Mr. Sanjay Gupta, our editor and others in the court of the Judicial Magistrate, Khurja in relation to an allegedly defamatory news item published in Dainik Jagran on October 12, 2003. The trial court had issued summons against the accused. However, the accused have filed a criminal revision application (Miscellaneous Application No. 13002/05) before the High Court of Allahabad challenging the summoning order of the trial court. The High Court has vide its order dated September 14, 2005 stayed the proceedings in the trial court till further orders are issued in this regard.

(z) Mr. Haji Rao Ali Hasan has filed a criminal defamation complaint (Criminal Complaint No.840/2003) against Mr. Dhirendra Mohan, our resident editor and others in the court of the Special Judicial Magistrate, Roorkee in relation to an allegedly defamatory news item published in Dainik Jagran on June 4, 2003. The trial court dismissed the complaint vide order dated March 27, 2004. However, the complainant has filed a criminal revision application before the District Judge, Haridwar (Criminal Revision No. 153/04). The next date of hearing has been scheduled for February 14, 2006.

(aa) Ms. Rubiya Begum has filed a criminal defamation complaint (Criminal Complaint No.236/2005) against Mr. Sanjay Gupta, our editor and others in the court of the First Civil Judge, Junior Division, Haridwar in relation to an allegedly defamatory news item published in Dainik Jagran on March 7, 18 and 20 of 2003. The trial court has issued summons and bailable warrants against the accused in connection with this complaint. The next date of hearing has been scheduled for January 13, 2006.

(bb) Ms. Rama Tewari has filed a criminal defamation complaint (Criminal Complaint No.1758/2004) against Mr. Shambhu Dayal, our reporter and others in the court of the Chief Judicial Magistrate, Nainital under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on November 4, 2004. The trial court has issued summons in connection with this complaint. The accused has however been granted bail by the trial court on July 27, 2005 and the next date of hearing is fixed for January 8, 2006.

(cc) Mr. Gopal Dwivedi has filed a criminal defamation complaint (Criminal Complaint No.46/2005) against Mr. Sandeep Gupta and others in the court of the Chief judicial Magistrate, Moradabad in relation to an allegedly defamatory news item published in Dainik Jagran on November 3, 2004. The trial court has issued summons in connection with the complaint. The accused have filed a criminal revision application before the High Court of Allahabad (Criminal Revision No. 8883/05), which vide its order dated July 19, 2005 has directed that the accused would not be required to appear before the trial court in person but may do so through a counsel. The next date of hearing has been scheduled for January 13, 2006.

(dd) Mr. Ram Pal Singh has filed a criminal defamation complaint (Criminal Complaint No.372/2004) against Mr. Mahendra Mohan Gupta, managing editor, our editor, Mr. Sanjay Gupta, and others in the court of the Chief Judicial Magistrate, Sambhal under Sections 500 and 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on June 29, 2004. The trial court has issued summons in connection with the complaint. However, the accused have filed a criminal revision application before the High Court of Allahabad (Criminal Revision No. 8922/05), which vide order dated July 19, 2005 has stayed the proceedings in the trial court. We are required to file our rejoinder to the complainants counter ensuing which the case shall be listed for hearing.

(ee) Ms. Ranjana Bajpai had filed a criminal complaint against Mr. Virendra Kumar Gupta, our resident editor in the court of the Chief Judicial Magistrate, Allahabad. The next date of hearing has been scheduled for January 10, 2006.

(ff) Ms. Anita Chatterjee has filed a criminal defamation complaint (Criminal Complaint No.1877/1998) against our former editor, late Mr. Narendra Mohan, and others in the court of the Chief Judicial Magistrate, Moradabad under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on September 19, 1998. The trial court has issued summons in connection with this complaint and the last date of hearing was fixed for February 15, 2006.

(gg) Mr. Bharat Singh Yadav has filed a criminal defamation complaint (Criminal Complaint No.394/2005) against our resident editor, Mr. Chandrakant Tripathy and others in the court of the Chief Judicial Magistrate, Rampur under Sections 500 and 501 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on March 4, 2005. The matter is pending before the trial court and the next date of hearing has been fixed for February 4, 2006.

(hh) Mr. Narendra Singh has filed a criminal defamation complaint (Criminal Complaint No.72/2004) against our reporter, Mr. Nilesh Kumar, and our editor in the court of the Chief Judicial Magistrate, Rampur under Sections 500, 504 and 506 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on October 12, 2004. The matter is pending before the trial court and the next date of hearing has been fixed for January 19, 2006.

(ii) Mr. Umesh Verma has filed a criminal defamation complaint (Criminal Complaint No.429/2004) against our resident editor, Mr. Chandrakanth Tripathy, and others in the court of the Chief Judicial Magistrate, Moradabad under Sections 500 and 506 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on July 11, 2004. The trial court has issued summons against which the accused have filed a criminal revision application in the court of the District and Sessions Judge, Moradabad. Our reporter subsequently filed a revision before the High Court of Allahabad which has vide order dated October 27, 2005 directed the revisional court to dispose of the case on merits. The next date of hearing has been scheduled for January 19, 2006.

(jj) Mr. Subedar Singh has filed a criminal defamation complaint (Criminal Complaint No.969/2003) against our resident editor, Mr. Chandrakanth Tripathy, and others in the court of the Upper Civil Judge, Junior Division, Shahjahanpur under Section 500 of the Indian Penal Code, 1860 Dainik Jagran on November 11, 2002. The trial court has issued summons against the accused who has subsequently been granted bail in relation to this complaint. The next date of hearing has been fixed for February 4, 2006.

(kk) Mr. Dilip Kumar Rastogi has filed a criminal defamation complaint (Criminal Complaint No.2615/2004) against Mr. Chandrakanth Tripathy, our resident editor and others in the court of the Upper Civil Judge, Junior Division, Shahjahanpur under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on July 9, 2004. The trial court has issued summons against the accused who has subsequently been granted bail in relation to this complaint. The next date of hearing has been fixed February 4, 2006.

(ll) Mr.P. Mohammed Ansari has filed a criminal defamation complaint (Criminal Complaint No.38/2005) against Mr. Chandrakanth Tripathy, our resident editor and others in the court of the Upper Civil Judge, Junior Division, Shahjahanpur under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on January 14, 2005. The Company has issued a corrigendum with regards to the said item in Dainik Jagran on January 15, 2005. The matter is pending before the trial court and the next date of hearing has been fixed for February 4, 2006.

(mm) Mr. Shiv Kumar has filed a criminal defamation complaint (Criminal Complaint No.3519/2004) against our editor and others in the court of the Additional Chief Judicial Magistrate, Shahjahanpur under Sections 500, 504 and 506 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on February 6, 2004. The next date of hearing has been fixed for January 27, 2006.

(nn) Ms. Triveni has filed a criminal defamation complaint (Criminal Complaint No.417/2000) against our former editor, late Mr. Narendra Mohan, and others in the court of the Judicial Magistrate, Badaun under Sections 499 and 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on August 30 and 31, 1999. The trial court has issued summons and bailable warrants against the accused who have filed a criminal revision application before the High Court of Allahabad, which has stayed the arrest of the accused in the trial court. The next date of hearing has been fixed forJanuary 12, 2006.

(oo) Mr. Raj Kumar Singh has filed a criminal defamation complaint (Criminal Complaint No.719/2000) against Mr. Chandrakanth Tripathy, our resident editor and others in the court of the Civil Judge, Junior Division, Shahjahanpur under Section 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on July 16, 2000. The trial court has issued summons and bailable warrants against the accused. The next date of hearing has been fixed for February 4, 2006.

(pp) Mr. Mulayam Singh has filed a criminal defamation complaint (Criminal Complaint No.718/2000) against Mr. Chandrakanth Tripathy, our resident editor and others in the court of the Civil Judge, Junior Division, Shahjahanpur under Section 500 of the Indian Penal Code, 1860 in relation to the same news item mentioned hereinabove published in Dainik Jagran on July 16, 2004. The trial court has issued summons and bailable warrants against the accused. However, the complainant has entered into a compromise dated November 2, 2005 for withdrawal of the said complaint, which is to be filed before the court. The next date of hearing has been fixed for February 4, 2006.

(qq) Mr. Ganga Prasad has filed a criminal defamation complaint (Criminal Complaint No.1136/2001) against Mr. Surendra Kumar Sinha and others, including our former editor, late Mr. Narendra Mohan in the court of the Chief Judicial Magistrate, Patna under Sections 500, 501 and 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on January 22, 2001. The trial court has issued summons for physical appearance of the accused on January 16, 2006.

(rr) Mr. Ram Dev Verma, a member of the State Legislative Assembly has filed a criminal defamation complaint (Criminal Complaint No.342/2001) against our former editor, late Mr. Narendra Mohan and others, in the court of the Chief Judicial Magistrate, Patna under Sections 500, 501 and 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on February 23, 2001. The trial court has issued a non-bailable warrant against the accused dated May 15, 2004. The next date of hearing has been fixed for January 18, 2006.

(ss) The Bihar State AIDS Control Society has filed a criminal defamation complaint (Criminal Complaint No.2294(M)/2005) against our editor, Mr. Sanjay Gupta, our resident editor Mr. Sunil Gupta, and others, in the court of the Chief Judicial Magistrate, Patna in relation to an allegedly defamatory news item published in Dainik Jagran on August 18, 2005. We have filed a criminal revision application before the District and Sessions Judge, Patna, which vide order dated December 14, 2005 has called for the records from the trial court. The next date of hearing has been fixed for January 25, 2006.

(tt) Mr. Anwar has filed a criminal defamation complaint (Criminal Complaint No.2531/2000) against our editor in the court of the Fourth Additional Chief Judicial Magistrate, Meerut under Sections 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on November 4, 2000. The trial court has issued summons for appearance of the accused and the next date of hearing has been scheduled for January 20, 2006.

(uu) Mr. Desh Ratan had filed a criminal defamation complaint (Criminal Complaint No.3174/2004) against our editor, Mr. Sanjay Gupta, our resident editor, Mr. Dhirendra Mohan Gupta, and others in the court of the Chief Judicial Magistrate, Bulandshahar under Sections 500, 501 and 502 of the Indian Penal Code, 1860 in relation to an allegedly defamatory

news item published in Dainik Jagran on February 24, 2004. The complainant has entered into a compromise with Mr. Sanjay Gupta and Dhirendra Mohan Gupta, pursuant to which a withdrawal order dated November 6, 2004 was passed by the trial court. However, Mr. Brahmdutt Sharma, a co-accused in this case, has filed a writ petition in the High Court of Allahabad challenging the aforesaid compromise order. The case is pending before the said High Court.

(vv) Mr. Baljore Singh, has filed a criminal defamation complaint (Criminal Complaint No.2045/2000) against our resident editor, Mr. Dhirendra Mohan Gupta and others, in the court of the Chief Judicial Magistrate, Baghpat under Sections 500 and Section 120B of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on May 19, 1998. The trial court rejected the complaint against the accused, which has been challenged by way of a criminal revision petition before the District and Sessions Judge, Meerut by the complainant. The Company has entered into a compromise with the complainant and the next date of hearing has been fixed for January 31, 2006.

(ww) Mr. Mahendra Deo Sharma has filed a criminal defamation complaint (Criminal Complaint No.829/1993) against Mr. Dhirendra Mohan Gupta, our resident editor, and others, in the court of the Chief Judicial Magistrate, Bagpat under Sections 500 of the Indian Penal Code, 1860 in relation to an allegedly defamatory news item published in Dainik Jagran on April 31, 1993. The trial court has summons against the accused. We have filed a petition before the High Court of Allahabad for quashing the said complaint, which vide its order dated December 7, 2005 stayed the proceeding in the trial court till January 9, 2006.

(xx) Mr. Krishna Mehta has filed a criminal defamation complaint case against Mr. Satpal and Nishikant Thakur, our resident editors in the court of Sub-Divisional Judicial Magistrate Tohana in relation to an allegedly defamatory news item was published in the Dainik Jagran on September 7, 2000. The court has issued summons against the accused in relation to the same and February 24, 2006 has been fixed for the date of appearance of the accused.

(yy) Mr. Jagendra Kumar Agarwal has filed a criminal defamation complaint case against Mr. Satish Chandra Gupta and Mr. Prashant Kulshrestha, our employees in the court of Upper Chief Judicial Magistrate, Bulandshahar (Criminal Complaint No. 364/04) in relation to an allegedly defamatory news item published on November 13, 2004 in the Dainik Jagran. The court has issued summons against the accused in relation to the same and January 9, 2006 has been fixed as the date for appearance of the accused.

(zz) Mr. Vishal Garg has filed a criminal complaint case against our Company in relation to an advertisement published in Dainik Jagran in the court of J.M.I.C. Chandigarh. The next date of hearing has been fixed for March 23, 2006.

3. Other Criminal Cases

There are 16 criminal cases pending against us (other than the criminal defamation cases detailed hereinabove) before various courts in India. The details of these are as follows:

(a) Mr. Gaurav Mishra Hans has filed a criminal complaint (Criminal Complaint No.555/05) against our reporter Mr. Satyamohan Pandey, and others, in the court of the Chief Judicial Magistrate, Farukhabad under the Indian Penal Code, 1860. The court has issued summons for personal appearance in relation to the complaint. However, the accused has filed a criminal revision application (Criminal Revision No. 3107/2005) before the High Court of Allahabad, which has stayed the proceedings in the court of the Chief Judicial Magistrate, Farukhabad till October 31, 2005 vide order dated July 7, 2005. The Company has filed an application for the extension othe said stay order.

(b) Ms. Tara Mishra has filed a criminal complaint (Criminal Complaint No.13/04) against our editor Mr. Sanjay Gupta, and others in the court of the First Additional Sessions Judge, Human Rights Court under the Protection of Human Rights Act, 1993 for wrongful occupation of her residence. The court has issued summons against the accused in relation to the same. However, the accused has filed a criminal revision application (Criminal Revision No. 625/2005) before the High Court of Allahabad, which has stayed the proceedings in the trial court till the issuance of further orders.

(c) Mr. Om Mishra had filed a criminal complaint before the Special Court under the Protection of Human Rights Act, 1993 (Criminal Complaint No. 37/12/2001) against Yogendra Mohan Gupta, Mr. Sandeep Gupta, and others. The complaint was transferred to the court of the Judicial Magistrate, First for taking cognisance of the same pursuant to which the Judicial Magistrate, First has issued summons against the accused. The accused have filed a criminal revision application (Criminal Revision No. 7564/2003) before the High Court of Allahabad against the order issuing summons, which vide order dated September 9, 2003 has stayed the proceedings in the court of the Judicial Magistrate, First till the issuance of further orders.

(d) Mr. Bhishan Das Sahota has filed a criminal complaint (Criminal Complaint No.30/1/02) against our former editor late Mr. Narendar Mohan Gupta, and our resident editor Nishi Kant Thakur, in the court of the Judicial Magistrate, First Class, Jalandhar under the provisions of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 in relation to a news item published in Dainik Jagran on August 5, 2001 containing an allegedly derogatory reference to the Balmiki community. The matter is pending and the next date of hearing has been fixed for February 14,2006.

(e) Baba Daljit Singh has filed a complaint under Section 22 of the Hindu Marriage Act, 1955 against our editor in the court of the Additional District Judge (Fast Track Court), Ropar in relation to publishing and printing a report of the proceedings of a divorce petition involving the complainant in Dainik Jagran on November 5, 2004. The matter is pending before the trial court. The next date of hearing has been scheduled for January 27, 2006.

(f) Mr. Jit Ram has filed a criminal complaint (Criminal Complaint No. 82-1/2002) against our former editor late Mr. Narendra Mohan, our resident editor and our managing director in the court of the Chief Judicial Magistrate, Bhiwabi under the provisions of the Indian Penal Code, 1860 read with the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 Act in relation to an allegedly defamatory news item published in Dainik Jagran on November 19, 2001 containing derogatory reference to the lower castes. The court has issued summons to the accused and had further issued a non-bailable warrant against the accused for non-appearance as directed. Mr. Sanjay Gupta has filed a revision application before the Sessions Judge, Bhiwani against the order issuing summons, pursuant to which the records have been summoned from the trial court. The next date of hearing has been fixed for March 28, 2006.

(g) Mr. Manoj Kumar Sharma, our ex-employee, has filed a criminal complaint (Criminal Complaint No.1177/2004) against our general manager Mr. Sanjay Shukla, and others in the court of the Chief Judicial Magistrate, Dehradun on the grounds that they had used force and issued threats against him. The trial court has taken cognisance of the offence and issued summons for the appearance of the accused. However, the accused have filed a criminal revision application before the High Court of Uttaranchal (Criminal Revision No. 438/2004). The High Court has stayed the proceedings in the trial court vide its order dated October 12, 2004.

(h) Mr. H.B. Singh has lodged a first information report in Pilibhit under the Public Representation Act, 1951 against our resident editor, Mr. Chandrakanth Tripathy and our former editor late Mr. Narendra Mohan, alleging publication of ballot papers in Dainik Jagran. The matter is pending in the court of the Chief Judicial Magistrate, Pillibhit. The next date of hearing has been fixed for February 4, 2006.

(i) Mr. Fakrul Islam has filed a criminal complaint (Criminal Complaint No. 11/2004) against our editor, Mr. Sanjay Gupta, and others in the court of the Chief Judicial Magistrate, Sambhal under Section 156(3) of the Code of Criminal Procedure, 1973 for lodging a first information report, pursuant to which the same has been registered and investigation has commenced, in relation to the non-publication of an advertisement booked by the complainant in Dainik Jagran. The trial court has issued summons against the accused in relation to this matter. The accused have filed a criminal revision application against the order of the trial court in the High Court of Allahabad (Criminal Revision No. 4508/2005), which has stayed the arrest of the accused till the submission of the charge sheet upon completion of investigation under Section 173(2) of the Code of Criminal Procedure, 1973.

(j) Ms. Shiv Kumari Srivastav has filed a criminal complaint (Criminal Complaint No. 226(c)/2002) against our general manager and others including our director Mr. Sunil Gupta and Mr. Yogendra Gupta in the court of the Chief Judicial Magistrate, Patna under Section 406, 420 and 120B of the Indian Penal Code, 1860 with regards to non-payment of Rs. 45,433 as amount due for services rendered with respect to freight for transportation of newspapers. The complainant has entered into a compromise with our Company dated September 2, 2002 for withdrawal of the said complaint and the order of the court is pending.

(k) The Labour Department of the State of Bihar has filed a criminal complaint (Criminal Complaint No. 337(M)/2004) against our Company and others including our directors, Mr. Sunil Gupta and Mr. Yogendra Mohan Gupta in the court of the Judicial Magistrate, First Class, Patna under Section 25 and 29 of the Bihar Industrial Disputes Act, 1947 in relation to non-payment of the minimum wages to workmen. The trial court has vide its order dated March 3, 2005 directed that the accused would not be required to appear in person and that they may do so through their counsel. The next date of hearing has been fixed for February 4, 2006.

(l) Mr. Hari Krishna has filed a criminal complaint (Criminal Complaint No. 274/2003) against our manager, Mr. Manoj Gupta, and others in the court of the Chief Judicial Magistrate, Ranchi under Section 120B and Section 420 of the Indian Penal Code, 1860 alleging the commission of fraud by the accused in relation to a quiz contest being organized by the complainant with the aid of the accused. The court has issued summons for personal appearance of the accused. The next date of hearing has been scheduled for March 27, 2006.

(m) Mr. Rakesh Chowdhury has filed a criminal complaint (Criminal Complaint No. 26/9 of 2000) against our former editor late Mr. Narendra Mohan and our resident editor Mr. Dhirendra Mohan in the court of the Fourth Chief Judicial Magistrate, Meerut under Section 127 A of the Representation of People Act, 1951, alleging the commission of an offence under the said provision due to the publication of a news item in Dainik Jagran dated September 25, 2005 favouring a particular election candidate on grounds of caste, religion or creed in relation to the 13th Lok Sabha elections. The trial court issued summons to the accused, pursuant to which the accused have filed a writ petition in the High Court of Allahabad for quashing the same (Criminal Writ Petition No. 1444 of 2005). The High Court of Allahabad has stayed the order of the trial court till the next date of hearing vide its order dated February 14, 2005.

(n) Mr. Robin Tewari had filed a criminal complaint against Virendra Kumar Gupta, our resident editor in the court of the Chief Judicial Magistrate, Allahabad under Section 156(3) of the Code of Criminal Procedure for lodging an FIR against the accused, The same was dismissed pursuant to which the complainant filed a writ petition before the High Court of Allahabad (Criminal Miscellaneous Writ Petition 5579/2000). The matter is pending before the said High Court and the next date of hearing has been fixed for February 21, 2006.

(o) Mr. Raj Babu Singh has filed a criminal complaiant against Tarnaum Akeel, our reporter and others including our editor, Mr. Sanjay Gupta, before the Chief Judicial Magistrate, Moradabad under section 156(3) for lodging an FIR against the accused in relation to the alleged embezzlement of an amount accepted as advertising booking money and for producing forged bills.

(p) Mr. Qadir Khan has filed a criminal complaint (Criminal Complaint No.179/2005) against our editor, Mr. Sanjay Gupta, and others in the court of the Chief Judicial Magistrate, Rampur in relation to a news item published in Dainik Jagran alleging the same amounts to a contempt of court. The trial court has issued summons in connection with the complaint and the next date of hearing has been fixed for February 3, 2006.

4. Complaints before the Press Council of India

The Press Council of India is a statutory authority constituted under the Press Council Act, 1978 with the objective of preserving the freedom of the press and maintaining and improving the standards of newspapers and news agencies in India. There are 10 complaints against the Company before the Press Council of India. The details of the same are as follows:

(a) Mr. Hazi Abdul Aziz, Chairman of Madrasa-Jamia-Arabia-Kasim ul ullum, Khurja, Uttar Pradesh had filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly objectionable and false news item published in Dainik Jagran dated September 4, 2003. The Press Council of India has vide its order dated June 28, 2004 issued a censure to the editor and reporter of our Company in relation to this complaint. A copy of the said order has been forwarded to the District Magistrate for such necessary action as he deems fit.

(b) Ms. Rajni Gupta has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly defamatory article published in Dainik Jagran dated January 25, 2003. The Press Council of India has vide its order dated October 17, 2005 issued a censure to the editor of our Company for non-verification of facts in relation to this complaint.

(c) Dr. Dharam Vir Mantri has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly defamatory advertisement published in Dainik Jagran dated July 11, 2004. Our editor has received a show cause notice from the Press Council of India in relation to the said complaint and is required to file his reply to the same.

(d) Ms. Kamla Rani has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly false news item published in Dainik Jagran dated June 10, 2005. Our editor has received a show cause notice from the Press Council of India in relation to the said complaint and is required to file his reply to the same.

(e) Mr. Anil Kumar Sharma has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly defamatory news item published in Dainik Jagran dated May 19, 2004. Our editor has received a show cause notice from the Press Council of India dated January 17, 2005 in relation to the said complaint. We have filed our reply to the said show cause notice.

(f) Mr. Sanjay Kumar Bansal of the Adyakachh Desh Kalyan Samiti, Moradabad has written a general complaint dated June 10, 2004 to the Government regarding publication of objectionable photographs in different newspapers and magazines, which in turn has forwarded the said complaint to the Press council of India. The Press council of India had forwarded the aforesaid complaint to our Company vide letter dated May 18, 2005 instructing us to submit our reply thereto. We had submitted our reply vide letter dated June 10, 2005.

(g) Mr. Ram Lal, the Kshetriya Pracharak, Rastriya Swavam Sevak Sangh has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to an allegedly false news item published in Dainik Jagran dated June 29, 2003. We have subsequently published a corrigendum to the said report on July 4, 2003 in our newspaper. We have also submitted our reply to the Press Council of India where the matter is still pending.

(h) Mr. Mohd. Safiq Kadri has filed a complaint with the Press Council of India against the editor, Dainik Jagran in relation to a news item published in Dainik Jagran on June 20, 2004. We have submitted our reply vide to the said complaint vide letter dated March 17, 2005. The matter is still pending before the Press Council of India.

(i) Mr. Achyut Thakur has filed a complaint dated July 20, 2005 with the Press Council of India alleging the non-payment of benefits by our Company to the legal heirs of his son, who he claims was in the employment of our Company and who had died in a road accident. The Press Council has forwarded the complaint to our Company vide letter dated October 28, 2005. The Company has submitted its reply vide letter dated December 7, 2005.

(j) Mrs. Nisha Trivedi has filed a complaint with the Press Council of India against our editor in relation to a news item published in Dainik Jagran on August 20 and 21, 2004. Our editor has received a show cause notice dated November 18, 2005 from the Press Council of India in relation to the said complaint and is required to file his reply to the same. The Company has submitted its reply vide letter dated December 27, 2005.

5. Civil Defamation Cases

There are 35 civil defamation cases pending against us or our editors, publishers, resident editors, reporters and other employees in relation to allegedly defamatory news items published in the various editions of Dainik Jagran. The aggregate claim against us in these cases is Rs. 1,025.39 million. The material cases in this regard have been described hereinbelow:

(a) The Bahujan Samaj Party has filed a defamation suit (Suit No. 3237/2004) against the Company and three of its directors in the High Court of Judicature, Bombay, in relation to an allegedly defamatory news item published on September 6, 2004 in Dainik Jagran in relation to Ms. Mayawati, leader of the Bahujan Samaj Party. A claim of Rs.1,000 million as damages has been made against the Company. The Company has subsequently published apologies in all editions of Dainik Jagran. The Company has also filed its written statement in which it has claimed that the suit is liable to be dismissed on the grounds *inter alia* that the Bahujan Samaj Party had no locus standi since in a suit for defamation the cause of action lies solely with the person defamed. The Company has further filed an application under Order VII, Rule 11 of the Code of Civil Procedure, 1908 for the rejection of the plaint on the ground of there being no cause of action with the Bahujan Samaj Party. The case is pending before the High Court of Judicature, Bombay. In relation the to the above-stated incident, the Company has filed a suit in the court of the Civil Judge, Senior Division, Ludhiana, for permanent injunction against the Bahujan Samaj Party to the effect that the defendants be restrained from holding any dharna, raising slogans, arranging demonstrations, causing damage to the property of the Company, causing hurt and injury to any of the employees of the Company and taking any other steps of unlawful nature within a radius of 200 metres of the boundaries of the office of the Company in Ludhiana. The Company has also made an interlocutory application for grant of an ad interim injunction against the Bahujan Samaj Party.

(b) Mr. V.M. Singh has filed a defamation suit (Suit No. 21/2005) against Ms. Maneka Gandhi and others including the editor, resident editor and reporter of our Company in the High Court of Delhi in relation to an allegedly defamatory news item published on September 22, 2003 in Dainik Jagran and has claimed Rs. 5,000,000 as damages. The defendants have filed their written statement. The date for framing of issues has been fixed for February 1, 2006.

(c) Mr. Harish Chander has filed a defamation suit against Prem Kumar Singh and others including our resident editor in the court of the Additional Civil Judge, Senior Division, Phillaur, in relation to an allegedly defamatory news item published on October 14, 2003 in Dainik Jagran and has claimed Rs. 2,500,000 as damages. The defendants are required to file their written statement on January 10, 2006.

6. Labour Disputes

There are 64 cases and claims relating to labour and service matters, which have been filed by trade unions, our employees and other persons who have been providing services to the Company. The total amount of claims is not ascertainable. A majority of these claims relate to the termination of employment by the Company and the complainants have prayed for a relief of reinstatement in service with back wages. The material cases in this regard are as below:

(a) Mr. Ramu Gautum has filed a claim against the Company before the Commission, Workmen's Compensation Act, 1923, Kanpur (W.C. Case No. 80/2004) for compensation of Rs. 362,988 due to injury caused by the collapse of a Company hoarding. Our Company has filed its reply to the claim. The next date of hearing has been scheduled for January 12, 2006.

(b) The Newspapers Employee Union has filed an application before the Labour Court, Varanasi (Case No. 104/2000) challenging the transfer order issued by the Company in relation to Mr. Rajaram, an employee of the Company. The case is pending before the said court.

(c) The Rahstriya Mazdoor Congress and the Press Hitkari Sangh, Meerut Mandal, both registered trade unions, have filed an application before the Chairman Conciliation Board, Uttar Pradesh, at Meerut under Section 2(k) read with Section 12 of the Industrial Disputes Act, 1947 alleging the existence of an industrial dispute with regard to a dispute over the implementation of the wage structure in accordance with the Manisana Wage Board Award as notified vide Government Notification No. S.O. 1086(E) dated December 5 and December 15, 2000. Pursuant to the award of the Manisana Wage Board the Company entered into a memorandum of settlement with the workmen, which was registered by the Deputy Labour Commissioner on January 25, 2001. The matter is awaiting reference to the Additional Labour Commissioner, Meerut.

(d) Mr. Gajay Singh and 41 other workmen have filed an application under Section 33C(2) of the Industrial Disputes Act, 1947 before the Labour Court, Meerut for computation of the amount to be paid by the Company in relation to bonus. The applicants have claimed that they are 'employees' of the Company under the Payment of Bonus Act, 1956 making them eligible to receive bonus amounting to Rs. 1,12,500 in accordance with the provisions of the said Act for 1999 and 2000. The order of the Labour Court, Meerut is pending.

(e) The Press Hitkari Sangh, Meerut Mandal a registered trade union formed by our workmen had filed an application before the Certifying Officer for Standing Orders and Deputy Labour Commissioner, Meerut claiming that the Standing Orders issued by the Company are not in conformity with the Working Journalist and Other Newspaper Employees (Conditions of Service) Act, 1955. They have prayed for the modification of the Standing Orders issued by the Company. The matter is pending and there has been no date of hearing fixed.

(f) The Press Hitkari Sangh, Meerut Mandal a registered trade union (8803) formed by our workmen has filed an application before Additional Labour Commissioner, Meerut on behalf of our employee, Mr. Hari Shankar, whose employment had been terminated by our Company. The matter is pending and reference to the Labour Court is awaited.

(g) Rahstriya Mazdoor Congress and Press Hitkari Sangh, Meerut Mandal had filed a conciliation application before the Deputy Labour Commissioner, Meerut claiming proper classification of workmen employed by our Company and payment of wages in accordance with the Bachawat Commission Report along with an application for condonation of delay. The said application for condonation of delay was rejected vide order dated December 19, 2000 pursuant to which the Rashtriya Mazdoor Congress filed a writ petition in the High Court of Allahabad (Civil Miscellaneous Writ Petition 24701/2001). The matter is pending before the High Court.

(h) The Company has filed a suit for permanent injunction in the court of the Additional Civil Judge (Senior Division), Meerut for restraining the Press Hitkari Sangh, Meerut Mandal a registered trade union) formed by our workmen and our workmen from holding any meeting, sitting on any dharna or hunger strike or executing the threat of self-immolation within 600 metres of the Company's premises in Meerut. Our Company has also filed an application for ad-interim injunction in relation to this matter, pursuant to which the court has vide its order dated August 6, 2001 directed the defendants from doing any of the aforesaid activities within 500 metres of the Company's premises. The next date of hearing has been fixed for January 9, 2006.

7. Claims before the Consumer Forum

There are four consumer complaints pending against the Company before the various consumer dispute redressal forums in India. The total amount of claims in these cases is approximately Rs. 552,350. These claims have been detailed below:

(a) Ms. Pushpa Anuragi has filed an application before the Consumer Forum, Mahoba, (Case No. 33/2005) claiming that the Company had failed to publish an advertisement for which she had paid the requisite amount. The applicant has claimed Rs. 52,600 as damages. The Company has filed its reply. The next date of hearing has been fixed for February 3, 2006.

(b) Mr. Rakesh Sharma has filed a complaint against the Company before the President, District Consumer Court, Gurgaon in relation to non-performance of obligations by our Company with respect to a lucky draw contest. The complaint is pending and the next date of hearing has been fixed for January 11, 2006.

(c) Mr. R. Dharma has filed an application before the Consumer Forum, Allahabad claiming that the Company had misprinted an advertisement sought to be made by her in Dainik Jagran. The applicant has claimed Rs. 72,000 as damages. The Company has filed its reply to the said application. The next date of hearing has been scheduled for March 6, 2006.

(d) Mr. Ravi Dutt Shukla has filed a complaint against Azilina Friendship Club and others, including our Company before the Consumer Forum Kanpur alleging that he was not enrolled as a member of the respondent club despite the payment of membership fees. The complainant has claimed Rs. 85,000 as damages. We are required to file our reply to the said complaint on January 19, 2006.

8. Other Civil Cases

In addition to the above, there are 14 civil cases pending against the Company. The aggregate claim against the Company in these cases is approximately Rs. 2,500,000. The material case in this regard is as follows:

(a) The Financial Times Limited, England, the publisher of the weekly newspaper Financial Times, has filed a suit against Bennet Coleman and Company Limited, Times Publishing House Limited and our Company in the High Court of Delhi (Suit No. 2055/2001) claiming the infringement of the their trademark "Financial Times", registered under the Trademarks and Merchandise Act, 1958 by the publication of a newspaper bearing the name "FT" published by the Times Publishing House Limited and printed by our Company on their behalf. The Financial Times Limited has prayed for a decree of perpetual injunction restraining the defendants from printing, publishing or in any manner using in relation to any newspaper, publication, magazine or stationery the impugned trademark of the plaintiff. The Financial Times Limited has also prayed for an order directing the defendants to render a true and proper account of all revenue generated and profits made by the use of the said trademark. In the alternative, the plaintiff's have prayed for damages amounting to Rs. 2,000,000 for the wrongful use of their trademark. Further, the plaintiff's have also made an interlocutory application for granting of an interim injunction pending final disposal of the above-mentioned suit. The suit is pending and the next date of hearing has been fixed for February 10, 2006.

9. Contempt of Court

There are two contempt of court cases pending against the Company. The details of these are as follows:

(a) Mr. Wazir Chand has filed a complaint against Mr. Kalyan Kumar, our resident editor and others, including Mr. Sanjay Gupta our editor, in the court of the Additional Civil Judge (Senior Division), Panipat, alleging that the respondents have committed criminal contempt of court by publishing an allegedly defamatory news item in Dainik Jagran dated October 17, 2003 in relation to a matter that was sub-judice before the said court. We have received summons issued by the court in this regard and are required to file our reply to the complaint. The next date of hearing has been fixed for January 7, 2006.

(b) Ms. Niha Singhal has filed a criminal writ petition before the High Court of Allahabad (Criminal Miscellaneous Writ Petition No. 7043 of 2002) in relation to an allegedly defamatory news item published in Dainik Jagran dated November 29, 2002 against the State of Uttar Pradesh and others, pursuant to which the High Court has issued notices for contempt of court to our publisher, editor and reporter. The aforementioned persons have replied to the show cause notice. The High Court has reserved its order in relation to this matter.

10. Cases by Statutory Authorities

The ESI Corporation has vide order dated July 19, 2001 raised a demand of Rs.250,680 as damages in relation to the delayed payment of amount due to the ESI Corporation under the Employee State Insurance Act, 1948 from the period between October 1978 and December 1988. The Company has made a payment of Rs. 125,340 under protest and has filed a petition before the ESI Court, Kanpur (Petition No. 2/2001). The next date of hearing has been fixed for January 30, 2006.

II. Material Developments

In the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

III. Litigation against our Directors

Our Directors have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non payment of statutory dues, in their individual capacity or in connection with our Company and other companies with which the Directors are associated, except as below oras detailed in the section titled “Pending Litigation against our Company” hereinabove.

Mr. Dhirendra Mohan Gupta

Mr. Krishan Mohan Agarwal had lodged a first information report in the Cantonement Police Station, Gorakhpur against Mr. Dhirendra Mohan Gupta alleging that he had committed an offence under Section 394 of the Indian Penal Code, 1860, pursuant to which a charge sheet has been filed against the accused before the Chief Judicial Magistrate, Gorakhpur who has taken cognisance of the said offence (Criminal Case No. 3793/89). The accused has been granted bail in the matter vide the order of the trial court dated July 6, 1979. The accused is required to reply to the charge sheet and the next date of hearing has been fixed for January 29, 2006.

Mr. Kishore Biyani

(a) The Food and Health Inspector, Pune Cantonment Board has filed six criminal complaints before the Judicial Magistrate, First Class against Mr. Kishore Biyani, the Chairman and Managing Director of Pantaloon Retail (India) Limited (“**PRIL**”) for allegedly trading without a license in respect of selling eatables at a factory outlet operated and run by PRIL at Pune from November 1, 2004 to November 6, 2004. Mr. Kishore Biyani has filed an application dated September 13, 2005 before the trial court contending that the summons had been wrongly served on him as the actual activity of preparing and selling the said eatables was carried on by another firm. The next date of hearing has been fixed for January 20, 2006.

(b) The Local Health Authority, Ahmedabad Municipal Corporation has filed a criminal complaint against Mr. Kishore Biyani, in respect of a product supplied at PRIL‘s retail outlet at Ahmedabad. The product was allegedly found to be adulterated as it did not conform to the standards of the Prevention of Food Adulteration Rules, 1955 and was also allegedly misbranded as per section 2(ix)(k) of the Prevention of Food Adulteration Act, 1954.

(c) Trent Limited has filed a contempt petition before the High Court of Judicature, Bombay against Amazon Developers and others including Mr. Kishore Biyani *inter alia* seeking to restrain PRIL from entering into a premise at Mumbai and from opening any retail outlet at the said premises. The petitioner has alleged that the said Amazon Developers had entered into agreement with it to transfer the possession of the said premises to the petitioner. The petitioner had subsequently filed an arbitration petition before the High Court of Judicature, Bombay against Amazon Developers to seek enforcement of these agreements pursuant to which the High Court passed an order dated July 18, 2005 restraining Amazon Developers

from selling, transferring, or creating any third party rights in the said premises. In the contempt petition, the petitioner has alleged that the said premises have been transferred to PRIL in willful breach of the order dated July 18, 2005. The High Court of Judicature, Bombay passed an order dated October 17, 2005 taking note of the statement of the respondents that no third party rights had been created in the said premises. The petitioner has filed an appeal against the order before a division bench of the High Court seeking the appointment of a court receiver in respect of the said premises.

C. Litigation against our Promoters and Promoter Group Companies

Our Promoters and Promoter Group companies have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences, disputes, defaults, non-payment of statutory dues, in their individual capacity or in connection with our Company and other companies with which they are associated, except as detailed in the sections titled "Pending Litigation against our Company" and "Litigattion against our Directors" hereinabove.

Shakumbhari Sugar and Allied Industries Limited

There are 7 criminal cases pending against the company. These cases have been detailed below.

(a) The Labour Enforcement Officer has filed two complaints under the U.P. Industrial Disputes Act, 1947 in relation to the non-compliance of the awards dated April 21, 1998 issued Labour Court. The company has filed a writ petition for quashing of the said complaint in the High Court of Allahabad, pursuant to which the High Court has vide order dated January 30, 2001 stayed the proceedings in the trial court. The matter is pending.

(b) The Sugar Cane Inspector, Saharanpur has filed four complaints under the U.P. Sugar Cane (Regulation of Supply & Purchase), Act 1953 for the alleged non-payment of the prescribed cane price for the season 2001-2002. The company has however filed criminal writ petitions before the High Court of Allahabad challenging the complaints pursuant to which proceedings before the trial court have been stayed.

(c) The Assistant Sugar Commissioner has filed a complaint against Mr. K.G. Garg and Mr. Anand Singh, the cane weightment clerk in relation to certain irregularities found at the cane purchasing centre. The accused cane weighment clerk has applied to Cane Commissioner, Lucknow for compounding the case.

There are two contempt applications pending against the company. The details of these cases are as follows:

(a) Mr. Mukesh Kumar has filed a contempt application before the High Court of Allahabad against the company in relation to the alleged non-compliance of the an interim order issued by the High Court. The matter is pending.

(b) Mr. Jayut Mehto has filed a contempt application before the High Court of Allahabad against the company in relation to the alleged non-compliance of the interim order of the High Court. The matter is pending.

Additionally, the Sahakari Ganna Vikas Samiti Titawi has initiated a public interest litigation by way of a writ petition filed in the High Court of Allahabad against the State of Uttar Pradesh and others praying for a direction to the respondents to take steps to enforce the recovery of amounts in arrear in relation to the cane price and interest thereon since the crushing season 2002-2003, 2003-2004 and 2004-2005. The High Court of Allahabad has vide order dated May 2, 2005 directed that mill owners be made parties to the said petition. An amount of Rs. 9.23 crores has been provided for in the audited financial statements of the company for the year ended September 30, 2004 towards the dues of cane prices and paid through cheques.

The company had made an application for grant of exemption from trade tax under the U.P. Trade Tax Act. The Divisional Level Committee had vide eligibility certificate dated September 29, 1999 granted the said exemption under Notification No. 780/781 only for a period of eight years, instead of Notification No. 640/641 where exemption is granted for a period of 15 years on the grounds of certain procedural lapses. The company then preferred an appeal against the order before the Trade Tax Tribunal, Lucknow, which directed the Divisional Level Committee to reconsider the application. However, the Divisional Level Committee rejected the application, which decision was upheld by the tribunal. The Company has filed a revision petition before the High Court of Allahabad, against the order of the tribunal pursuant to which the High Court has vide order dated August 5, 2004 stayed the recovery sought to be made against the company till the date of next listing.

Further, there are 13 labour cases pending against the company. A total amount of Rs. 536,208 has been claimed against the company in these cases.

In addition, there are 12 civil cases pending against the company. The total amount claimed in these cases is approximately Rs. 3,939,452.

Jagran Publications Private Limited

(a) Mr. Partidar has filed a criminal defamation complaint against Mr. Sanjeev Mohan Gupta and others in the court of the First Judicial Magistrate, Mandsaur in relation to an allegedly defamatory news item published by the company. The matter is still pending.

(b) Mr. Laxmi Narain Chaukse has filed a criminal defamation complaint against Mr. Rajiv Mohan Gupta and others in the court of the First Judicial Magistrate, Hosangabad in relation to an allegedly defamatory news item published by the company. The matter is still pending.

(c) Mr. Rakablal Jain has filed a criminal defamation complaint against Mr. Rajiv Mohan Gupta and others in the court of the First Judicial Magistrate, Hosangabad in relation to an allegedly defamatory news item published by the company. The matter is still pending.

(d) Mr. Omkar Prasad has filed a criminal defamation complaint against Mr. Hari Mohan Gupta and Rajiv Mohan Gupta in the court of the First Judicial Magistrate, Gadarwada in relation to an allegedly defamatory news item published by the company. The matter is still pending.

(e) Mr. Abdul Zahoor Khan has filed a criminal defamation complaint against Mr. Rajiv Mohan Gupta and others in the court of the First Judicial Magistrate, Siwni Malav in relation to an allegedly defamatory news item published by the company. The matter is still pending.

(f) Mr. Kanhaiyalal has filed a criminal defamation complaint against Mr. Sanjeev Mohan Gupta and Rajiv Mohan Gupta in the court of the First Judicial Magistrate, Bhopal in relation to an allegedly defamatory news item published by the company. The matter is still pending.

Rave Entertainment Private Limited

(a) Mr. Ashok Babu has filed a case against our contractor, Shiv Shakti Engineering Company and the company in the Labour Court IV, Kanpur in relation to an injury sustained during the course of work.

(b) Mr. Gauri Shanker Shukla has filed a case against the termination of his employment by the company in the Labour Court III, Kanpur. He has also made a claim of Rs. 50,000 from the company.

(c) The company has filed an appeal against the assessment order dated February 24, 2005 of the Income Tax Department with the Deputy Commissioner Income Tax (Appeals), Kanpur. In the said assessment order, the Income Tax Department contended that a multiplex operated by the company became commercially functional from October 26, 2001 i.e. during the assessment year 2002-2003 and that only expenses after the said date would be allowable towards depreciation. The company had contended that during the period October 26, 2001 to March 31, 2002, the multiplex had only been doing a trial run and had not commenced operations. The said order further stated that the company did not claim any depreciation at the time of filing the return, but submitted the statement regarding losses/depreciation only on January 29, 2005. Therefore, the Income Tax Department disallowed the carry forward of losses for the period October 26, 2001 to March 31, 2002 and also directed issuance of notices for furnishing inaccurate particulars of income. The matter is pending before Deputy Commissioner Income Tax (Appeals), Kanpur.

Jagmini Micro Knit Private Limited ("JMKPL")

ATL Textiles Private Limited has filed a case against JMKPL in the Civil Court, Tripur in relation to the alleged non-payment of amount due for 1,675 kilogram of cotton yarn purchased from the plaintiff. The plaintiff has claimed Rs. 373,391 against JMKPL.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any Government authority/ RBI are required to undertake the Issue or continue our business activities.

A. Approvals for the Issue

We have received the following approvals relating to the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on November 18, 2005, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, approval by the FIPB, the MIB and such other authorities as may be necessary.

The shareholders have, pursuant to a resolution dated November 18, 2005 under Section 81(1A) of the Companies Act, authorized the Issue in accordance with law.

Our Board of Directors has, pursuant to a resolution dated November 18, 2005, authorized two committees of its Directors to take decisions relating to the Issue on behalf of the Board of Directors.

We had written to the MIB on October 18, 2005 seeking a no objection for participation in the Issue by FIIs, NRIs and such other foreign persons who are eligible by SEBI to participate in Indian public offers and for the corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders in our Company. The MIB has, vide its letter no 10/49/2004 dated December 05, 2005, granted permission for Non-Resident Bidders to acquire Equity Shares in the Issue.

B. Approvals/Licenses for our Business

I. Registrations under the Press and Registration of Books Act, 1867

Printing and publishing of newspapers and periodicals within India are governed by the PRB Act and the Registration Rules.

According to the PRB Act, no newspaper or periodical should bear a title which is the same or similar to any other newspaper or periodical already being published, either in the same language or in the same State, unless the latter is also owned by the same person. In order to ensure compliance of this condition, the Government of India has appointed the Registrar of Newspapers (RNI), also called the Press Registrar, who maintains a register of newspapers and periodicals published in India.

The Press Registrar issues certificates of registration to printers and publishers who make the prescribed declarations under the Act and the Registration Rules.

We have received the following certificates of registration from the RNI.

Sl. No.	Publication	Language	Periodicity	Place of publication	Date of Registration	Registration Number
1.	Dainik Jagran	Hindi	Daily	Kanpur	September 21, 2005	2017/57
2.	Dainik Jagran	Hindi	Daily	New Delhi/Hisar/Panipat	May 2, 1997	50755/90
3.	Dainik Jagran	Hindi	Daily	Meerut	June 6, 2003	43236/84
4.	Dainik Jagran	Hindi	Daily	Bairelly/Moradabad	June 6, 2003	48020/89
5.	Dainik Jagran	Hindi	Daily	Lucknow	May 7, 2003	35496/79
6.	Dainik Jagran	Hindi	Daily	Dehradun/Haldwani	January 29, 2003	UTTHIN/ 2003/8916
7.	Dainik Jagran	Hindi	Daily	Patna/Bhagalpur/Muzaffarpur	April 5, 2003	BIHHIN/2000/3097
8.	Dainik Jagran	Hindi	Daily	Gorakhpur	May 12, 2003	26729/75
9.	Dainik Jagran	Hindi	Daily	Varanasi/Allahabad	June 6, 2003	35497/79
10.	Dainik Jagran	Hindi	Daily	Jalandhar/Ludhiana	October 15, 2004	PUNHIN/1999/221
11.	Dainik Jagran	Hindi	Daily	Agra/Aligarh	June 12, 2003	46169/86
12.	Dainik Jagran	Hindi	Daily	Ranchi/Dhanbad/Jamshedpur	March 13, 2003	JHAHIN/2003/ 9351

We have applied for certificates of registration from the RNI in relation to our publications at Jammu and Dharamshala and the same are currently pending.

Further, "Form I" declarations leading to issuance of certificates of registration as above under Section 19C of the PRB Act have been made in the prescribed manner with respect to the following units.

Sl. No.	Date	Authority	Printing Unit
1.	March 31, 2005	District Magistrate, Bhagalpur	Bhagalpur
2.	March 1, 2005	District Magistrate, Muzaffarpur	Muzaffarpur
3.	April 30, 2005	Additional District Magistrate, Gautambudh Nagar, Noida	Sector 63 – Noida
4.	April 25, 2005	District Magistrate, Hisar	Hisar
5.	May 5, 2005	District Magistrate, Panipat	Panipat
6.	April 28, 2005	District Magistrate, Ludhiana	Ludhiana
7.	April 25, 2005	District Magistrate, Dhanbad	Dhanbad
8.	April 26, 2005	District Magistrate, Nainital	Haldwani
9.	April 1, 2005	District Magistrate, Jamshedpur	Jamshedpur
10.	April 26, 2005	District Magistrate, Moradabad	Moradabad
11.	April 1, 2005	District Magistrate, Allahabad	Allahabad
12.	April 1, 2005	District Magistrate, Aligarh	Aligarh
13.	August 16, 2005	District Magistrate, Kangra	Kangra

II. Approvals/Licenses for our Company's plants and premises

1. Premises at F21, 22, 23, Sector VIII Noida

1.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under the Air (Prevention and Control of Pollution) Act, 1981	289	October 29, 2005	December 31, 2006
2.	Consent under the Water (Prevention and Control of Pollution) Act, 1974	285	October 29, 2005	December 31, 2006

1.2 Approvals/Licenses for which applications for renewal have been made

- An application dated October 18, 2005 has been made to the Deputy Director of Factories for renewal of consent vide license number NDA 666 under the Factories Act, 1948.

2. Premises at D-210, 211, Sector 63, Noida

2.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under the Air (Prevention and Control of Pollution) Act, 1981	290	October 29, 2005	December 31, 2006
2.	Consent under the Water (Prevention and Control of Pollution) Act, 1974	286	October 29, 2005	December 31, 2006

3. Premises at C-120, Focal Point, Jalandhar

3.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948 granted by the Deputy Director of Factories, Jalandhar-I for Director of Factories, Punjab	JLR-1/J-117/133	February 14, 2005	December 31, 2009
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the Punjab Pollution Control Board	JAL/APC/2001-16/F-277	August 20, 2001	August 18, 2016
3.	Consent by the U.P. State Pollution Control Board under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the Punjab Pollution Control Board.	JAL/APC/2001-16/F-444	August 20, 2001	August 18, 2016

4. Premises at D-360, Phase 8, Focal Point, Ludhiana

4.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Authorization for collection and storage of hazardous wastes under Rule 5 of the Hazardous Waste (Management & Handling) Rules, 1989	HWM/2005/LDH/F-942/5579	April 19, 2005	April 18, 2007

4.2 Approvals/Licenses for which applications for renewal have been made

- An application dated November 28, 2005 has been made to the Deputy Director of Factories, Punjab for renewal of consent vide license number LDH-7/J/27/192 under the Factories Act, 1948.
- An application dated July 19, 2004 has been made to the Environment Engineer, Ludhiana for renewal of consent vide license number LDH/APC/2003-393 under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and license number LDH/WPC/2003 under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

5. Premises at Plot No. 75, Sector 29, HUDA Part II, Panipat

5.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the Haryana State Pollution Control Board	HPSCB/Air Consent/ 1908	December 30, 2004	March 31, 2007
2.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the Haryana State Pollution Control Board.	HPSCB/Water Consent/ 1906	December 30, 2004	March 31, 2007

5.2 Approvals/Licenses for which applications have been made

- An application dated November 14, 2004 has been made to the Assistant Director, Industries Safety and Health, Panipat for issuance of licence under the Factories Act, 1948.

6. Premises at Plot No. 21, Industrial Estate, Hisar

6.1 Approvals/Licenses for which applications for renewal have been made

- An application dated October 21, 2005 has been made to the Chief Inspector of Factories, Haryana for renewal of consent vide license number HRS/J-123/2495 under the Factories Act, 1948.

6.2 Approvals/Licenses for which applications have been made

1. An application to the Haryana Pollution Control Board dated November 9, 2005 has been made for consent to operate under Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981

7. Premise at Bari Brahmana, SIDCO Industrial Estate, Jammu

7.1 Approvals/Licenses for which applications have been made

1. An application dated July 21, 2005 has been made to the Office of the Inspector of Factories, Jammu for issuance of licence under the Factories Act, 1948.
2. An application dated September 16, 2005 has been made to the State Pollution Control Board for consents under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and under Section 25, 26 of the Water (Prevention and Control of Pollution) Act
3. We had received permission for the installation of printing press at Jammu from the District Magistrate, Jammu vide order dated December 30, 2004. However, the said permission was withdrawn by the District Magistrate vide order dated February 19, 2005 since no declaration was made by a person who is a 'state subject' as required under the Jammu and Kashmir State Press and Publication Act, 1989. Pursuant to this we have filed a declaration in the requisite form on July 6, 2005 through our publisher Mr. Harbans Singh, a Jammu and Kashmir state subject, whose receipt has been acknowledge by the office of the District Magistrate.

8. Premises at Banoi, District Kangra

8.1 Approvals/Licenses for which applications have been made

- An application to the Himachal Pradesh Pollution Control Board dated November 16, 2005 has been made for consent to operate under Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.
- An application dated November 23, 2005 has been made to the Chief Inspector of Factories, Himachal Pradesh for grant of a license under the Factories Act, 1948.

9. Premises at 2, Sarvodaya Nagar, Kanpur

9.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948 granted by the Deputy Director Factories, Uttar Pradesh	KPR 462	January 1, 1961	December 31, 2006
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the U.P. State Pollution Control Board	1170/J-21/05/1	November 11, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the U.P. State Pollution Control Board.	926/J-21/05/1	November 11, 2005	December 31, 2006

10. Premises at 57 A-3, Meera Bai Marg, Lucknow

10.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Uttar Pradesh Shops and Establishments Act, 1962 granted by the Mukhya Nirakshak, Shops and Establishments, Uttar Pradesh	LKO 5-5480	November 26, 1993	Renewed upto 2009-2010
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the U.P. State Pollution Control Board	152/5961/2005	November 18, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the U.P. State Pollution Control Board.	151/5961/2005	November 18, 2005	December 31, 2006

11. Premises at 23, Civil Lines, Gorakhpur

11.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the U.P. State Pollution Control Board	104/C/AIR/2005	November 14, 2005	December 31, 2006
2.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the U.P. State Pollution Control Board.	105/C/WATER/2005	November 14, 2005	December 31, 2006

11.2 Approvals/Licenses for which applications for renewal have been made

- An application dated October 24, 2005 has been made for renewal of consent vide license number GKP 175 under the Factories Act, 1948.

12. Premises at S - 14/1-A, Andhra Pul, Varanasi

12.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	BRS - 419	October 1, 1991	December 31, 2007

12.2 Approvals/Licenses for which applications for renewal have been made

- An application dated January 7, 2006 has been made to the State Pollution Control Board for renewal of consent vide license number 536/Const/Air/2005-06 under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and license number 535/Const/Water/2005-06 under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

13. Premises at 7, PD Tandon Road, Allahabad

13.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	ALD - 245	November 13, 1971	December 31, 2007
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the U.P. State Pollution Control Board	901752/Const/Air	November 14, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the U.P. State Pollution Control Board.	901751/J-93/2005-06/2	November 14, 2005	December 31, 2006

14. Premises at 140-141D, Saket, Meerut

14.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	MRT - 966	November 30, 1990	December 31, 2006
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.	20/Consent/AirOrder/ 2005	November 30, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.	20/Consent/Water Order/2005	November 30, 2005	December 31, 2006

15. Premises at 130, Civil Lines, Bareilly

15.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	BLY - 316	September 25, 1990	December 31, 2006
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the UP Pollution Control Board.	426/D-20/05	November 18, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the UP Pollution Control Board.	137/D-20/05	November 18, 2005	December 31, 2006

16. Premises at Jagran Bhawan, Kanth Road, (Harthala), Moradabad

16.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	MBD - 823	Illegible	December 31, 2006

16.2 Approvals/Licenses for which applications for renewal have been made

- An application dated December 8, 2005 has been made to the State Pollution Control Board for renewal of consent vide license number 01AC\J-361615-31\2004-03 under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and license number JAL/APC/2001-16/F-4446 under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

17. Premises at Devalchaur, Rampur Road, Haldwani

17.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	NTL - 826	January 1, 2005	December 31, 2006
2.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.	UEPPCB/ROH/D-21/ 05/1811	December 28, 2005	December 31, 2006
3.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.	D-21/334/3/2006	December 28, 2005	December 31, 2006

18. Premises at Plot no. 918/922, Industrial Area, Patel Nagar, Dehradun

18.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the U.P Shops and Commercial Establishments Act, 1962	D-15690	December 24, 2001	March 31, 2007

18.2 Approvals/Licenses for which applications for renewal have been made

An application dated January 7, 2006 has been made to the State Pollution Control Board for renewal of consent vide license number J-2/190/1443/07 under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and license number J-2/1444/198/01 under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

19. Premises at Old L.I.C. Building, Jiwani Mandi, Agra

19.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the U.P. State Pollution Control Board	968/1/2005	November 18, 2005	December 31, 2007
2.	Consent under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 granted by the U.P. State Pollution Control Board.	971/1/2005	November 18, 2005	December 31, 2007

19.2 Approvals/Licenses for which applications for renewal have been made

- An application dated October 13, 2005 has been made for renewal of consent vide license number IGR 1393 under the Factories Act, 1948.

20. Premises at 5th Floor, Rashmi Complex, 172/92/11-B/2, Circle No. 243, Kidwaipuri, Patna

20.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the Bihar State Pollution Control Board	PT-535 T 6100	July 1,2005	June 30,2006
2.	Consent by the U.P. State Pollution Control Board under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 sought from the Bihar Pollution Control Board	PT-536 T 6101	September 27,2005	May 31, 2006

20.2 Approvals/Licenses for which applications for renewal have been made

- An application dated November 27, 2005 has been made for renewal of consent vide license number IS 67780/ PTN under the Factories Act, 1948.

21. Premises at Mahatma Gandhi Road, Bhagalpur

21.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948	00358/BR/BGR	December 24, 2001	March 31, 2007
2.	Consent under the Air (Prevention and Control of Pollution) Act 1981	P/T3-330/04/04/T-7799	December 12, 2005	June 30, 2006
3.	Consent under the Water (Prevention and control of Pollution) Act 1974	P/T2-1016/04/T-7800	December 12, 2005	June 30, 2006

22. Premises at Plot no 62, Kokar Industrial Area, Ranchi

22.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under the Air (Prevention and Control of Pollution) Act 1981	RA/0308/A/5552	December 22, 2005	September 30, 2006
2.	Consent under the Water (Prevention and control of Pollution) Act 1974	RA/0141/W/5551	December 22, 2005	September 30, 2006

22.2 Approvals/Licenses for which applications for renewal have been made

- An application dated December 8, 2005 has been made for renewal of consent vide license number 68875/RCH under the Factories Act, 1948.

23. Premises at Panchsheel Cinema Building, Dhaiya, Dhanbad

23.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 granted by the Bihar State Pollution Control Board	550	December 22, 2005	June 30, 2006
2.	Consent by the U.P. State Pollution Control Board under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974 sought from the Bihar Pollution Control Board	5549	December 22, 2005	June 30, 2006

23.2 Approvals/Licenses for which applications for renewal have been made

- An application dated December 22, 2005 has been made for renewal of consent vide license number 868986/DNB under the Factories Act, 1948.

24. Premises at Uma Shankar Marg, Near Pani Tanki, Ramna, Muzaffarpur

24.1 Approvals/Licenses for which applications have been made

- An application dated November 10, 2005 has been made to the Regional Officer, U.P. Pollution Control Board for consents under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

24.2 Approvals/Licenses for which applications for renewal have been made

- An application dated December 30, 2005 has been made for renewal of consent vide license number 00870/BR/MZR under the Factories Act, 1948.

25. Premises at Chandra Talkies Bhawan, Agra Road, Aligarh

25.1 Approvals/Licenses Obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	License under the Factories Act, 1948 granted by the Assistant Director of Factories, Aligarh	ALI-712	December 14, 2005	December 31, 2007

25.2 Approvals/Licenses for which applications have been made

- An application dated November 14, 2005 has been made to the Regional Officer, U.P. Pollution Control Board for consents under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and under Section 25, 26 of the Water (Prevention and Control of Pollution) Act, 1974.

26. Premises at Shailendra Singh Complex, Dinna Road, Mango, Distt East Singbhum, Jamshedpur

26.1 Approvals/Licenses obtained

S. No.	Description	Reference/License No.	Issue Date	Expiry Date
1.	Consent under the Air (Prevention and Control of Pollution) Act 1981	JH/3656/A/5553	December 22, 2005	June 30, 2006
2.	Consent under the Water (Prevention and control of Pollution) Act 1974	RA/0141/W/5551	December 22, 2005	June 30, 2006

26.2 Approvals/Licenses for which applications for renewal have been made

- An application dated January 7, 2006 has been made for renewal of consent vide license number 69132/SBM under the Factories Act, 1948.

III. INDUSTRIAL ENTREPRENEUR MEMORANDUM

The following acknowledgements of filing Industrial Entrepreneur Memorandum have been received from the Secretariat for Industrial Assistance (SIA) with respect the following units.

Sl.No	IEM Acknowledgement No.	Place	Date
1.	4074/SIA/IMO/2005	Muzaffarpur	August 25, 2005
2.	4079/SIA/IMO/2005	Bhagalpur	August 25, 2005
3.	3146/SIA/IMO/2004	Dehradun	August 30, 2004
4.	2270/SIA/IMO/2004	Mohali, Punjab	June 24, 2004
5.	3357/SIA/IMO/2004	Deval Chaur, Nainital	September 10,2004
6.	3358/SIA/IMO/2004	Bhawan, Aligarh	September 10,2004
7.	3103/SIA/IMO/2004	Kacheri Chowk, Bhagalpur	August 26,2004
8.	3102/SIA/IMO/2004	Harthla, Moradabad	August 26,2004
9.	3104/SIA/IMO/2004	Kidwaipuri, Patna	August 26,2004
10.	3105/SIA/IMO/2004	Jalandhar	August 26,2004
11.	2959/SIA/IMO/2004	Ludhiana, Punjab	August 17, 2004
12.	2959/SIA/IMO/2004	Panipat, Haryana	August 17, 2004
13.	2161/SIA/IMO/2003	Dhaiya, Dhanbad	August 8,2003
14.	2162/SIA/IMO/2003	Ranchi, Jharkhand	August 8,2003
15.	3344/SIA/IMO/2004	Bari Brahmana, Jammu	September 9, 2004
16.	4080/SIA/IMO/2004	Kangra, Himachal Pradesh	October 27, 2004
17.	3447/SIA/IMO/2004	Hisar, Haryana	2004
18.	2176/SIA/IMO/2003	Jamshedpur, Singbhum (East), Jharkhand	2003

IV. POSTAL REGISTRATIONS

The following approvals have been obtained from various post offices to post newspapers without prepayment.

Sl. No	License No.	Issuing Authority	Place	Issue Date	Expiry Date
1.	L.W.N.P-134	Postmaster General, Lucknow	Lucknow	November 23, 2005	December 31, 2008
2.	VSI-16/2006-08	Postmaster General, Allahabad	Varanasi	December 8, 2005	December 31, 2008
3.	DL(ND)-11/ 6056/2006-07-08	Chief Postmaster, New Delhi	New Delhi	December 2, 2005	December 31, 2008
4.	R-10/NP-18/05-06	Deputy Chief Postmaster General, Bihar	Patna	January 3, 2006	December 31, 2006
5.	PB-0121/06-2008	Suprintendent of Post Offices, Jalandhar	Jalandhar	December 19, 2005	December 31, 2008

In addition to the above, we have applied for renewal of our postal registrations from the postal authorities of Kanpur, Allahabad, Dehradun, Agra, Bareilly and Bhagalpur, all of which were valid upto December 31, 2005.

V. Sales Tax Registrations

We have obtained the requisite sales tax registrations in each of the 8 states over which its units are spread. The state-wise details are provided below.

1. Uttar Pradesh

1.	Registration under the Uttar Pradesh Trade Tax Act	U.P. S.T. NO. KR-0570206	May 5, 1977	Valid till cancellation
2.	Registration under the Central Sales Tax Act, 1956	KR-5353058	June 19, 1976	Valid till cancellation

2. Punjab

1.	Registration under the Punjab General Sales Tax Act, 1948	VAT No. 03261031214	April 1, 2005	Valid till cancellation
2.	Registration under the Central Sales Tax Act, 1956	33945717	August 30, 1999	Valid till cancellation

3. Haryana

1.	Registration under the Haryana Value Added Tax Act, 2003 through extension dated May 9, 2003	TIN No. 06831531468	April 1, 2004	Valid till cancellation
2.	Registration under the Central Sales Tax Act, 1956 through extension dated May 9, 2003	HIS/CST/31468	May 9, 2003	Valid till cancellation

4. Jammu

1.	Registration under the Jammu and Kashmir General Sales Tax Act, 1962	TIN. 01361070865	January 14, 2005	January 13, 2006
2.	Registration under the Central Sales Tax Act, 1956	TIN. 01361070865/ 5071963-G	January 14, 2005	Valid till cancellation

5. Himachal Pradesh

1.	Registration under the Himachal Pradesh General Sales Tax Act, 1968	KAN-IV-10186	August 24, 2005	Valid till cancellation
2.	Registration under the Central Sales Tax Act, 1956	KAN-CST-7849	August 24, 2005	Valid till cancellation .

6. Bihar

1.	Registration under Section 19 of the Bihar Value Added Tax Ordinance	TIN VAT 10141031065	April 1, 2005	Valid until cancellation
2.	Registration under the Central Sales Tax Act, 1956	10141031162	January 22, 2000	Valid until cancellation.

7. Jharkhand

1.	Registration under Bihar Finance Act, 1981	RN(E)1601(R)	October 9, 2002	Valid until cancellation
2.	Registration under the Central Sales Tax Act, 1956	JHARKHAND/ RN/(E)1280 (Central)	August 28,2002	Valid until cancellation

8. Uttaranchal

1.	Registration under the State Trade Tax Act	No. 0238006	October 1, 2001	Valid until cancellation
2.	Registration under the Central Sales Tax Act, 1956	5138515	October 5, 2001	Valid until cancellation.

C. Approvals for Foreign Investment in our Company

The MIB has vide its letter dated March 21, 2005 conveyed its 'no objection' to the proposal for foreign direct investment by IPCL to the extent of 26% of the total paid up capital of our Company.

The FIPB has vide letter dated May 24, 2005 approved the foreign equity participation of IPCL upto 26% of the share capital of our Company by way of (i) issuance of fresh equity shares and (ii) transfer of shares from the existing shareholders. The FIPB has subsequently vide letter dated October 10, 2005 amended the original approval so as to change the name of the foreign collaborator to INMIL.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have, pursuant to a resolution passed at its meeting held on November 18, 2005, authorised the Issue and the Green Shoe Option subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, approval by the MIB and such other authorities as may be necessary.

The shareholders have, pursuant to a resolution dated November 18, 2005 under Section 81(1A) of the Companies Act, authorised the Issue and the Green Shoe Option in accordance with law.

Our Board of Directors have, pursuant to a resolution dated November 18, 2005, authorised two committees of our Directors to take decisions relating to the Issue and the Green Shoe Option on behalf of our Board of Directors.

We had written to the MIB on October 18, 2005 seeking a no objection for participation in the Issue by FIIs, NRIs and such other foreign persons who are eligible by SEBI to participate in Indian public offers and for the corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders in our Company. The MIB has, vide its letter dated December 5, 2005, granted permission for Non-Resident Bidders to acquire Equity Shares in the Issue.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Directors or our affiliates and companies with which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Eligibility of the Issuer

We are eligible for the Issue as per Clause 2.2.2 of the SEBI Guidelines as explained under*:*

Clause 2.2.2 of the SEBI Guidelines states as follows:

"2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a) (i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

Or

(a) (ii) The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

And

(b) (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores.

Or

(b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares, subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;

(c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are, therefore, required to meet both the conditions detailed in Sub-Clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue is proposed to be Allotted to QIB Bidders (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders. Accordingly, as per the second proviso to Clause 11.3.5(i) of the SEBI Guidelines, Non-Institutional Bidders and Retail Individual Bidders will be allocated up to 10% and 30% of the Issue, respectively.

- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs. 501.95 million (without the Green Shoe Option), which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we undertake that the number of allottees, i.e., Persons receiving Allotment in the Issue shall be at least 1,000, failing which the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND DSP MERRILL LYNCH LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS AND THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND DSP MERRILL LYNCH LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 30, 2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(D) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS."

(F) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENTS OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.jagran.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLMs and us dated November 28, 2005 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLMs to the public and investors at large and no selective or additional information would be available to a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

We shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted Non Residents, including Eligible NRIs and FIIs). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Kanpur, Uttar Pradesh only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated December 20, 2005, permission to the Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so

pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letters dated December 22, 2005 permission to us to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs 10. crores and the market capitalization shall not be less than Rs 25. crores at the time of listing). The NSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI (Corporation Finance Department, Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021).

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with the ROC situated at Kanpur.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. The BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalised for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within seven working days of finalisation of the basis of Allotment for the Issue.

Consents

Consents in writing of our Directors, the Company Secretary and Compliance Officer, the Auditors, the domestic legal counsels, the international legal counsel, the Bankers to the Issue, Bankers to the Company and the Book Running Lead Managers, the Syndicate Member, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

M/s J. N. Sharma & Co., Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

Expert opinion

Except as stated in the sections titled "Statement of Tax Benefits" and "Financial Statements" beginning on pages 146 and 124 respectively, of the Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expenses (in Rs. million)	% of net proceeds of the Issue**
Underwriting and Selling Commission*	[●]	[●]
Advertising and Marketing expenses	62.95	[●]
Printing and Stationery	29.38	[●]
Others (Registrar's fees, legal fees etc.)	32.87	[●]

* The lead manager's underwriting and selling commissions will be finalised on finalisation of the Issue Price.

** Will be filled upon finalization of Issue Price in the Prospectus.

Fees payable to the Book Running Lead Managers and Syndicate Member

The total fees payable by us to the Book Running Lead Managers (including underwriting commission and selling commission) will be as per engagement letter dated October 6, 2005 a copy of which is available for inspection at the Registered Office.

Fees payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding signed with our Company dated December 21, 2005.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by us to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Previous Rights and Public Issues

We have not made any public issue or rights issue of our Equity Shares in the five years preceding the date of this Red Herring Prospectus.

Issues Otherwise Than for Cash

We have not issued any Equity Shares for consideration otherwise than for cash, except for bonus issues made by our Company. For details of the same, see Note 1 of "Capital Structure - Notes to the Capital Structure" on page 22.

Commission and Brokerage paid on Previous Equity Issues by Us

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act.

Promise v/s Performance – last issue of Group/Associate Companies

See the section titled "History and Certain Corporate Matters" beginning on page 92.

Outstanding Debentures or Bonds or Redeemable Preference Shares

There are no outstanding debentures or bonds or redeemable preference shares issued by us as of the date of this Red Herring Prospectus, except that our Company has issued 150 secured redeemable taxable cumulative non-convertible debentures of Rs. one million each amounting to Rs. 150 million to Bank of Baroda. For details regarding these debentures, see the section titled "Financial Indebtedness" beginning on page 85.

Stock market data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The memorandum of understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, and the bank branch or collection center where the application was submitted.

Disposal of investor grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Amit Jaiswal, our Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. Amit Jaiswal
Jagran Building
2 Sarvodaya Nagar
Kanpur 208 005
India.
Tel: +91 512 221 6161
Fax: +91 512 223 0625
E-mail: ipo@jagran.com

Changes in Auditors

We have not changed our statutory auditors over the last three years.

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time during last five years, except for the bonus issue of Equity Shares. For details of the same, see Note 1 of “Capital Structure - Notes to the Capital Structure” on page 22.

Revaluation of assets

There has been no revaluation of assets by our Company during the last five years.

ISSUE STRUCTURE

The present Issue of 10,039,020 Equity Shares at a price of Rs. [●] for cash aggregating upto Rs. [●] million is being made through the Book Building process. The Issue will have a Green Shoe Option of up to 1,505,853 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] million. The Issue and the Green Shoe Option, if exercised in full, will aggregate 11,544,873 Equity Shares amounting to Rs. [●] million.

	QIB Bidders	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares in the event the Green Shoe Option is not exercised.*	At least 6,023,412 Equity Shares.	Up to 1,003,902 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 3,011,706 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Number of Equity Shares in the event the Green Shoe Option is exercised.	At least 6,926,924 Equity Shares.	Up to 1,154,487 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 3,463,462 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allocation.	At least 60% of the Issue or the Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, upto 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 10% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if respective category is oversubscribed.	Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Equity Shares shall be allocated on a proportionate basis to all QIB Bidders including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares.	20 Equity Shares and in multiples of 20 Equity Shares.
Maximum Bid.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment lot.	20 Equity Shares and in multiples of 1 Equity Share.	20 Equity Shares and in multiples of 1 Equity Share.	20 Equity Shares and in multiples of 1 Equity Share.
Trading Lot.	One Equity Share.	One Equity Share.	One Equity Share.

	QIB Bidders	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply.**	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, Mutual Funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, bodies corporate, scientific institutions societies and trusts.	Individuals, including Eligible NRIs and HUF (in the name of Karta), such that the Bid Amount does not exceed Rs. 100,000.
Terms of Payment.	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount.	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

** Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category except in the QIB portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than 301,171 Equity Shares (assuming QIB Portion is 60% of the Issue size, i.e. 6,023,412 Equity Shares), the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Additional allocation to each of these categories would be made on a pro-rata basis to the extent of Green Shoe Option Portion.*

*** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

As per Chapter VIIIA of the SEBI Guidelines, the Green Shoe Option will be utilized for stabilising the post-listing price of the Equity Shares. We have appointed DSP Merrill Lynch Limited as the Stabilising Agent. The Green Shoe Option consists of the option to over Allot up to 1,505,853 Equity Shares at a price of Rs. [●] per share aggregating Rs. [●] million representing upto 15% of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the Stock Exchanges for our Equity Shares and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent. The Green Shoe Option will be exercised at the discretion of the BRLMs and the Company with respect to Loaned Shares.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this being an issue for less than 25% of the post–Issue capital, this Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation to Mutual Funds only. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 30% of the Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through the members of the Syndicate. Our Company, in consultation with the BRLMs, may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public, Eligible NRIs applying on a non-repatriation basis	White
Non-Residents, Eligible NRIs or FIIs applying on a repatriation basis	Blue

Please note:

In accordance with the MIB Guidelines, the Company reserves the right to allot Equity Shares up to 26% of its post-Issue capital to foreign shareholders, including to FIIs. In accordance with applicable laws, in calculating the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding component, if any, in the equity capital of the Indian shareholder company applying for Equity Shares in the Issue, requires to be duly reckoned on a pro rata basis.

Therefore, Indian Bidders are requested to compulsorily provide this data in the appropriate column and in the manner indicated for such purpose in the Bid cum Application Form. In the event Bidders provide inadequate or incorrect data in this regard and the same is brought to the notice of our Company, we reserve the right to reverse or rescind the allocation to such Bidder and rectify its register of members according to the procedure indicated in our Articles of Association and as under the Companies Act. Our Directors shall be entitled to take all necessary steps to ensure compliance with applicable laws relating to foreign shareholding in our Company and they may, subject to the provisions of section 111A of the Companies Act. 1956, by giving reasons, decline to register or rectify the register of members of our Company at any stage when any change comes to our knowledge of excess foreign investment (due to indirect shareholding or otherwise) or acknowledge any transfer or transmission of shares whether fully paid or not, in terms of applicable laws and our Articles of Association. The decision of the Directors in this regard shall be final.

Indian Bidders are also compulsory required to provide details to the Company of any change in their foreign shareholding that occurs any time after submission of the Bid cum Application Form within one day of such change.

IT IS THE BIDDER'S SOLE RESPONSIBILITY TO ENSURE THAT THE ABOVE MENTIONED INFORMATION IS PROVIDED CORRECTLY.

The current foreign shareholding in the Company is 26% of its equity capital, and is expected to be diluted to some extent upon the issue of Equity Shares pursuant to the Issue. In the event the aggregate foreign shareholding in the Company exceeds 24% of the post Issue capital of the Company pursuant to allotment of shares in the Issue, the Company shall immediately before commencement of trading of the Equity Shares, in accordance with the applicable laws, notify the RBI of the total foreign shareholding reaching within 2% of the applicable 26% sectoral limit. The RBI will thereafter issue a notice to all designated branches of Authorized Dealers, and FIIs should note that in such an event no further purchases of Equity Shares can be made in the secondary market without the prior approval of the RBI. For further details in this regard, see the section titled "Regulations and Policies" on page 88.

Who can Bid?

1. Indian nationals resident in India who are majors in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;
4. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in equity shares;
5. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
6. Scientific and/or industrial research organisations authorised to invest in equity shares;
7. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
8. Mutual funds registered with SEBI;
9. FIIs registered with SEBI on a repatriation basis;
10. Multilateral and bilateral development financial institutions;
11. Venture capital funds registered with SEBI;
12. Foreign venture capital investors registered with SEBI;
13. State industrial development corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
15. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares; and
16. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares.

Participation by Associates of BRLMs and Syndicate Member:

Associates of BRLMs and Syndicate Member may bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates of BRLMs and Syndicate Member shall be on a proportionate basis.

Further, the BRLMs and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case

the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the ROC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled “Issue Procedure - Bids at Different Price Levels” beginning on page 205) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled “Issue Procedure - Build up of the Book and Revision of Bids” beginning on page 207.

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of Payment" beginning on page 206.

Bids at different price levels

(a) The Price Band has been fixed at Rs. 270 to Rs. 324 per Equity Share of Rs. 10 each, Rs. 270 being the Floor Price and Rs. 324 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.

(b) In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(d) We, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders in excess of Rs. 100,000 and such Bids from QIBs and Non Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 301,171 Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate

demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRI Bidders to comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Forms from the Registered Office, our corporate office, members of the Syndicate or the Registrar to the Issue.

2. Eligible NRI Bidders may note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in colour).

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details please see the section titled "Issue Procedure - Payment Instructions" beginning on page 213) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders and the Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 200. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be displayed on-line at all bidding centres and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s)
- Investor category – individual, corporate, Eligible NRI, FII, or Mutual Fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Margin Amount paid upon submission of Bid cum Application Form
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(h) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

Build up of the book and revision of Bids

(a) Bids registered through the members of the Syndicate shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum

Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid /Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.

(b) We, in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.

(c) The allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus and in consultation with Designated Stock Exchange. Further, if the Green Shoe Option is exercised, the allotment of the Over Allottment Shares shall be done pro-rata with respect to the proportion of Allotment in the Issue to various categories.

(d) Undersubscription, if any, in any category, other than the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 301,171 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

(e) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(f) Allocation to Non-Residents applying on repatriation basis will be subject to the applicable law.

(g) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

(h) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and ROC Filing

(a) We, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, a Hindi national newspaper of wide circulation and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;

(b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder; and

(c) Such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

INVESTORS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Offer Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to February 6, 2006, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. In addition, there are foreign investment limitations applicable to the Company, which may result in a change (including potentially a decrease) in the number of Equity Shares being finally Allotted to QIBs (including FIIs) that are Non-Resident Investors. As a result, a revised CAN may be sent to QIBs, on or prior to February 11, 2006, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees within two working days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued and allotted only in the dematerialised form to the allottees**. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the Allotment. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid /Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply.

b) Read all the instructions carefully and complete the Bid cum Application Form (white or blue in colour) as the case may be.

c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate.

e) Ensure that you have been given a TRS for all your Bid options.

f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.

g) Where Bid(s) is/are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN card or PAN allotment letter should be submitted with the Bid cum Application Form. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size.

(b) Do not Bid/revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band.

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.

(d) Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest.

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders).

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

(h) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white or blue colour).

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.

(d) The Bids from the Retail Individual Bidders must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's depository account details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

-Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

By signing the Bid cum Application Form, the Bidder would deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. **These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant**. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLMs may deem fit.

We, in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part..

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Non-Residents, including Eligible NRIs and FIIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders for a minimum of such number of Equity Shares and in multiples of 20 thereafter that the Bid Amount exceeds Rs. 100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 203.
4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs and FIIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the government of India, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

Foreign Shareholding of the Bidders

As per applicable law, in calculation of the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding component, if any, in the equity of the Indian shareholder companies requires to be duly reckoned on a pro rata basis. For further details in this regard, see the section titled "Regulations and Policies" on page 88. **Therefore, Bidders (who are Indian body corporates and consider this condition applicable to them) are requested to compulsorily provide this data in the appropriate column and in the manner indicated for such purpose in the Bid cum Application Form. In the event Bidders provide inadequate or incorrect data in this regard and the same is brought to the notice of the Company, the Company reserves the right to reverse or rescind the allocation to such Bidder and rectify its register of members according to the procedure indicated in its articles of association of the Company and as under the Companies Act. Our Directors shall be entitled to take all necessary steps to ensure compliance with applicable laws relating to foreign shareholding in our Company and they may, subject to the provisions of section 111A of the Companies Act. 1956, by giving reasons, decline to register or rectify the register of members of our Company at any stage when any change comes to our knowledge of excess foreign investment (due to indirect shareholding or otherwise) or acknowledge any transfer or transmission of shares whether fully paid or not, in terms of applicable laws and our Articles of Association. The decision of the Directors in this regard shall be final.**

PAYMENT INSTRUCTIONS

We shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident QIB Bidders: "**Escrow Account - Jagran Public Issue - QIB-R**"

(b) In case of non resident QIB Bidders: "**Escrow Account - Jagran Public Issue - QIB-NR**"

(c) In case of Resident Bidders: **"Escrow Account – Jagran Public Issue"**

(d) In case of Non-Resident Bidders: **"Escrow Account – Jagran Public Issue - NR"**

- In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.

- In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

(v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

(vii) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **The copy of the PAN card(s) or PAN allotment letter(s) is required to be submitted with the Bid cum Application Form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.** In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 and circular issued in connection thereto by its circular bearing number MAPIN/Cir-13/2005.

Right to reject Bids

In case of QIB Bidders, the Company, in consultation with the BRLMs may reject a bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the QIB Bidders. In case of QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders, we have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for technical rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;

3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. NRIs, except Eligible NRIs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. **PAN not stated if Bid is for Rs. 50,000 or more or copy of PAN, Form 60 or Form 61, as applicable, or GIR number furnished instead of PAN. See the section titled "Issue Procedure—PAN or GIR No." on page 214;**
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of 20;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Member;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 205;
22. Bids by OCBs;
23. Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act; and
24. Bids by QIBs not submitted through members of the Syndicate.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated January 9, 2006 between NSDL, us and Registrar to the Issue;

b) an agreement dated January 2, 2006 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

We have appointed Mr. Amit Jaiswal, our Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Amit Jaiswal
Jagran Building
2, Sarvodaya Nagar
Kanpur 208 005
India.
Tel: +91 512 2216161
Fax: +91 512 2230625
E-mail: ipo@jagran.com

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 30,11,706 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this category are for more than 30,11,706 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- In the event, that the allocation to Retail Individual Bidders on a proportionate basis results in us breaching sectoral caps, Retail Individual Bidders having a foreign holding component shall receive such lower proportion of the allocation such as to comply with the applicable sectoral caps. Such additional Equity Shares shall be allocated to the remaining Retail Individual Bidders on a proportionate basis.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 1,003,902 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the valid Bids in this category are for more than 1,003,902 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 20 Equity Shares and in multiples of 1 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
- In the event, that the allocation to Non Institutional Bidders on a proportionate basis results in us breaching sectoral caps, Non Institutional Bidders having a foreign holding component shall receive such lower proportion of the allocation such as to comply with the applicable sectoral caps. Such additional Equity Shares shall be allocated to the remaining Non Institutional Bidders on a proportionate basis.

C. For QIB Bidders

- At least 60% of the Issue shall be Allotted to the QIB Bidders, failing which the full subscription monies shall be refunded.
- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 301,171 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 301,171 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 60% of the Issue size, i.e. 6,023,412 Equity Shares.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

(iv) In the event, that the allocation to remaining QIB Bidders on a proportionate basis results in us breaching sectoral caps, FIIs and QIB Bidders having a foreign holding component shall receive such lower proportion of the allocation such as to comply with the applicable sectoral caps. Such additional Equity Shares shall be allocated to the remaining QIB Bidders on a proportionate basis.

- Except for any Equity Shares allocated to QIB Bidders due to undersubscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to a maximum of 6,023,412 Equity Shares. For the method of proportionate basis of allocation refer below.

Method of Proportionate basis of allocation in the Issue

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than 20 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 20 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

If the proportionate allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

Sr. No.	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60% of the Issue)	120 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
TOTAL	**500**	

 # A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 200.
2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for X 95 /495
- For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
- The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

We shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. We shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk and adequate funds for this purpose shall be made available to the Registrar for this purpose.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments.

Foreign investment in the print media sector is regulated by the Government of India. The Industrial Policy specifies that FDI and portfolio investments by recognized FIIs, together up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity.

Further, under the MIB Guidelines, FDI and portfolio investments by recognized FIIs, together in Indian entities publishing newspapers/periodicals dealing with news and current affairs is allowed up to 26% of paid-up equity of such entity and on the terms and conditions specified under the MIB Guidelines.

For further details on the laws applicable to the restrictions in foreign investments in the print media sector, see the section titled “Regulations and Policies” on page 88.

In light of the restrictions on foreign ownership in securities in the print media sector, our Directors shall be entitled to take all necessary steps to ensure compliance with all applicable laws including, without limitation, the applicable provisions of the MIB Guidelines and subject to the provisions of section 111A of the Companies Act, 1956 and the other provisions of applicable law, the Directors may, by giving reasons, inter alia, decline to register or acknowledge any transfer or transmission of shares whether fully paid or not, and the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was given to it, send to the transferee a notice of the refusal to accept such transfer or transmission of its Equity Shares.

Note:

In accordance with the MIB Guidelines, the Company reserves the right to allot Equity Shares up to 26% of its post-Issue capital to foreign shareholders, including to FIIs. In accordance with applicable laws, in calculating the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding component, if any, in the equity capital of the Indian shareholder company applying for Equity Shares in the Issue, requires to be duly reckoned on a pro rata basis.

Our Directors shall be entitled to take all necessary steps to ensure compliance with applicable laws relating to foreign shareholding in our Company and they may, subject to the provisions of section 111A of the Companies Act. 1956, by giving reasons, decline to register or rectify the register of members of our Company at any stage when any change comes to our knowledge of excess foreign investment (due to indirect shareholding or otherwise) or acknowledge any transfer or transmission of shares whether fully paid or not, in terms of applicable laws and our Articles of Association. The decision of the Directors in this regard shall be final.

The current foreign shareholding in the Company is 26% of its equity capital, and is expected to be diluted to some extent upon the issue of equity shares pursuant to the Issue. In the event the aggregate foreign shareholding in the Company exceeds 24% of the post Issue capital of the Company pursuant to allotment of shares in the Issue, the Company shall immediately before commencement of trading of the Equity Shares, in accordance with the applicable laws, notify the RBI of the total foreign shareholding reaching within 2% of the applicable 26% sectoral limit. The RBI will thereafter issue a notice to all designated branches of Authorized Dealers, and FIIs should note that in such an event no further purchases of Equity Shares can be made in the secondary market without the prior approval of the RBI. For further details in this regard, see the section titled “Regulations and Policies” on page 88.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are “qualified institutional buyers”, as defined in Rule 144A of the Securities Act and (ii) outside the U.S. to certain

person in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue paid up capital (i.e. 10% of 50,195,097 in case the Green Shoe Option is not exercised or 51,700,950 Equity Shares in case the Green Shoe Option is exercised in full).

In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FIIs holding in our Company cannot exceed 26% of the total issued capital of our Company.

The RBI, through its circular A.P. (DIR Series) (2003-2004) Circular No. 53 dated December 17, 2003 stated that when the total holdings of FIIs reach within two percent (2%) of the applicable limit, the RBI will issue a notice to all designated branches of authorised dealers stating that any further purchasers of shares of the said company require prior approval of the RBI. The current foreign shareholding in the Company is 26% of its equity capital, and is expected to be diluted to some extent upon the issue of Equity Shares pursuant to the Issue. In the event the aggregate foreign shareholding in the Company exceeds 24% of the post Issue capital of the Company pursuant to allotment of shares in the Issue, the Company shall immediately before commencement of trading of the Equity Shares, in accordance with the applicable laws, notify the RBI of the total foreign shareholding reaching within 2% of the applicable 26% sectoral limit. The RBI will thereafter issue a notice to all designated branches of Authorized Dealers, and FIIs should note that in such an event no further purchases of Equity Shares can be made in the secondary market without the prior approval of the RBI.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any VCF or FVCI should not exceed 25% of the corpus of the VCF or FVCI, as the case may be.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

SHARE CAPITAL

5. The Company may, subject to the provisions of Sections 100 to 105 of the Act reduce in any manner, from time to time,

   a. by special resolution its Share capital;

   b. any capital redemption reserve fund or any securities premium account.

5A. Subject always to the provisions of these Articles, the Shares shall be under the control of the Board of Directors and the Board may allot, grant, have option over or otherwise deal with or dispose of them to such Person at such times and generally on such terms and conditions, as Board feels proper.

6. Subject to the provisions of these Articles, the Company shall have power to alter the conditions of the Memorandum relating to Share capital as follows, that is to say it may -

   (a) increase its Share capital by such amount as it thinks expedient by issuing new Shares;

   (b) consolidate and divide all or any of its Share capital into Shares of larger denomination than its existing Shares;

   (c) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum so, however, that, in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share, from which the reduced Share is derived;

   (d) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its Share capital by the amount of the shares as cancelled, provided, however, that the cancellation of Shares in pursuance of the exercise of this power shall not be deemed to be a reduction of Share capital within the meaning of the Act.

SHARES

7. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its Business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

8. An application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every Person who, thus or otherwise agrees to accept in writing the Shares and whose name is entered on the register of Members shall for the purpose of these Articles, be a Shareholder.

9. If by the conditions of allotments of any Shares, the whole or a part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time shall be the registered holder of the Shares of his heirs, executors, administrators and legal representatives.

10. Every Member or his heirs, executors, assignees or other representatives shall pay to the Company the portion of the capital represented by his Share or Shares which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof and so long as any moneys are due, owing and unpaid to the Company by any Member on any account. However, such Member in default shall not be entitled at the option of the Board, to exercise any rights or privileges available to him.

11. If any Shares stand in the name of two or more Persons, the one first named in the register of Members shall as regards receipt of dividend bonus or service of notice and all or any other matters connected with the Company, except voting at Meetings and the transfer of Shares, be deemed the sole-holder thereof but joint – holder of Shares shall be severally as well as jointly liable for the payment of the installments and calls in respect of such Shares and for all incidents thereof according to the Company's regulations.

CALLS

12. The Board may, from time to time and subject to the terms on which any Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.

13. Fifteen days notice in writing of any call shall be given by the Board specifying the time and place of payment, and the Person or Persons to whom such call shall be paid.

14. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

15. A call may be revoked or postponed at the discretion of the Board.

16. The option or right to call of Shares shall not be given to any Person except with the sanction of the Company in a General Meeting.

17. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

18. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.

19. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

20. Any sum, which may be the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the Meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

22. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

23. The Board may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or received in advance or so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as the Member paying the sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys

so paid by him until the same would but for such payment become presently payable. The provision of this Article shall mutatis mutandis apply to the calls on Debentures.

FORFEITURE OF SHARES

24. The notice aforesaid shall:

    (a) name further day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid; and

    (b) state that in the event of non-payment on or before the day so named at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

25. If the requirements of any such notice as aforesaid are not complied with, any shares, in respect of which the notice has been given, may, at any time thereafter before the payment required by the notice has been made, be forfeited by the resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture

26. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

27. Any Share so forfeited shall be deemed to be the property of the Company and may be sold, re-alloted or otherwise disposed off on such terms and in such manner, as the Board may think fit.

28. At any time before a sale, re allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.

29. A Person, whose Shares have been forfeited, shall cease to be the Member in respect of the forfeited Shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the Shares at the time of forfeiture, but shall not be under any obligation to do so.

30. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share and all other rights, incidental to the Share except only such of those rights as by these Articles are expressly saved.

31. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares on the sale/ or disposition thereof shall constitute a good title to such Shares; and the Person to whom any such Share as sold shall be registered as the Member in respect of such Share and shall not be bound to see to the application of the purchase money, nor shall his title to such Share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

32. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the Person or Persons, entitled thereto.

TRANSFER OF SHARES

33. An instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of Shares and the registration thereof.

34. Every instrument of transfer duly stamped must be accompanied by the certificate of Shares proposed to be transferred and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the Shares.

35. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

36. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).

37. The Board shall have power on giving seven days previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

38. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

39. Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with applicable law including, without limitation, the applicable provisions of the Print Media Guidelines and subject to the provisions of Section 111A of the Act and the other provisions of Applicable Law, the Board may, in case of contravention of the provisions of Securities and Exchange Board of India Act, 1992, or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act, 1985, or the Print Media Guidelines, or other Applicable Law for the time being in force, at its own absolute and uncontrolled discretion and by giving reasons, **inter alia**, decline to register or acknowledge any transfer or transmission of Shares whether fully paid or not. The right of refusal of the Board shall not be affected by the circumstances that the proposed transferee is already a Member of the Company, but in such case the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons, indebted to the Company on any account whatsoever, except when the Company has lien on Shares.

40. The Company shall keep at its Office the register of Members and therein shall firmly and distinctly enter the particulars of every transfer or transmission of Shares. Subject to the provisions of Section 154 of the Act, the Board shall have power to close the register of Members for such periods, not exceeding forty five days in aggregate in a year and thirty days at any one time, as may seem expedient to them.

TRANSMISSION OF SHARES

42. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a Person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder. Where the Shares in, or Debentures of the Company are held by more than one Persons jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

43. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any Person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

44. Any Person who becomes a nominee by virtue of the provisions of these Articles upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

    a) to be registered himself as holder of the Shares or Debentures, as the case may be;

    b) to make such transfer of the Shares or Debentures, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be, could have made; or

c) if the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased Shareholder or Debenture holder and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

45. Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.

46. A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder, or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a Member or Debenture holder in relation to Meetings of the Company.

47. The Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

48. Subject to the provisions of these Articles, any Person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article of his title, act, as the holder of the Shares or elect to have some Person nominated by him and approved by the Board, registered as such holder, provided nevertheless, that if such Person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

49. A Person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the Share.

FURTHER ISSUE OF SHARES

50. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued capital or out of the increased Share capital then:

    (a) Such further Shares shall be offered to the Persons who at the date of the offer, are holders of the equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on these Shares at the date;

    (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined;

    (c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to them in sub clause (b) hereof shall contain a statement of this right. Provided that the Board may decline, without assigning any reason to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him;

    (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the Shares offered, the Board may dispose off them in such manner and to such Person(s) as they may think, in their sole discretion, fit.

51. Notwithstanding anything contained in Article 50 hereof, the further Shares aforesaid may be offered to any Person (whether or not those Persons include the Persons referred to in clause (a) of Article 50 hereof) in any manner whatsoever.

    (a) If a special resolution to that affect is passed by the Company in General Meeting, or

    (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote by the chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

52. Nothing in Article 50(c) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company.

(i) To convert such Debentures or loans into Shares in the Company; or

(ii) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term.

(a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

LIEN

53. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares. The Board may at any time declare any Shares wholly or in part to be exempt from the provisions of this clause.

CERTIFICATE OF SHARES

54. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board so approves (of one rupee (Re. 1.00) or any other amount as the Board may determine for every certificate after the first) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of applications of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue and deliver more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.

55. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of a new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement or transfer.

Provided that notwithstanding what is stated above the Board shall comply with such Rules or Regulation or requirements of any stock exchange or the Rules made under the Act or the Rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.

PROCEEDINGS OF GENERAL MEETINGS

57. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next

Annual General Meeting shall be held within six months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter, an Annual General Meeting of the Company shall be held within six months after the expiry of each Financial Year, provided that, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the Office of the Company or at some other place within the city in which the Office of the Company is situated as the Board may determine and the notices calling the General Meeting shall specify it as the Annual General Meeting. The Company may in any Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, that concerns him as the auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report (if not already attached to the Audited statement of Accounts), the proxy register with proxies and the register of Directors' share holdings of which the latter register shall remain open and accessible during the continuance of the General Meeting. The Board shall cause to be prepared the annual list of Members, summary of the share capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar of Companies in accordance with Sections 159, 161 and 220 of the Act.

58 The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-Up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

59. Any valid requisition so made by Members must state the objects of the Meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.

60. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a Meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value, of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the Meeting, but in either case, any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

61. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which General Meetings are to be called by the Board.

62. Twenty-one days' notice at least or a shorter notice thereof subject however to the provisions of Sections 171, 190 and 219 of the Act of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such Persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in the case of any other Meeting, with the consent of Members holding not less than 95 percent of such part of the Paid Up Capital of the Company as gives a right to vote at the Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than

    a) the consideration of the accounts, balance sheets and reports of the Board of Directors and auditors,

    b) the declaration of dividend,

    c) the appointment of Directors in place of those retiring,

    d) the appointment of and fixing of remuneration of the auditors,

    is proposed to be transacted then in that event there shall be annexed to the notice of the General Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every Director, and the manager (if any).

    Where any such item of special business relates to or affects any other company, the extent of shareholding interest in other company of every Director and the manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

63. The accidental omission to give any such notice as aforesaid to any of the Members or the non receipt thereof shall not invalidate the holding of the General Meeting or any resolution passed at any such General Meeting.

64. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

65. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

66. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such Meeting, or if he shall be unable or unwilling to take the Chair, then the Managing Director shall be elected as Chairman for that Meeting and in absence of the Managing Director, the Board may elect a Gupta Family nominee Director to be the Chairman for that Meeting. If no such Director be present or if all such Directors present decline to take the chair, then the Members present shall elect one of them to be the Chairman.

67. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned Meeting other than the business, left unfinished at the Meeting from which the adjournment took place. When a Meeting is adjourned for more than 30 days, notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned Meeting.

68. At any General Meeting a resolution put to vote at the Meeting shall be decided on a show of hands, unless a poll is before or on the declaration of the result of the show of hands, demanded by at least five Members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any Member or Members holding not less than one-tenth of the total voting power in respect of the resolution or by any Member or Members present in person or by proxy and holding Shares in the Company conferring a right to vote on the resolution, being Shares on which an aggregate sum has been paid-up on all the Shares conferring that right and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

69 In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

70. If a poll is demanded as aforesaid, the same shall, subject to these Articles be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

71. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting provided such Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizer from such removal or from any other cause.

72. Any poll duly demanded on the election of Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.

73. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

73A. Subject to the Articles of Association for the time being in force, the quorum for a General Meeting shall be five Shareholders present in Person or by attorney. Provided however that, so long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company, to constitute a quorum, at least one authorized representative/Shareholder, each from INMIL and the Gupta Family, should be present in Person or by attorney. If the quorum is not present within half hour of the scheduled time for holding of the General Meeting, the provisions of Article 74 shall apply.

74. If within thirty (30) minutes of the time appointed for holding a General Meeting a quorum as specified in these Articles is not present, the Meeting shall be adjourned for two weeks and reconvened at the same time of the day and place and if such day is a public holiday then to the immediately succeeding day which is not a public holiday, and if at such rescheduled Meeting a is not present within thirty (30) minutes of the time appointed for the Meeting, the Shareholders present, being not less than the quorum, if any, prescribed under the Act, shall form the quorum for the General Meeting.

VOTING RIGHTS

75. No Member shall be entitled to vote either personally or by proxy/attorney, at any General Meeting or meeting of a class of Shareholders, either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

76. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares for the time being forming part of the capital of the Company, every Member not disqualified by the last preceding Article shall be entitled to be present in person or by proxy or by attorney and to speak and vote at such Meeting, and on a show of hands every Member present in person or through attorney shall have one vote and upon a poll the voting fights of every Member present in person or by proxy or by attorney shall be in proportion to his Shares of the Paid-Up Capital of the Company. Provided, however, if any preference Shareholder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

77. On a poll taken at Meeting of the Company a Member entitled to more than one vote, or his proxy or other Person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.

78. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy, if any Member be a minor, the vote in respect of his Share or Shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.

79. If there be joint holders of any Shares, anyone of such Person may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy or attorney in respect of such Shares. The proxy so appointed shall not have any right to speak at the Meeting and, if more than one of such joint holders be present at any Meeting then one of the said Persons so present whose name stands higher on the register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint-holder(s) shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

80. Subject to the provisions of these Articles, votes may be given either personally or by proxy or by attorney. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an Individual Member.

81. Any Person entitled to transfer any Share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such Shares, provided that forty eight hours atleast before the time of holding the Meeting or adjourned Meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

82. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.

83. An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

84. A Member present by proxy shall be entitled to vote only on a poll.

85. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised copy of that power or authority shall be deposited at the Office not later than forty eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. 'No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

86. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

87. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting.

88. No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy or by attorney, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

89. Notwithstanding any thing contained in the foregoing, the Company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no Meeting need to be held at a specified time and space requiring physical presence of Members to form a quorum. Where a resolution will be passed by postal ballot the Company shall, in addition to the requirements of giving requisite clear days notice, send to all the Members the following:

    a) Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

    b) Postal ballot for giving assent or dissent, in writing by Members and

    c) Postage prepaid envelope (by registered post) for communicating assents or dissents on the postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of despatch of notice.

90. The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made thereunder.

91. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

92. Notwithstanding anything contained in these Articles, so long as INMIL and the Gupta Family each are holding not less than 10% of the Equity Shares, the following decisions, if not previously approved by the Board shall require the affirmative vote of the authorised representatives of both INMIL and the Gupta Family:

    (i) Amend, alter, repeal or waive any provision of the Company's memorandum or articles of association or other governing documents;

    (ii) Discontinuation of existing lines of Business or commencement of a new business by the Company that is unrelated to any existing line of Business of the Company or not contemplated in a Business Plan;

    (iii) Any financial structuring or restructuring of the Company which is not contemplated in a Business Plan;

    (iv) Effect any sale, lease or transfer of all or any substantial portion of the fixed assets of the Company, or any consolidation, merger, or statutory exchange of Shares involving the Company, or any reclassification or other change of capital stock, or any recapitalisation, or any dissolution, liquidation or winding up of the Company;

    (v) Any liquidation, dissolution or winding-up of the Company, and any arrangement entered into between the Company and its creditors in connection with such liquidation, dissolution or winding-up;

    (vi) The appointment or removal of the statutory auditors of the Company;

    (vii) Any increase or decrease in the authorised capital or reduction in the share capital of the Company;

    (viii) Except as provided in the Business Plan or Annual Budget, the issue of any further Equity Shares or other category of shares including preference shares or shares with differential rights or any other securities convertible into or exercisable or exchangeable for Equity Shares or other types of shares;

    (ix) Issue or grant of any option, warrant or similar right to acquire Equity Shares or any other category of shares or other securities of the Company;

    (x) Any split, division, buy-back or consolidation of the Equity Shares or other category of shares or other securities or any variation in the rights attaching to any Equity Shares or other category of shares or other securities of the Company;

    (xi) Except as provided in the Business Plan or Annual Budget take any action that would result in the redemption of any Shares;

    (xii) Declare or pay a dividend;

(xiii) The granting of any further security over the assets/Shares of the Company unless specifically authorised under any Business Plan or Annual Budget;

(xiv) The giving of any Guarantees by the Company except as specifically provided in any Business Plan or Annual Budget;

(xv) All Policy Matters which are recommended by the Board for the decision of the Members.

Provided however, that the said requirement of affirmative vote shall not be applicable for a General Meeting rescheduled, as per Article 74, in which the authorised representative/shareholder of INMIL and/or the Gupta Family, due to absence of which the General Meeting was rescheduled, is not present and/or abstains from voting.

CONSTITUTION OF THE BOARD AND BOARD MEETINGS

95. Except as otherwise required by the Articles, all resolutions and decisions of the Board shall be by vote of a majority of the Directors present at a duly convened meeting of the Board. Except as otherwise required by the Articles of Association or the Act, any action which can be taken by the Board at a duly convened meeting may also be taken by a resolution by circulation as provided Article 102(iv) below.

96. General Powers

(i) The property, Business and affairs of the Company shall be managed exclusively under the supervision and direction of the Board save and except as the Applicable Law and the Articles of Association may otherwise provide or allocate responsibility for any matter to any Shareholder or Director or any other Person. The Board may exercise all such powers of the Company and have such authority and do all such lawful acts and things as are permitted by Applicable Law and the Company's Memorandum of Association and the Articles of Association.

(ii) Subject to the Applicable Law and the Articles of Association, the Board shall be entitled to delegate such of its powers and functions to such of its committees, Director (s) or officers of the Company as the Board may in its sole discretion deem appropriate.

97. Constitution of the Board

(i) The Board, exclusive of alternate Directors will be not less than 4 (four) and more than 20 (Twenty) Directors. So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital, the representation of INMIL and the Gupta Family on the Board of Directors shall be in the proportion of 1:3, subject however to any limitation placed under the Applicable law including Print Media Guidelines and listing agreements to be executed with the recognised stock exchanges. INMIL or the Gupta Family shall nominate individuals to represent them in the Board of Directors of the Company in the above-mentioned proportion.

(ii) Should any banks or financial institutions lending funds to the Company require the appointment of nominees to the Board, such nomination shall not reduce the proportionate representation of INMIL or the Gupta Family on the Board.

(iii) So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company Three (3) Directors nominated by the Gupta Family (including the Managing Director) and one (1) Director nominated by INMIL shall be non-retiring Directors and the other Directors shall be liable to retire by rotation.

(iv) Directors shall not be required to hold qualification Shares.

(v) So long as INMIL holds not less than 10% of the Paid-Up Capital, INMIL shall also be entitled to appoint 1 (one) member on the audit committee and 1 (one) member on the remuneration committee of the Board of Directors. The other members of these committees and members of other committees shall be decided by the Board of Directors.

98. Removal of Directors

Each of the Shareholders having the right under these Articles to appoint a nominee Director shall be entitled to require removal of any or all of its nominee Directors on the Board and to have another or others of its choice nominated for appointment in the place of such removed Directors. For effecting the removal of any of its nominee Directors by a Shareholder, such Shareholder shall, only by written instructions addressed to the Board and other Shareholders, duly signed by an authorised representative of such Shareholder, requisition a General Meeting of the Company, and upon receipt of such notice, the Board shall promptly convene a General Meeting of the Company for the removal of such nominee Director.

99. Board Meetings

i) Notice

No less than 10 (ten) calendar days' prior written notice of every meeting of the Board shall be given to every Director; provided however, a meeting of the Board may be convened at shorter notice if at least one nominee Director of each of INMIL and the Gupta Family on the Board, waives in writing such notice period. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at such meeting of the Board. If a resolution is to be passed with the affirmative vote of nominee each of Gupta Family and INMIL in terms of this Article notice shall specify such requirement.

ii) Quorum for Board Meeting

No business shall be transacted at any Board meeting unless a quorum is present at the meeting. In the first instance the quorum for meetings of the Board shall be at least one- third of the Board, subject to Section 287 of the Act. So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company, such quorum shall include at least one nominee Director of each of the Gupta Family and INMILA Director represented by his Alternate Director shall be deemed to be present for the purpose of determining a quorum. If within half an hour from the time appointed for a meeting, a quorum as aforesaid is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other later day and at such other time and place as the Chairman may determine. If at such adjourned meeting also, a quorum is not present, the meeting shall stand adjourned for a further half an hour and if the quorum as aforesaid is still not present but the Directors present are at least one third of the Board, they shall constitute a quorum, provided however, if at such adjourned meeting at least one nominee Director (or his duly appointed alternate) of each of the Gupta Family and INMIL shall not be present, no Policy Matter shall be considered at such adjourned meeting and the business at such adjourned meeting shall be confined only to the remaining items as specified in the agenda for such meeting and no issue other than the issues contained in the agenda circulated for the meeting shall be considered at such Board meeting.

(iii) Voting

Except as otherwise required by, the Articles of Association or the Act, all resolutions and decisions of the Board shall be by vote of a majority of the Directors present at a duly convened meeting of the Board. Except as otherwise required by the Articles of Association or the Act, any action which can be taken by the Board at a duly convened meeting may also be taken by a resolution by circulation as provided in Article 102 (iv) below. So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company, Policy Matters can be approved by the Board only with the affirmative vote of at least one nominee Director of each of the Gupta Family and INMIL. Except the Chairman, no Director shall have a second or a casting vote.

CHAIRMAN

111. So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company, a nominee of the Gupta Family shall be the Chairman of the Board. The Chairman of the Board shall have a second or casting vote at meetings of the Board or any Committee thereof or at the meetings of Shareholders where the Chairman presides.

112. The Chairman shall be ex-officio Chairman of General Meetings of the Company in accordance with Applicable Law and the Articles of Association. At all Board meetings, if the Chairman is present he shall preside, and in his absence the Managing Director shall be elected as Chairman for that meeting and shall preside, and in the absence of the Managing Director, the Board may elect a Gupta Family nominee Director to be the chairman for that meeting.

MANAGING DIRECTOR AND WHOLETIME DIRECTORS

113. Subject to Applicable Law and provisions hereof, the Board of Directors may, subject to Section 197A, of the Act appoint one or more Directors as the Managing Director (the "MD") or the Wholetime Director (by whatever name called) for the management of the Company's affairs, for such period and on such terms as they think fit. His/their appointment shall be automatically terminated if he/they cease to be Director/Directors. Their remuneration shall be decided by the Board of Directors from time to time.

Provided however that so long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital, the MD shall be a nominee of the Gupta Family. The Company may, in addition to the MD, have other Wholetime working Directors appointed out of the Gupta Family, nominee Directors and/or any other Wholetime Director(s), possessing necessary expertise in operational and financial matters, as the Board may decide from time to time.

The MD shall be responsible for the conduct of the day-to-day management, Business and affairs of the Company. The MD shall undertake the management of the Company and perform all the administrative functions and other duties of the Company necessary for the effective transaction of its Business with full powers to do all acts, matters and things

deemed necessary, proper and expedient thereof and generally to exercise all the power and authorities of the Company except such of them as by the Act or any statutory modifications thereof for the time being in force or by these presents are or may be expressly directed to be exercised by the Company in a General Meeting or by the Board, provided that on subsequent regulation it shall not invalidate any prior act of the MD which would have been valid if such regulation had not been made.

119. Compliance with MIB Guidelines

Notwithstanding anything contained in these Articles, the Company shall, abide by the following conditions laid down in the letter No.10/49/2004-Press dated March 21, 2005 issued to the Company by the Ministry of Information & Broadcasting, Government of India through which the Ministry of Information & Broadcasting, conveyed its "no objection" to the proposal by the Company for FDI, and the Print Media Guidelines namely:

(i) At least 3/4ths of the Directors and all key executives and employees of the Company shall be Indian Nationals, and

(ii) Director nominated by INMIL shall not have any say on matters pertaining to editorial content or in relation to editorial staff or any role in the appointment of any key executives or editorial staff and more specifically, the appointment of the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") of the Company shall not require the positive vote of the Director(s) nominated by INMIL.

(iii) The Company shall take prior permission from the Ministry of Information & Broadcasting before effecting any changes in the shareholding of the Largest Indian Shareholder.

(v) The Company shall inform Ministry of Information & Broadcasting about any alteration in the foreign shareholding pattern as on March 31 of every year and within 15 days of the end of the Financial Year.

BUSINESS PLAN AND ANNUAL BUDGET

ANNUAL AND LONG TERM PLANS

120. The Business of the Company shall be conducted in accordance with the Business Plan and the Annual Budget, which are duly approved as stipulated in this Articles of Association.

121. The Managing Director shall prepare a 5 year term Business Plan for the consideration and approval of the Board, at least 6 months before the expiry of the First Business Plan and thereafter, not later than 6 months before the termination of each successive 5 year Business Plan. So long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital, no Business Plan shall be deemed to have been approved by the Board unless it is (i) approved by the majority of Directors and (ii) at least one nominee Director of each of INMIL and the Gupta Family have voted in favour of such approval. Provided however, the First Business Plan shall be reviewed and amended, as per the procedure laid down in these Articles for approval of the Business Plan, within a period of 6 months from the date of the listing of the Shares on the recognized stock exchange(s), in the light of the IPO and objects of the IPO as mentioned in the offer document in relation thereto.

122. Not later than 3 months prior to the commencement of each Financial Year of the Company, the Managing Director shall prepare an annual business operating and performance plan ("***Annual Budget***") for the consideration and approval of the Board. An Annual Budget should not be at Material Variance from the Business Plan covering the relevant Financial Year. An Annual Budget that is at Material Variance from the Business Plan shall not be adopted, approved or passed unless approved by the Board as stipulated in clause (ii) of the definition of "Policy Matter" in these Articles.

123 The Board or any committee duly constituted by the Board shall with the affirmative vote of at least one nominee Director of each of INMIL and the Gupta Family, establish such guidelines and parameters to assist the Managing Director in the preparation and drafting of the Business Plans as the Board or such committee may deem appropriate.

124 Subject to Clause 102(iii), the Business Plan, as amended or modified by the Board, must be approved by the Board not later than three months prior to the end of the five years to which the previous Business Plan relates, except that the First Business Plan, which shall for the purposes of this Articles of Association be deemed to have been duly approved.

125. Provided the Annual Budget is not at Material Variance from the relevant Business Plan, the Board shall approve such Annual Budget, as amended or modified by the Board, not later than the commencement of each Financial Year of the Company, provided however, in the event of failure of the Board to approve the Annual Budget for any year on or before the commencement of the relevant Fiscal Year, until such time it is approved, the provisions of Article 127 shall apply.

126. In the event of rejection of a Business Plan and/or an Annual Budget, which is at Material Variance from the relevant Business Plan, the Board may require the Managing Director to prepare afresh such Business Plan or Annual Budget, as the case may be, as per the guidance and directions, if any, stipulated by the Board. Such Annual Budget, and/or the

Business Plan prepared afresh or any amendments or modifications thereto, shall neither become effective nor be implemented, and shall not be modified unless and until the Board has approved the same, with at least one nominee Director of each of INMIL and the Gupta Family having voted in favour of such approval.

127. If for any reason, a Business Plan or an Annual Budget that is at Material Variance from the relevant Business Plan, is not approved within the time stipulated in Article 124 or Article 125, as the case may be, or is rejected, the Company shall, notwithstanding anything to the contrary contained in this Articles of Association, be entitled to carry on its Business in each Financial Year covered by such Business Plan or the Annual Budget, as the case may be, on the basis of the Annual Budget for the immediately preceding Fiscal Year, as increased by 10%, until a Business Plan or an Annual Budget, as the case may be, is duly approved by the Board, with at least one nominee Director of each of INMIL and the Gupta Family having voted in favour of such approval. However, should the Business require any other activity not covered by the above, the same shall be referred to the Board where the affirmative consent of INMIL will be required, but this affirmative consent by INMIL shall not be unreasonably withheld where such request has a bearing on the business survival or normal growth.

DIVIDENDS AND RESERVES

137 The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of capital paid-up on the Shares held by them respectively.

138 Subject to the provisions of these Articles, the Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board of Directors but the Company in General Meeting may declare a smaller dividend.

139 Any General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes. If the call on each Member does not exceed the dividend payable to him and the call is made payable at the same time as the dividend, the dividend may, if so arranged between the Company and the Member, be set off against the call.

140 No dividends shall be paid otherwise than in cash or out of the profits of the year or any other undistributed profits of earlier years and no dividends shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

141 Subject to the provisions of these Articles, the Board of Directors may, from time to time, pay to Members such interim dividends as appear to be justified by the profits of the Company.

142 (i) Subject to the rights of Persons if any, entitled to Shares with special rights as to dividends, it shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividends are paid.

(ii) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purposes of this Article as “paid on the Share”.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends is paid but if any share is issued on terms providing that it shall rank for Dividends as from a particular date such share shall rank for dividend accordingly.

143 The Board of Directors may, from time to time, before recommending any dividend, set apart such portion of the profits of the Company as they think fit as a reserve fund, equalization fund or depreciation fund to meet contingencies or for the liquidation of any Debentures, debts or other liabilities of the Company or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Board of Directors in their absolute discretion think prudent and may invest the sum so set aside in such manner as they may think fit.

The Board of Directors may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

144 The Board of Directors may retain any dividend or other moneys payable in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

145 If the Company has not provided for depreciation for any previous Financial Year or years, it shall, before declaring or paying a dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or years.

146 If the Company has incurred any loss in any previous Financial Year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits or the Company in the year for which the dividend is proposed to be declared or paid or against the

profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

147 Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

148 A transfer of Shares shall not pass the right to any dividend thereon before the registration of the transfer.

149 Any dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant or by a pay order or receipt having the force of a cheque or warrant, sent through the internationally or nationally recognized courier, to the registered address of the Members or Person entitled or in case of joint Shareholders to the registered address of that one of the joint Shareholders who is first named on the register of Members or to such Person and to such address as the Shareholders of the joint Shareholders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque warrant, pay order or receipt lost in transmission or for any cheque or warrant or the forged signature of any pay order or receipt or the fraudulent recovery of the dividend by any other means.

150 Any one of two or more joint holders of a Share may give effectual receipts for any Dividends or other moneys payable in respect of such Share.

151 No Member shall be entitled to receive payments of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other Person or Persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

152 Where the company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend the company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of Jagran Prakashan Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

153 Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the Shareholders to whom the money is due.

AUDITOR

158 The auditors for the Company, to be appointed upon retirement of M/s J. N. Sharma & Co., Chartered Accountants (being the auditors for the financial year ending March 31, 2006), shall be one of the big four audit firms listed from among Pricewaterhouse Coopers, KPMG, Deloitte or Ernst & Young of international repute or their representatives or Affiliates in India. The auditors shall be appointed in accordance with the provisions of these Articles.

159 The remuneration of the auditors shall be fixed by the Company in a General Meeting or by the Board, if so decided at the General Meeting.

CAPITALISATION OF PROFITS

160 (i) The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalize whole or any part of the amount for the time being standing to the credit of any of the Company’s reserve account or to credit to the profit and loss account, and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the Securities Premium Account be capitalised and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividend in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such Members in paying up in full any unissued Shares, Debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares , so that such distribution or payment shall be accepted by such Members in full satisfaction of’ their interest in the said capitalised sum. Provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Fund may, in accordance with the applicable provisions of the Act for the purposes of this Articles, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

Provided however that so long as INMIL and the Gupta Family each hold not less than 10% of the Paid-Up Capital of the Company such power may only be exercised if at least one nominee Director of each of INMIL and the Gupta Family votes in favour of the resolution.

(ii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(a) Paying up any amount for the time being unpaid on any Shares held by such Members;

(b) Paying up in full unissued Shares of the Company to be allotted, distributed and credited as fully paid up;

(c) Partly in the way specified in sub-Article (a) and partly in the way specified in sub-Article (b) above.

(iii) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

WINDING UP

169. (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

170. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction, shall think fit, but so that no Member shall be compelled to accept any Share or other securities where on there is any liability.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by us. These contracts, copies of which would be attached to the copy of the Red Herring Prospectus to be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Letter of appointment dated October 6, 2005 to ICICI Securities Limited and DSP Merrill Lynch Limited from our Company appointing them as BRLMs.
2. Memorandum of understanding dated November 28, 2005 between us and the BRLMs.
3. Memorandum of understanding dated December 21, 2005 executed by us with Registrar to the Issue.
4. Stabilising Agreement dated November 28, 2005 between us, the Green Shoe Lender and the Stabilising Agent.
5. Escrow Agreement dated [●] between us, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between us, the BRLMs and Syndicate Member.
7. Underwriting Agreement dated [●] between us, the BRLMs and the Syndicate Member.
8. Original Shareholders Agreement dated August 8, 2005 executed between our Company, IPCL (subsequently name changed to Independent News & Media Investments Limited) and the Gupta Family Shareholders.
9. Amended and Restated Shareholders Agreement dated November 18, 2005 executed between our Company, INMIL and the Gupta Family Shareholders.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Our certificate of incorporation dated July 18, 1975, as subsequently amended.
3. Shareholders' resolutions dated November 18, 2005 in relation to this Issue and other related matters.
4. Resolutions of the Board dated November 18, 2005 approving the Issue.
5. Resolutions of the committee of the Board dated November 30, 2005 and January 9, 2006 approving the Draft Red Herring Prospectus and the Red Herring Prospectus, respectively.
6. Resolutions of the general body for appointment and remuneration of our whole-time Directors.
7. Report of the Auditors, M/s J. N. Sharma & Co., Chartered Accountants, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.
8. Copies of annual reports of our Company.
9. Consents of the Auditors, being M/s J. N. Sharma & Co., Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.
10. General powers of attorney executed by the Directors of us in favour of person(s) for signing and making necessary changes to the Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus and other related documents.
11. Consents of Auditors, Bankers to the Company, BRLMs, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s), Banker to the Issue, Domestic Legal Counsel to the Issue, International Legal Counsel to the Issue, Domestic Legal Counsel to the Underwriters, our Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
12. Applications dated December 1, 2005 for in-principle listing approval from the NSE and the BSE, respectively.
13. In-principle listing approval dated December 20, 2005 and December 22, 2005 from the BSE and the NSE, respectively.
14. Tripartite agreement between NSDL, us and the Registrar to the Issue dated January 9, 2006.
15. Tripartite agreement between CDSL, us and the Registrar to the Issue dated January 2, 2006.
16. Due diligence certificate dated November 30, 2005 to SEBI from ICICI Securities Limited and DSP Merrill Lynch Limited.
17. SEBI observation letter CFD/DIL/ISSUES/V/57161/2006 dated January 5, 2006.
18. Application for MIB approval dated October 18, 2005 in respect of the Issue and approval dated December 5, 2005.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of us or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued the by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We and the signatories mentioned below further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL DIRECTORS

Mr. Mahendra Mohan Gupta	Mr. Sanjay Gupta
Mr. Dhirendra Mohan Gupta	Mr. Sunil Gupta
Mr. Shailesh Gupta	Sir Anthony O'Reilly*
Mr. Gavin K. O'Reilly*	Mr. Kishore Biyani*
Mr. Vijay Tandon	Mr. Bharat Ji Agrawal*
Mr. Naresh Mohan	Mr. Rashid Mirza*
Mr. Vikram Bakshi*	Mr. Anuj Puri*

SIGNED BY:

Mr. Mahendra Mohan Gupta Managing Director	Mr. R. K Agarwal Chief Financial Officer	Mr. Sanjay Gupta Chief Executive Officer

* Through his constituted attorney Mr. Mahendra Mohan Gupta.

Date: January 10, 2005.

Place: Kanpur, Uttar Pradesh.