



# Deccan Chronicle Holdings Limited

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## PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF DECCAN CHRONICLE HOLDINGS LIMITED ("DCHL" OR "COMPANY")

This Public Announcement ("Announcement" or "PA") is made pursuant to the provisions of Regulation 8(1) read with Regulation 15(c) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, for the time being in force including any statutory modifications and amendments from time to time ("Buy-back Regulations") and contains the disclosures as specified in Schedule II to the Buy-back Regulations.

Emkay Global Financial Services Limited vide a letter dated February 2, 2011 filed an application seeking exemption under Regulation 4(2) read with Regulation 3(1)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Code") on behalf of Mr. T Venkattaram Reddy, Mr. T Vinayak Ravi Reddy, Mr. P K Iyer and Ms. T Urmila Reddy (together the "Promoters") who collectively own 63.37% of the Equity Share Capital of DCHL. The exemption has been granted by SEBI vide its order WTM/KMA/CFD/380/04/2011 dated April 15, 2011 ("Exemption Order").

### OFFER FOR BUY-BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

#### 1. THE OFFER AND BUY-BACK PRICE

DCHL hereby announces the buy-back of its fully paid-up equity shares of face value Rs. 2/- each ("Equity Shares") from the open market through stock exchanges using the electronic trading facilities of National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") (together "Stock Exchanges") in accordance with the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 (the "Act") and the Buy-back Regulations and the Articles of Association of the Company at a price not exceeding Rs. 180/- per Equity Share ("Maximum Offer Price") payable in cash, for an aggregate amount not exceeding Rs. 270 crores ("Maximum Offer Size") from the existing owners of Equity Shares, other than those who are the Promoters and persons in control holding Equity Shares of the Company ("Buy-back"). The Maximum Offer Size represents 22% of the aggregate of the Company's total paid-up equity capital and free reserves as on March 31, 2010 (the date of latest standalone audited accounts as on the date of Board meeting approving the Buy-back i.e. November 12, 2010).

The Company proposes to buy-back its fully paid-up Equity Shares upto 3,45,00,000 Equity Shares ("Maximum Offer Shares") such that the Promoters' holding shall not exceed 73.83% of the paid-up capital of the Company post Buy-back and minimum of 1,00,00,000 Equity Shares ("Minimum Offer Shares") at a price not exceeding Rs. 180/- per Equity Share payable in cash for an amount of upto Rs. 270 crores.

The Maximum Offer Price has been arrived at after considering certain parameters such as, book value, earning trends in recent past, future outlook for the industry, average price earnings multiples in market and possible impact on earnings per share, industry scenario and impact on other financial parameters due to Buy-back. The Buy-back of Equity Shares will be made upto the Maximum Offer Price of Rs. 180/- per Equity Share which represents a premium of 31.77% & 31.63% to the closing price on BSE i.e. Rs. 136.60 and NSE i.e. Rs. 136.75, respectively, on the date of the Board Meeting i.e. November 12, 2010. The Maximum Offer Price of Rs. 180/- per share offers a premium approximately 60.21% to the closing price on BSE and NSE i.e. Rs. 112.35 on the date of passing the special resolution by the shareholders through postal ballot i.e. January 4, 2011.

The actual number of Equity Shares bought back would depend upon the average price paid for the Equity Shares bought back and the amount deployed in the Buy-back in accordance with special resolution passed by the shareholders of the Company on January 4, 2011. To illustrate, at the proposed Maximum Offer Price of Rs. 180/- per Equity Share and for a Maximum Offer Size of Rs. 270 crores, the number of Equity Shares to be bought back would be 1,50,00,000 which will be approximately 6.16% of the pre-buyback paid up equity share capital of the Company. Should the average purchase price be lower than Rs. 180/- per Equity Share, the number of Equity Shares bought back would be more, assuming the deployment of an aggregate amount of Rs. 270 crores subject to the acquisition of maximum 3,45,00,000 Equity Shares.

The Company shall place buy orders so long as the price is below the Maximum Offer Price and the Buy-back will close in terms with the time table mentioned herein. Once the Minimum Offer Shares have been bought back, the Board in its absolute discretion may decide to close the Buy-back at an earlier date, even if the Maximum Offer Size has not been reached or the Maximum Offer Shares have not been bought back, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations.

The fact that the shareholders' resolution provides for the Maximum Offer Price does not indicate that the Company will or is obliged to buy or continue to buy Equity Shares, so long as the market price is below the Maximum Offer Price. Further, except to the extent of Minimum Offer Shares, the Company is not obliged to buy up to the Maximum Offer Size of Rs. 270 crores or Maximum Offer Shares depending upon the Buy-back price during the Buy-back period.

Further, the maximum number of Equity Shares bought back shall be subject to (i) the Buy-back not causing the Company to be in violation of conditions for continuous listing prescribed in terms of Clause 40A of the listing agreement between the Company and Stock Exchanges and (ii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

As required under the Act and Buy-back Regulations, the Company shall not purchase Equity Shares which are partly paid-up Equity Shares with calls-in-arrears, locked-in or non-transferable Equity Shares in the Buy-back till the time they become fully-paid or till they become transferable. There will be no negotiated deals (whether on or off the Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-back.

#### 2. AUTHORITY FOR THE BUY-BACK

Being authorized by Article 8A of Articles of Association of the Company and Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Act and the provisions contained in the Buy-back Regulations, this Offer for Buy-back has been duly authorized by:

- a) a resolution passed by the Board of Directors of the Company (hereinafter referred to as the "Board") at their meeting held on November 12, 2010; and
b) a special resolution passed by the shareholders of the Company through postal ballot, the results of which were announced on January 4, 2011.

SEBI has granted an exemption to the Promoters from Regulation 11(2) of Takeover Code, in respect of the Buy-back, through an Exemption Order dated April 15, 2011.

#### 3. BRIEF INFORMATION ABOUT THE COMPANY

DCHL was originally incorporated as a public limited company on December 16, 2002 under provisions of the Companies Act, 1956. The Company is actively engaged in publishing of newspaper namely Deccan Chronicle ("DC"). DC is an English daily newspaper published simultaneously in the states of Andhra Pradesh, Tamil Nadu, Karnataka and Kerala. The Company also publishes daily, weekly and monthly editions of Andhra Bhoomi a publication in the regional language Telugu, and The Asian Age, an English daily newspaper in Mumbai, Delhi, Kolkata and London. DCHL also publishes Financial Chronicle on all India basis with editions from Bengaluru, Chennai, Delhi, Hyderabad & Mumbai. The newspapers are also available on the websites at www.deccanchronicle.com, www.andhrabhoomi.net, www.asianage.com and www.mydigital.com.

The financial information on the basis of audited standalone accounts of the Company for the last three years ended March 31, 2010, March 31, 2009 and March 31, 2008 and for 9 months period ended December 31, 2010 is provided hereunder:

(Rs. in Crores: except Key Ratios)

Table with 5 columns: Particulars, For 9 months (Period ended Dec 2010), For the year ended March 31 (2010, 2009, 2008). Rows include Total Income, Profit before Interest, depreciation tax & after prior period items, Profit After Tax, Equity Dividend (Interim), Equity Dividend (final), Equity Share Capital, Reserves & Surplus, Net Worth, Total Debt, Key Ratios (Basic Earnings per share, Book Value per share, Debt-Equity Ratio, Return on average net worth).

Note: \* Unaudited financials

The key ratios are computed as below:

Table with 2 columns: Book value per share, Earning per share, Return on average net worth, Debt to equity ratio. Each row shows the formula used for calculation.

#### 4. NECESSITY FOR BUY-BACK

The Buy-back proposal is being implemented in keeping with the Company's desire to enhance overall shareholders value. The Buy-back would lead to (a) an additional exit opportunity for a shareholder at a reasonable price; (b) reduction in outstanding number of Equity Shares and consequent increase in earnings per Equity Share over a period of time; (c) improvement in return on equity; and (d) effective utilization of surplus cash available with the Company.

MATERIAL FACTS RELATING TO THE BUY-BACK OFFER AND EXTRACT OF EXPLANATORY STATEMENT, AS CIRCULATED TO THE SHAREHOLDERS FOR SEEKING THEIR APPROVAL THROUGH POSTAL BALLOT

An extract of the explanatory statement pursuant to Section 173 (2) and 192A of the Act annexed to the notice to the shareholders of the Company is reproduced hereinafter:

5.1. The Company intends to acquire equity shares of Rs. 2/- each of the fully paid up equity share capital of the Company, at a price not exceeding Rs. 180/- per equity share for an aggregate amount not exceeding Rs. 270 crores from equity shareholders other than the Promoters and persons in control of the Company. The maximum number of shares to be bought back through the Stock Exchanges shall not exceed 3,45,00,000 Equity Shares of Rs. 2/- each which represents 14.17% of the present paid up capital of the Company. However the Promoter Holding in the Company shall not exceed 75% of the Paid up capital of the Company post Buyback. The minimum number of Equity Shares (minimum buy back shares) shall be bought back is 1,00,00,000 Equity Shares of Rs. 2/- each.

5.2. The Company believes that the Buyback proposal will provide to the shareholders an additional exit opportunity at a reasonable price and enhance the overall shareholders value. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities.

5.3. The Buyback will result in a reduction in the overall capital employed in the business, which will, in turn lead to higher earnings per share and enhanced return on equity and return on capital employed.

5.4. (a) Buy Back Regulations require the Company to specify the maximum amount proposed to be utilised for a share Buyback programme. The Board of Directors of your Company has proposed a maximum limit of Rs. 270 crores for the share Buyback programme. This represents 22% of the aggregate paid up share capital and free reserves of the Company as on 31st March, 2010 against the maximum permissible limit of 25%.

(b) This amount for Buyback will be financed out of the Company's securities premium/free reserves and/or cash balances and internal accruals/operating cash inflows of the Company.

5.5. The maximum price at which the Buyback will be carried out is Rs. 180/- per share. The maximum price has been arrived at after considering certain parameters such as the book value, earnings trend in the recent past, the future

outlook for the industry, the average price-earnings multiples in the market, possible increase in EPS and other relevant factors.

5.6. The Company proposes to adopt the methodology of purchases from the open market through Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("Stock Exchanges").

5.7. The Company proposes to buy-back maximum of 14.17% of the pre buy-back paid-up capital of the Company.

5.8. (a) The aggregate shareholding of the Promoters of the company as on the date of this Notice is 15,42,82,250 equity shares constituting 63.37% of the total paid up share capital of the Company.
(b) No shares were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the proposal for Buyback was approved (i.e., 12.11.2010) till the date of Notice of Postal Ballot.

5.9. The Promoters, Directors of the company and Persons in control will not offer their shares to the Company under the share Buyback.

5.10. The Company hereby confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

5.11. The Board of Directors of the Company confirm that they have made a full inquiry into the affairs and prospects of the Company and they have formed the opinion that:

- a) immediately following the date on which the date of declaration of postal ballot results, there will be no grounds on which the Company could be found unable to pay its debts;
b) as regards its prospects for the year immediately following that date on which the results of the Postal Ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year, and to the amount and character of the financial resources which will be in their view available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and
c) in forming their opinion for the above purposes, the Directors have taken into account the liabilities including prospective and contingent liabilities as if the Company were being wound up under the provisions of the Act.

5.12. The text of the Report dated 12.11.2010 received from M/s. C B Mouli & Associates, Chartered Accountants, the statutory auditors of the Company addressed to the Board is reproduced below:

In connection with the proposal of Deccan Chronicle Holdings Limited (the Company) to Buyback its shares and in pursuance of the provisions of Sections 77A and 77B of the Companies Act, 1956 and the SEBI (Buy-Back of Securities) Regulations, 1998 we have examined the audited financial statements of the Company for the year ended March 31, 2010 and the relevant records, ratios, analysis, reports, and according to the information and explanations given to us and on the basis of such verification of relevant records as we considered appropriate, we report that:

- i) We have inquired into the Company's state of affairs;
ii) The Board of Directors of the Company has proposed to buy-back the Company's Equity Shares to the extent of Rs.270 Crores. In our opinion the said amount of Rs.270 Crores equivalent to 22% of the total paid up capital and free reserves of the Company as on March 31, 2010 is well within the maximum permissible capital payment for the equity shares to be bought back and the same is properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956.
iii) The Board of Directors of the Company in their meeting held on 12.11.2010 have formed their opinion, as specified in Clause (c) of Schedule I of SEBI (Buy-Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the declaration of results of postal ballot.

5.13. As per the provisions of the Act, the special resolution passed by the shareholders approving the Buyback will be valid for a maximum period of twelve months from the date of passing of the special resolution (or such extended period as may be permitted under the Act or the Buyback Regulations or by the appropriate authorities). The exact time and manner of the Buyback will be decided by the Board within the above time limit.

5.14. In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.

5.15. As per the provisions of Section 77A(8) of the Act, the Company will not be allowed to issue fresh equity shares for a period of 6 months after the completion of the Buyback except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

#### 6. EQUITY CAPITAL STRUCTURE AND CURRENT SHAREHOLDING PATTERN

6.1. The equity share capital of the Company as on date of this PA is as follows:

Table with 2 columns: Particulars, Amount (Rs in lakhs). Rows include Authorised (35,00,00,000 Equity Shares of Rs. 2/- each - 7,000.00), Issued, subscribed & paid up (24,34,72,219 Equity Shares of Rs. 2/- each - 4,869.44).

Notes:

- 1. There are no partly paid-up, locked in or non-transferable equity shares of the Company.
2. There are no outstanding instruments convertible into Equity Shares as on date of this announcement.
3. As per the provisions of the Act and the Buy-back Regulations, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument or otherwise.

6.2. The shareholding pattern of the Company as on Mar 31, 2011 and after the proposed Buy-back is shown below:

Table with 5 columns: Particulars, Pre Buy-back (Number of Shares, % holding), Post Buy-back# (Number of Shares, % holding). Rows include Promoters, Financial Institutions/Banks/Mutual Funds, Foreign Institutional Investors, Other Shareholders, Total.

# For the purpose of calculating post Buy-back shareholding pattern, it is assumed that Maximum Offer Shares i.e. 3,45,00,000 Equity Shares are bought back by the Company. The shareholding, post Buy-back, may differ depending upon the actual number of Equity Shares bought back as explained in point number 1.4 above.

6.3. There have been no purchases or sales of Equity Shares of the Company by the Promoters or directors during the period of 12 months preceding the date of Announcement.

6.4. The aggregate shareholding of the Promoters as on the date of Public Announcement is as stated below:

Table with 4 columns: Name of Promoter, No. shares held, % of total share capital. Rows include T Urmila Reddy, T Venkatram Reddy, T Vinayak Ravi Reddy, P K Iyer, Total.

6.5. As per Regulation 15(b) of the Buy-back Regulations, the Company will not Buy-back any Equity Shares from any of the Promoters.

6.6. The Promoters and the persons in control shall not deal in Equity Shares of the Company from the date of this Announcement till completion of the Buy-back.

6.7. Except as provided in the Buy-back Regulations and the Act, other than by way of bonus issue or in discharge of subsisting obligations such as conversion of FCCBs, warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares, the Company will not issue fresh Equity Shares within a period of six months after the completion of the Buy-back.

#### 7. SOURCES OF FUNDS

7.1. The maximum amount, which the Company would deploy for the purpose of Buy-back is Rs. 270 crores, which is in compliance with Section 77A (2) of the Act. This represents 22% of the aggregate of the Company's paid up equity share capital and its free reserves eligible for use in the Buyback as at March 31, 2010.

7.2. The funds for the Buy-back will be available from the surplus generated out of securities premium, free reserves and/or internal accruals / operating cash inflows of the Company. Though the Company does not propose raising debt for effecting the Buy-back, it may continue to borrow funds in the ordinary course of its business.

7.3. The Company vide its declaration of solvency dated January 6, 2011 has declared that it is capable of meeting its total liabilities and will not be rendered insolvent within a period of one year from January 6, 2011.

#### 8. LISTING DETAILS AND STOCK MARKET DATA

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

8.2. The high, low and average market prices for preceding three years and the monthly high, low and average market prices for six months preceding the date of this Announcement and the corresponding volumes on NSE and BSE are as follows:

##### a) NSE

Table with 7 columns: Time Period, Price (Rs), Date, Shares Traded, Low Price (Rs), Date, Shares Traded, Average Price (Rs), Volume (No. of Equity Shares traded). Includes Preceding 3 Calendar Years and Preceding 6 Months data.

(Source: NSE website)

\*Arithmetic average of the closing prices of all trading days during the said period

##### b) BSE

Table with 7 columns: Time Period, Price (Rs), Date, Shares Traded, Low Price (Rs), Date, Shares Traded, Average Price (Rs), Volume (No. of Equity Shares traded). Includes Preceding 3 Calendar Years and Preceding 6 Months data.

(Source: NSE website)

Table with 11 columns: Preceding 6 Months, Apr-11, Mar-11, Feb-11, Jan-11, Dec-10, Nov-10, 90.00, 83.85, 92.20, 113.70, 117.20, 150.00, 25-Apr-11, 30-Mar-11, 01-Feb-11, 05-Jan-11, 02-Dec-10, 05-Nov-10, 754135, 482807, 41545, 91510, 235747, 98422, 78.40, 57.80, 55.55, 86.50, 92.50, 87.00, 29-Apr-11, 01-Mar-11, 28-Feb-11, 31-Jan-11, 09-Dec-10, 26-Nov-10, 196934, 346227, 440851, 42584, 123602, 291970, 84.32, 72.49, 101.23, 106.13, 128.81, 11462357, 14627112, 4045812, 1084668, 1842088, 5458590.

(Source: BSE website)

\*Arithmetic average of the closing prices of all trading days during the said period

8.3. There has been no change in the equity capital of the Company including by way of bonus issue, rights issue or consolidation of Equity Shares other than Qualified Institutions Placement, stock split and conversion of FCCBs into Equity Shares, for the period disclosed under clause 8.2 above.

8.4. The closing market price on November 15, 2010, being the next trading day immediately after the date of the resolution of the Board approving the Buy-back Offer, i.e. November 12, 2010 was Rs. 134.66 per Equity Share on BSE and Rs. 134.80 per Equity Share on NSE. The closing market price on January 4, 2011 i.e. the date of passing the special resolution by approval of shareholders through postal ballot was Rs. 112.35 per Equity Share on BSE and NSE. (Source: NSE & BSE website).

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

9.1. The Buy-back is unlikely to cause any material impact on the profitability and earnings of the Company except the possible loss of other income, if any, on account of cash to be utilized for the Buy-back.

9.2. The Buy-back will provide to the shareholders an additional exit opportunity at a reasonable price, reduction in outstanding number of Equity Shares and the consequent increase in earning per Equity Share and enhance the overall shareholders value. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities.

9.3. The Buy-back is expected to contribute to further improvement in the financial ratios which will enhance the shareholders' value.

9.4. Assuming that as a part of Buy-back, 3,45,00,000 Equity Shares i.e. Maximum Offer Shares are bought back, the holding of the Promoters will increase from 63.37% to 73.83% of the post Buy-back Equity Capital. Further the non-promoter holding will decline from 36.63% to 26.17% of the post Buy-back equity capital. Assuming that as a part of the Buy-back, 1,00,00,000 Equity Shares are bought back, which is the Minimum Offer Shares, the holding of the Promoters will increase from 63.37% to 66.08% of the post Buy-back Equity Capital and non-promoter holding will decline from 36.63% to 33.92% of the post Buy-back equity capital. The shareholding, post Buy-back, may differ depending upon the actual number of Equity Shares bought back under the Buy-back. The Buy-back of Equity Shares will not result in a change in control or otherwise affect the existing management structure.

9.5. Post Buy-back, the Debt to Equity ratio of the Company will be within the limit of 2:1 as prescribed under Section 77A of the Act.

9.6. The Company shall not withdraw the Buy-back after the announcement of Buy-back through this Announcement.

#### 10. STATUTORY APPROVALS

10.1. The Company can Buy-back its own shares upto 25% of the total paid-up equity share capital and free reserves, after obtaining approval of its shareholders under the proviso to Section 77A(2)(b) of the Act. Pursuant to Sections 77A, 77AA and 77B and other applicable provisions of the Act and the Buy-back Regulations, the present Offer of Buy-back of Equity Shares of the Company from Open Market through the Stock Exchanges has been duly authorized by a resolution passed by the Board at its meeting held on November 12, 2010 and by a special resolution passed by the shareholders through postal ballot on January 4, 2011.

10.2. SEBI has granted an exemption to the Promoters from Regulation 11(2) of Takeover Code, in respect of the Buy-back, through an Exemption Order dated April 15, 2011.

10.3. No other statutory approvals are required to be obtained for the Buyback. In case required, the Company shall obtain such approvals as may be required from time to time.

#### 11. PROPOSED TIME TABLE

Table with 2 columns: Activity, Date. Rows include Board meeting approving the Buy-back (November 12, 2010), Approval of shareholders of the Company for Buy-back, through postal ballot (January 4, 2011), Date of commencement of the Buy-back (May 16, 2011), Acceptance of Equity Shares (Within relevant payout dates of the Stock Exchanges), Verification of Equity Shares accepted in physical mode (Within 7 days of relevant payout date), Extinguishment of Equity Shares bought back (Within 7 days of acceptance or verification of Equity Shares as mentioned above), Last date for completion of Buy-back (January 3, 2012 i.e. 12 months from the date of passing special resolution).

#### 12. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

12.1. The Buy-back is open to all shareholders/beneficial owners of Equity Shares, except Promoters and the persons in control of the Company as indicated in this Announcement.

12.2. The Company proposes to implement Buy-back through the methodology of "Open market purchases through Stock Exchanges" from electronic terminals of NSE and BSE.

12.3. For the aforesaid Buy-back, the Company has appointed Emkay Global Financial Services Limited, C-6, Paragon Centre, Opp. Century Mills, Worli, Mumbai-400013, Tel: +91 22 66121212 as the broker ("Broker") through whom the purchases and settlement on account of Buy-back would be made.

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

12.5. The Company may from time to time, commencing from May 16, 2011, place "buy" orders on the NSE and/or BSE at least once a week on both the odd lots as well as the normal trading segments of the Stock Exchanges during the Buy-back period through the Broker, in such quantity and at such prices, not exceeding Rs. 180/- per Equity Share, as it may deem fit, depending upon the prevailing quotations of Equity Shares on the Stock Exchanges. When the Company has placed an order for Buy-back of Equity Shares, the identity of the Company as purchaser would be displayed on a screen of the Broker/market participants of Stock Exchanges.

12.6. Shareholders/beneficial owners, who desire to sell their Equity Shares under Buy-back, would have to do so through a stock broker who is a member of either NSE or BSE, by indicating to their broker the details of Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buy-back of Equity Shares. The trade would be executed at the price at which the order matches and that price would be the price for that seller. The execution of an order, issuance of contract note, delivery of stock to the member and receipt of payment from the member would be carried out in accordance with Stock Exchanges and SEBI requirements.

12.7. It may be noted that all Equity Shares bought back by the Company may not be at a uniform price. Further, the Company is under no obligation to place a "buy" order on a daily basis.

12.8. Subject to the Company purchasing Minimum Offer Shares, nothing contained herein shall create any obligation on the part of the Company or the Board to Buy-back any Equity Share (other than Minimum Offer Shares) or confer any right on the part to any shareholder to offer any Equity Shares for Buy-back, even if the maximum limit of Buy-back has not been reached, and/or impair any power of the Company or the Board to terminate or modify any process in relation to the Buy-back, if so permissible by law.

12.9. The Equity Shares of the Company are traded in the compulsory demat mode (Trading Code: NSE: [DCHL]; BSE: [532608]). Shareholders holding Equity Shares in physical form can sell their Equity Shares in the odd lot trading segment of the Stock Exchanges.

12.10. The Company shall intimate the Stock Exchanges as well as the public through its release in the newspapers regarding quantity of Equity Shares purchased and amount utilized for Buy-back as prescribed by the Buy-back Regulations.

#### 13. METHOD OF SETTLEMENT

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

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

13.3. The Company has opened a depository account styled "Deccan Chronicle Holdings Limited- Buy Back" with DP ID 12023000 and Client ID 00953263. The Equity Shares bought back in demat form would be transferred into the aforesaid account by the Broker on receipt of Equity Shares from the clearing and settlement mechanism of NSE and BSE. These Equity Shares shall be extinguished and destroyed in the manner specified in Securities and Exchange Board of India (Depository and Participants) Regulations, 1996 and its bye-laws. The Equity Shares lying in credit in the aforesaid account will be periodically extinguished within 7 days from the date of acceptance of Equity Shares in the manner specified in the Buy-back Regulations.

13.4. In respect of Equity Shares bought back in the physical form, would be extinguished and the physical certificates will be destroyed in the presence of Registrar to the Buy-back or Merchant Banker and the Statutory Auditor within 15 days of acceptance of Equity Shares and in any case, within 7 days from the last date of completion of Buy-back.

#### 14. COMPLIANCE OFFICER

V Shankar, Company Secretary
Deccan Chronicle Holdings Limited
36, Sarojini Devi Road, Secunderabad-500 003, Andhra Pradesh
Tel: + 91 40 2780 3930; Fax: + 91 40 2771 8140
Email: dchlinvestors@deccanmail.com

#### 15. INVESTOR SERVICE CENTRES

In case of any queries, the shareholders may contact at the following address on any working day (except Saturdays, Sundays & public holidays) between 10.00 A.M. and 5.00 P.M.:
Karvy Computershare Private Limited
SEBI Reg. No.: INR000000221
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad, 500 081
Tel: + 91 40 44655000; Fax: +91 40 2342 0814
Contact Person: Mr. K.S. Reddy. E-mail: enwrad.ris@karvy.com

#### 16. MANAGER TO THE BUY-BACK

Emkay
Your success is our success
Emkay Global Financial Services Limited
SEBI Reg. No.: INM000011229
C-6, Paragon Centre, Panduranga Budhkar Marg, Opp Century Mills, Worli, Mumbai - 400 013
Tel: +91 22 66121212; Fax: +91 22