

HT Media Limited

5TH ANNUAL REPORT 2006-07



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BOARD OF DIRECTORS

Dr. K.K. Birla
Chairman

Smt. Shobhana Bhartia
Vice Chairperson & Editorial Director

Shri Roger Greville

Shri K.N. Memani

Shri Y.C. Deveshwar

Shri N.K. Singh

Shri Ajay Relan

Shri Priyavrat Bhartia
Whole-time Director

Shri Shamit Bhartia
Whole-time Director

CHIEF EXECUTIVE OFFICER

Shri Rajiv Verma

COMPANY SECRETARY

Shri Dinesh Mittal

AUDITORS

S.R. Batliboi & Co.
Chartered Accountants
New Delhi

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Plot Nos. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad – 500 081

REGISTERED OFFICE

Hindustan Times House
18-20, Kasturba Gandhi Marg, New Delhi – 110 001

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Website: www.hindustantimes.com

LETTER TO SHAREHOLDERS

Dear Shareholders,

Your Company has achieved an impressive growth and put in a commendable performance during FY2007. It has been an eventful year where we implemented many new initiatives which are already showing early signs of success. Meanwhile, our established operations gained further strength and delivered strong performance reflected in our numbers, which look robust even after including the investments that we are making in new initiatives.

New initiatives in line with strategy

We have stated in the past that we want to strengthen our position as a leading national media company with cross-segmental presence. To this end, we have implemented multiple initiatives, which are creating successful market opportunities.

In February, we launched 'Mint', a high quality business newspaper in Mumbai and Delhi in association with The Wall Street Journal. We are enthused with the reader response, which has already made 'Mint' the No. 2 paper in its category within a few months of its launch. Through 'Mint', we provide a suitable advertising platform, as it attracts quality audience of influential decision-makers. This product is evolving aggressively and it will be our endeavour to grow this opportunity at a rapid pace.

The year 2007 also marked our foray into the radio business. Although in a nascent stage in India, we expect the industry's medium-to-long-term outlook to reflect the international trend in which radio commands a noticeable share of advertising spend. We launched the radio channel 'Fever 104' through one of our subsidiary companies in Mumbai and Delhi in association with a very experienced international partner, Virgin Radio, U.K. Fever 104's positioning, "Its all about the music", has been well received by audiences and it has already established a loyal listener base for itself in a short period of time. We have also entered Bangalore and it is our plan to shortly extend Fever 104's presence to Kolkata.

Recognizing the need for a daily tabloid in a distinct format, we have formed an equal partnership joint venture with Bennett Coleman & Co. Limited to launch 'Metro Now', which has extended our presence into a nascent but exciting market. Given the initial response to 'Metro Now', we believe that it will do well in the future and enjoy a strong brand franchise with the youth in the city of Delhi and the National Capital Region.

'Hindustan Times' continues to strengthen its profile and brand equity

'Hindustan Times' in Delhi continued to post good performance. It was further aided by an established presence in Mumbai, as a result of which, it has offered a wider reach option to national advertisers. Our Mumbai edition has achieved noticeable progress and has already built a strong brand equity within a year of its launch. On 1st January, 2007, we re-staged our Mumbai edition with the introduction of new supplements and improved editorial coverage. The reader response to these changes has been encouraging and we expect our Mumbai edition to continuously gain strength going forward.

'Hindustan' continuously expands its regional footprint

'Hindustan' is the third largest read Indian daily (as per Round 2 of IRS 2006) and is the only daily amongst the Top 5 Indian dailies to register a growth in readership over the previous year. 'Hindustan' provides a natural complement to 'Hindustan Times', given its readership profile and regional reach. It is our intention to accelerate the growth of this paper, given the long-term opportunity in this segment. 'Hindustan' has a robust readership base in Northern and Eastern India, which will gain more and more importance for a national advertiser given the pace of development in India's hinterland.

We extended our Hindi footprint with the launch of new editions in Agra, Kanpur and Meerut. These launches met with great success

due to our in-depth understanding of the Hindi market, from the viewpoint of both readers and advertisers. A strong presence in Bihar and Jharkhand, a rejuvenated product in Delhi and our recent expansion across U.P. further augment our position as a prominent Hindi player.

Media market conditions remain positive

The scenario for the media industry continues to remain positive with advertising revenues having surpassed its projected growth rate figure. Advertising spend grew by more than 15%, of which print media delivered the highest growth rate, which is encouraging for our businesses. The outlook for the media sector is optimistic given the macro-economic environment which can only lead to higher literacy levels and intense competition across all products and services to reach their target audiences. We intend to capitalize on such an environment by expanding our presence, maintaining the superiority of our offerings and entering new segments, which will strengthen our position as a truly national, urban-regional and cross-segmental media house.

Financial performance endorses our strategy and initiatives

Our financial performance is the final measure of the success of our strategies and initiatives. FY2007, like FY2006, was another growth year in which our revenues increased by 28% to Rs. 10,796 million, while our operating profits improved by 69% to Rs. 2,307 million and our post tax earnings were higher by 209% at Rs. 1,150 million. These numbers would have been even higher, if not for the investments that we are making in new businesses, which are essential to creating incremental growth and value on a sustained basis. The increase in advertising revenues during the year was specifically heartening as it endorses our success of creating a national media platform for all-India advertisers.

The outlook continues to be promising

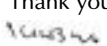
It is particularly encouraging to have a strong outlook after posting a growth-led performance. It is our belief that our future holds even greater promise, given the conducive macro-economic environment, attractive media sector dynamics and more specifically, our well-established brand equity and serial implementation of new initiatives and ventures that hold encouraging prospects for the future. We expect our existing businesses and the new initiatives that we have undertaken in the recent past to bear fruit going forward. Further, it is always on our mind to explore new opportunities which we will target provided they present a profitable business venture or bring compelling strategic advantages.


Overall, we remain both excited and confident about our future and the ability of our business to maintain value momentum for all our stakeholders.

A word of thanks

We are a people business and we would like to place on record our gratitude for all our employees for their contribution during the year. We would like to thank the readers and customers of all our publications for their confidence in our offerings. We would also like to place a record of appreciation to all our partners, vendors, suppliers and business associates without whom growth would not have been possible. Finally and most importantly, we would like to thank our shareholders for their motivation and support that enables us create value for all stakeholders of the Company.

Thank you.


K. K. Birla
Chairman


Shobhana Bhartia
Vice Chairperson & Editorial Director

New Delhi
4th May, 2007

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 5th Annual Report, together with the Audited Statement of Accounts for the financial year ended 31st March, 2007.

Financial Results and Appropriations

Your Company's performance during the financial year ended 31st March, 2007 is summarized below:

<i>(Rs. in crore)</i>		
Particulars	2006-07	2005-06
(a) Total Income	1079.57	841.47
(b) Profit before Interest, Depreciation, Tax & Exceptional Items	230.73	136.13
(c) Interest	14.25	13.54
(d) Profit before Depreciation, Tax & Exceptional Items	216.48	122.59
(e) Depreciation	39.71	38.54
(f) Profit before Tax & Exceptional Items	176.77	84.05
(g) Exceptional Items	0.27	22.89
(h) Profit before Tax	176.50	61.16
(i) Provision for Taxes	56.86	6.48
(j) Deferred Tax (charge)	4.58	(17.41)
(k) Profit after Tax	115.06	37.27
(l) Balance from previous years brought forward	49.50	20.37
(m) Amount available for Appropriation	164.56	57.64
(n) Appropriations :		
Transfer to -		
■ Capital Reserve	20.00	-
■ General Reserve	6.00	1.50
■ Proposed Dividend on		
- Preference Shares	-	0.20
- Equity Shares	7.03	5.62
Tax on Dividend	1.19	0.82
(o) Balance carried forward to Balance Sheet	130.34	49.50

Dividend

Given the good results posted by your Company, your Directors are pleased to recommend a dividend of 15% on Equity Shares (*previous year @ 12%*) i.e. Re. 0.30 per Equity Share of Rs. 2/- each (*previous year @ Rs. 1.20 per Equity Share of Rs. 10/- each*), for the financial year ended 31st March, 2007.

The proposed dividend payment would entail an outflow of Rs. 822.11 lacs, including Corporate Dividend Tax.

Stock Split

During the year under review, the members of the Company had, by way of Postal Ballot, approved with overwhelming majority, sub-division of the face value of Equity Shares from Rs. 10/- per share to Rs. 2/- per share. Accordingly, the total number of issued Equity Shares of the Company has risen from 4,68,45,841 Equity Shares of Rs. 10/- each to 23,42,29,205 Equity Shares of Rs. 2/- each w.e.f. 5th January, 2007, being the 'Record Date' fixed for the said purpose.

The stock split has improved the availability of float and liquidity of your Company's Equity Shares.

Preference Shares

Your Company made an early redemption of 1% Non-cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 20 crore during the year, at the request of the holder of the said

shares, namely, The Hindustan Times Limited. With the consent of the holder of the said shares, the said shares were redeemed at a discount with a waiver of payment of dividend for the financial year 2006-07 upto the date of their redemption.

Initial Public Offering of Equity Shares (IPO)

During the year under review, your Company fully utilized the proceeds of IPO. The details of utilization of IPO proceeds are appearing at note no. 5 of Schedule 23 to the Accounts of the Company.

The Board of Directors, on the recommendation of Audit Committee, had approved the *inter-se* re-allocation of IPO proceeds within the objects stated in the Prospectus, keeping in view the business requirements of your Company.

Scheme of Arrangement and Demerger

Pursuant to an Order dated 19th February, 2007 of the Hon'ble High Court of Delhi at New Delhi, the equity shareholders and unsecured creditors of the Company at their meeting held on 26th March, 2007 have approved a Scheme of Arrangement and Demerger under Section 391-394 of the Companies Act, 1956 between your Company and go4i.com (India) Private Limited and the shareholders and creditors of the respective companies. The Scheme is awaiting sanction of the Hon'ble Court.

Company Performance and Future Outlook

A detailed analysis and insight into the financial performance, operations and outlook of your Company for the year under review, is appearing in the Management Discussion and Analysis, which is annexed to this Report as Annexure 'A'.

Debt Servicing

During the year under review, your Company has met all its obligations towards repayment of principal and interest on the loans availed.

Employee Stock Option Scheme

In terms of the 'HTML Employee Stock Option Scheme' for the Whole-time Directors and other Eligible Employees of your Company, during the year under review, 3,28,470 Options were granted to Eligible Employees of the Company and 2,26,350 Options were forfeited, details whereof are set out in Annexure 'B' annexed to this Report.

Public Deposits

Your Company has not accepted any public deposits during the year.

Joint Venture Company

During the year under review, your Company formed a 50:50 Joint Venture Company with Bennett Coleman & Co. Limited namely, Metropolitan Media Company Private Limited (MMCPL). MMCPL launched its English morning tabloid "Metro Now" in New Delhi on 5th February, 2007. The product, mainly focusing on leisure reading and city life, is targeting the urban and mobile youth population of Delhi and the National Capital Region.

Subsidiary Companies

Your Company has two subsidiary companies, namely, Searchlight Publishing House Limited (Searchlight) and HT Music and Entertainment Company Limited (HT Music).

The Company has received approval of the Government of India under Section 212 (8) of the Companies Act, 1956 vide letter no. 47/116/2007-CL-III dated 17th April, 2007, granting exemption from attaching with the Annual Report, copies of the Balance Sheet, Profit and Loss Account, Board of Directors' Report and the Auditors' Report of the subsidiary companies, namely, Searchlight and HT Music.

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of the Subsidiary Companies viz. Searchlight and HT Music and Joint Venture Company viz. MMCPL. The Company will make available the Annual Accounts of its subsidiaries alongwith relative detailed information

and facilitate inspection upon request by investors of the Company and its subsidiaries.

Directors

Consequent upon termination of the Shareholders' Agreement dated 21st April, 2005 vis-à-vis Citicorp International Finance Corporation (Citicorp), on account of Citicorp ceasing to hold more than 5% of the Equity Share Capital of the Company, Shri Ajay Relan, Nominee of Citicorp on the Board of Directors of the Company, tendered his resignation from the Board of Directors of the Company w.e.f. 11th April, 2007.

The Board of Directors places on record its deep appreciation for the valuable contribution made by Shri Ajay Relan during his tenure as Director of the Company.

During the year under review, the terms of appointment of Dr. K.K. Birla, Chairman and Shri Ajay Relan were swapped from 'retiring Director' to 'non-retiring Director'; and 'non-retiring Director' to 'retiring Director', respectively.

Shri Priyavrat Bhartia and Shri Roger Greville, who were appointed on 28th October, 2005, as Directors in casual vacancy(ies) arising out of the resignation of Shri S.M. Agarwal and Shri Sanjiv Kapur, respectively, shall hold office only till the conclusion of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received notices from members proposing the candidature of Shri Priyavrat Bhartia and Shri Roger Greville as Director(s) of the Company, alongwith the requisite deposit.

Shri Shamit Bhartia and Shri N.K. Singh, Directors of the Company retire from office by rotation and being eligible, have offered themselves for re-appointment. A brief resume, expertise and details of other directorships and committee memberships held by the above Directors forms part of the Notice.

Statutory Auditors

The Notes to accounts appearing in Schedule 23 read with the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

The Board of Directors has taken note of the qualification made by the Auditors in the Accounts of one of the subsidiary companies, namely, HT Music, regarding 'Deferred Tax'.

The Audit Committee and the Board noted that the performance in the first year of the said company is substantially better than its projections and the Directors are confident that based on the future projections and existing business model of the company, subsequent realizations of the Deferred Tax Assets is virtually certain in the near future.

The Statutory Auditors of your Company, M/s. S.R. Batliboi & Co., Chartered Accountants, New Delhi, are due to retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. In terms of the requirements under Section 224 (1B) of the Companies Act, 1956, the retiring Auditors have given a certificate regarding their eligibility for re-appointment as Auditors of the Company.

Corporate Governance

Your Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement of Stock Exchanges relating to 'Corporate Governance'.

The Report on Corporate Governance and the certificate issued by a Company Secretary-in-Practice, in terms of the requirements of the Listing Agreement are annexed to this report as Annexure 'C' and 'D' respectively.

Particulars as per Section 217 of the Companies Act, 1956

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed to this Report as Annexure 'E'.

The particulars of employees required under Section 217 (2A) of the Companies Act, 1956 and the rules thereunder, are annexed to this Report as Annexure 'F'. However, pursuant to the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report and Accounts are being sent to all the shareholders of the Company without the above information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2007 and of the profit of the Company for the year ended 31st March, 2007;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts on a going concern basis.

Awards and Accolades

During the year under review, your Company was the proud recipient of the following honours, amongst others:

IFRA honours of :

- Gold Award for the Best in Print among publications with a weekday circulation of over 2,00,000 copies
- Gold Award for general news photography
- Silver Award for spot news photography
- Silver Award for newspaper design to Hindustan Times-Mumbai's 'Budget 2006' edition
- Bronze Award for best newspaper photographer
- Judges' Special Recognition Award for general news photography

Awards by World Association of Newspaper, France :

- World Young Reader Prize in the Special Mention Category for the year 2006
- World Young Reader Prize in the Public Service Category - Jury Commendation for the year 2007

Acknowledgement

Your Directors place on record their sincere appreciation for the assistance and co-operation provided by Banks, Government authorities, Readers, Customers, Suppliers and Members.

Your Directors also place on record their deep appreciation of the committed services of the executives, staff and workers of your Company.

For and on behalf of the Board



K. K. Birla
Chairman

Place: New Delhi
Date: 4th May, 2007

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE OPERATING ENVIRONMENT

The Indian economy

India continued to hold its position as one of the fastest growing economies in the world having growth peers such as China, Brazil, Russia, Singapore and Indonesia. Strong growth in the manufacturing and service sectors should enable the economy maintain its GDP momentum in the future. The outlook going forward remains optimistic although the growth rate may be moderated given the higher base from the previous year, a firm interest rate environment, sustained inflation and a generally unpredictable global economic situation.

Achieved high GDP growth rate of 9.2% as per Economic Survey 2006-07

With the manufacturing and services sector delivering strong growth, the outlook for the economy going forward, continues to remain positive.

Economic dynamics are getting better

Rising per capita income, higher literacy rates, increasing aspiration levels and rapid urbanization has led to an increase in demand and change in consumer preferences. Apart from the demand for basic goods, convenience and luxury goods demand is also growing at a fast pace. With increase in incomes at both the rural and urban levels, the demand is expected to rise further.

Growth witnessed across all sectors

In this era of increasing globalization, Indian companies across sectors have entered into an environment of higher competition. The resilience shown by the industrial sector against the hardening of global oil prices is reflective of inherent strengths and capabilities of the sector. The services sector has grown fast due to an increase in the number of middle class families, which is growing at 20% a year and is expected to reach 350 million people by the year 2010.

Economic position stronger

Foreign Direct Investment has increased to USD 16 billion and exports have risen 36% to USD 89.5 billion from April 2006 to December 2006. Foreign exchange reserves have improved to over USD 200 billion. With India's per capita disposable income currently at USD 556 p.a. and expected to rise to USD 1,150 p.a. by the end of 2015, the Indian economy is set to maintain its momentum in the future.

Some concerns are a natural consequence of accelerated growth

Even though the economy continues to show promise, infrastructure bottlenecks, rising inflation and fiscal imbalances continue to remain hurdles towards its growth. However, these are topical and should get corrected given the measures that are being implemented to contain any negative fall-out of fast paced growth.

Media Industry

All the earlier mentioned macro-economic indicators bode well for the media industry. However, while the outlook on the whole is encouraging, the operating landscape is highly competitive with national and regional players aggressively targetting better market shares. Like in any competitive environment, players with a networked national presence, having a portfolio of offerings that

span multiple media segments, deep resources and a superior product are likely to do well in the future. This, over time will lead to a situation where the bigger get stronger, resulting in a consolidation within the sector, while weaker players find limited headroom to operate.

Advertising revenues show continued growth

Advertising revenues which are a key profit driver for the Indian media industry have surpassed projected growth of 15%. The size of India's advertising industry is estimated to be around Rs. 16,000 crore. Moreover in India, the spend on advertising as a percentage of GDP is 0.34%, merely a third of what it is in an average developed economy and hence, the potential for growth here is immense.

Media spends register a high growth rate

Print media spends have increased by 23% to Rs. 7,800 crore, while radio and internet, though on a smaller base, have grown at an impressive 56% and 60% respectively. Both general interest dailies as well as business dailies have grown significantly in terms of volume and yield. Business daily revenues have crossed the Rs. 500 crore mark during the year. While the online route is gaining increasing visibility globally, print media continues to be promising in India.

New categories emerge as big advertisers

High growth industries such as real estate, automobiles, financial services and retail chains are becoming increasingly dependant on print media to reach their target audience due to its cost effectiveness, longer retention and broad base. Amongst the business dailies, the largest growth has come not from the financial sector, but from the real estate (82% growth), events (48% growth), automobile and travel (50% growth) categories.

Huge potential for growth in the print industry

The print industry is expected to grow at a CAGR of 14% till the year 2010. It also appears to be the favourite industry for global investors with maximum foreign investment in this segment.

HT MEDIA'S OPERATING PERFORMANCE OVERVIEW

The year under review (FY2007) was a very busy year for HT Media, where the Company implemented multiple corporate initiatives to further strengthen its product offering, market position and growth rate. The new initiatives have measured well to their estimated success and should help the Company emerge as a strong national and cross segmental player in the country.

Entered into the business news genre with the launch of 'Mint'

The Company entered the business news genre with the launch of the business newspaper 'Mint' in Delhi and Mumbai in February 2007; in association with The Wall Street Journal. 'Mint' is the first compact format paper in the country; and unlike most other business publications, is printed on white paper. Its size also makes it very convenient and easy to handle. While the newspaper is still in a nascent stage and we are absorbing feedback, it has already achieved the No. 2 position in the combined markets of Delhi and Mumbai. Along with the business paper, the Company also launched a website, viz., 'livemint.com', which has the potential of becoming a fully integrated finance portal offering business news, stock quotes, alerts, share trading platforms, etc.

Rapid expansion in the Hindi segment- strengthens position as the third largest read Indian daily

The Company expanded its Hindi footprint with the launch of new editions of 'Hindustan' in Agra and Kanpur which reported strong performance in a short period of time. Leveraging the well-accepted content and design formula from Delhi and Meerut, the launches met with great success in both these locations and this is likely to give 'Hindustan' a significant presence in the largest state of the country.

'Hindustan' also became the third largest read Indian daily (as per Round 2 of IRS 2006) and emerged as the only daily amongst the Top 5 Indian dailies to register a growth in readership over the previous year.

A strong presence in Bihar and Jharkhand, a rejuvenated product in Delhi and our recent expansions across U.P. will make 'Hindustan' a very prominent Hindi player.

'Hindustan Times' – New Editions and improved product offerings

The 'Hindustan Times'-Mumbai edition was restaged in January 2007 with the introduction of new supplements like Café, HT Lives, Splurge and Yellow Pages. Mumbai edition continues to gain momentum and has delivered excellent performance.

Responding to the healthy growth of the Punjab market, HT launched its Jalandhar edition along with a classified tabloid. It complemented the Chandigarh edition with the launch of specific segment based classified tabloids, viz., HT Estates, HT Style and HT Career Guide. HT Saturday Classifieds, which is available for readers of Chandigarh, Panchkula and Mohali was also revamped.

Entry into the Radio segment

HT Media also entered the Radio segment with the channel 'Fever 104' FM in association with Virgin Radio, UK. The FM radio channel was launched through one of the subsidiary companies in Delhi (November 2006), Mumbai (January 2007) and Bangalore (March 2007). Fever is the first format radio station with a unique positioning and defined target audience - 20-35 year-olds - and plays Hindi and English music only. Virgin's vast radio experience will help us accelerate our growth in this segment.

Introduction of 'Metro Now' in Delhi

In February 2007, HT Media entered into an equal partner joint venture with Bennett Coleman & Co. Limited to launch a daily tabloid called 'Metro Now', targetted towards the youth in the city of Delhi. This joint venture allows it to grow in an exciting market, reflecting the changing needs of the reader.

Consumer connect activities

During the year under review, your Company also commenced several long duration consumer connect activities that have contributed towards helping HT Media engage with the consumers and garner mind-share. The Hindustan Times 'I Love Delhi' festival in Delhi & NCR and the Hindustan Times 'Salaam Mumbai' and 'I Love Mumbai' festivals in the Mumbai market were some of these initiatives.

The fourth edition of the 'Hindustan Times Leadership Summit' was held in November 2006. This well renowned forum considerably reinforces HT's position as a thought leader in the country. HT also organized the second 'Hindustan Times Luxury Conference' in

association with 'Mint' during March 2007. The conference saw the participation of senior executives of some of the best global luxury brands and is set to become one of the most important conferences in the country.

OUR BUSINESS STRATEGY

We are committed to further strengthen our position as a growing diversified media house and enhance shareholder value by investing into new segments and by expanding our geographical footprint. We will continue to invest behind our product in order to enhance consumer experience.

Improving our leadership position across markets

We continue to maintain our strong position in Delhi, Chandigarh, Bihar and Jharkhand due to our strong content based and well designed product. We plan to expand our geographical presence to attract high quality advertisers. In newer markets like Mumbai, Uttar Pradesh and Punjab, we plan to increase our market share through introduction of innovative supplements that provide relevant reading material which will lead to high revenue growth.

Expanding and leveraging our national footprint

Being a national newspaper is a significant advantage that we consistently seek to leverage. A wider presence enables us to offer advertisers enhanced visibility at far more competitive prices. A key focus area for us is hence to widen our geographic footprint in all our areas of operations.

Improving our customer focus

Based on our extensive research and understanding of reader preferences, we endeavour to constantly upgrade our product offerings and develop a long-term relationship with our readers.

Our competitive strengths

Our expanding footprint, cross media presence, nationally recognized brand, large and modern operations, decades of experience in the industry, editorial capabilities, deep customer relationships and a strong market position in both the English and Hindi segments, combined with a professional management team, provide us with a significant advantage over other players in an industry that is highly fragmented and intensely competitive.

Strong Brand Equity

Both 'Hindustan Times' and 'Hindustan' are well established and widely recognized brands. Our brands are associated with high credibility and standing which helps us build a strong consumer base. Our brand loyalty has enabled us enter new segments and gain a relative market share in a short time span. 'Mint', 'Fever 104' and 'Metro Now' were launched during the year and already have loyal consumer bases.

We have continuously strengthened our position as the second largest print media company by revenues. 'Hindustan Times' is a market leader in Delhi with a significant presence in Mumbai, whereas 'Hindustan' has a presence in many Hindi language markets; noticeably in Bihar, Jharkhand, Delhi and Uttar Pradesh. 'Hindustan' was the first and only Hindi newspaper to go all colour in Delhi and other markets. With our strong presence in Delhi and increasing presence in Mumbai, we are well positioned to leverage national advertisement opportunity.

Large scale operations

Our strong pan-India presence enables us cater to our customers and advertisers and source news on a national basis.

Modern technology-led infrastructure and large printing capacity

We continue to invest in new technology and modern printing infrastructure. Presently, we have printing facilities in 15 locations including a state-of-the-art printing facility at Greater Noida.

During the year, we successfully tested the implementation of 'EIDOS' in 'Mint' – a comprehensive editorial software that integrates seamlessly with Print, Web, TV and Mobile platforms.

We also invested in revitalizing SAP to bring efficiency and process focus in all areas of operation.

Other perspectives

Supply chain

As discussed earlier, newsprint rates continued to firm up at the beginning of the year. Production costs also remained strained on account of high power costs, overheads and oil prices. However, a strengthening of US dollar contributed to a softening of rates during the second half of the year.

The declining consumption in US made some of the North American producers cut down their capacity quite significantly. HT Media was the first in the country to develop a new source in Asia. This strategic shift in sourcing newsprint from South East Asia (including China) helped us negotiate better deals and to soften the impact of a sustained fourteen quarter price increase trend.

We have also rationalized our procurement plans to optimize inventory levels and look to leverage. We look to leverage our scale and large volume requirements to drive down our input and raw material costs.

Production

Efficiencies and productivities across all facilities showed healthy improvement. Machine efficiencies clocked highest ever figures and our production infrastructure was profitably leveraged to do outside printing work. Raw material wastage figures continued to decline for the third successive year.

Small group activities in plants enhanced employee involvement. A major thrust was given to Quality. Innovative systems were rolled out to all production locations across the country, which helped standardize best practices and develop a quality-focused work culture. Not surprisingly therefore, HT Media was awarded the SNAP certification by the Newspaper Association of America confirming the organization's high capability to reproduce advertisements.

Internet division

Our internet operations have expanded significantly with the re-launch of 'hindustantimes.com', well positioned to become the best-in-class news website along with the launch of 'livemint.com'. Capitalizing on our strengths of being a large newspaper player in the matrimonial, real estate and recruitment segments, we plan on creating verticals in the internet space. Internet is still at an ascent stage in India and we believe that it has a high potential for growth.

REVIEW OF FINANCIAL PERFORMANCE

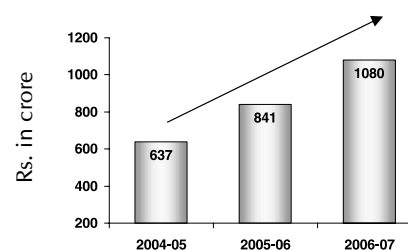
HT Media's financial performance for the year under review has been extremely encouraging and demonstrates the success of the Company's strategy and its implementation.

Our revenues for the year increased by 28% to Rs. 1,080 crore, driven by better advertising and circulation revenues. This was primarily due to the contribution of our Mumbai edition to the overall performance and contribution to the earnings from our Chandigarh operation, where HT Media is now the No.1 player.

Advertising revenues registered a 33% increase from Rs. 658 crore in FY2006 to Rs. 877 crore in FY2007, led by continued growth in print ad spends by advertisers, improved market share of our editions, contribution from the Mumbai edition's ad-revenues and increased sourcing of ad revenue from Mumbai for other editions. This contributed to the strong growth in our overall revenues.

Our revenues from the sale of publications was flat at Rs. 136 crore in FY2007. The increase in revenue through increase in circulation of

Revenue - increase by 28%



copies was offset by lower realization at Mumbai.

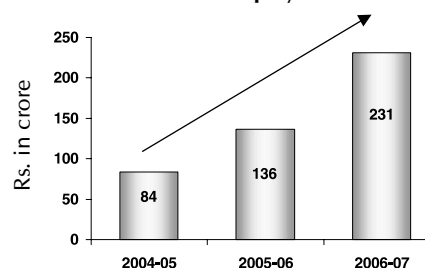
Our total expenditure during FY2007 increased by 20% to Rs. 849 crore, although as a percentage of sales, total expenditure was lower at 79% of total sales, compared to 84% last year.

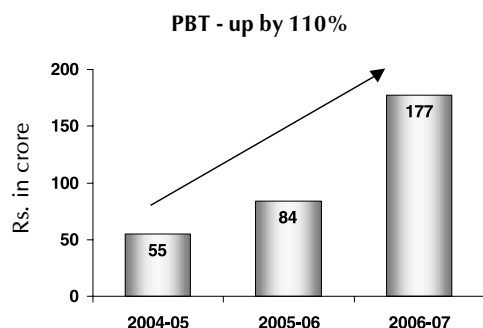
Raw material costs increased by 27% to Rs. 432 crore in FY2007 as newsprint prices remained firm during the year. We have been able to leverage our better purchasing power enabled by our large size of operations and long term relationships with leading international newsprint manufacturers to secure raw material at lower than market prices, thus limiting the impact of newsprint prices that are currently at levels close to the highest in several years. We also employ a judicious mix of domestic and imported newsprint to optimize costs.

Employee costs increased by 25%, reflecting additional editorial, marketing and support staff for new initiatives added during FY2007.

Our profits before depreciation/amortization, interest, exceptional items and tax (EBITDA) for the year was higher by 69% at

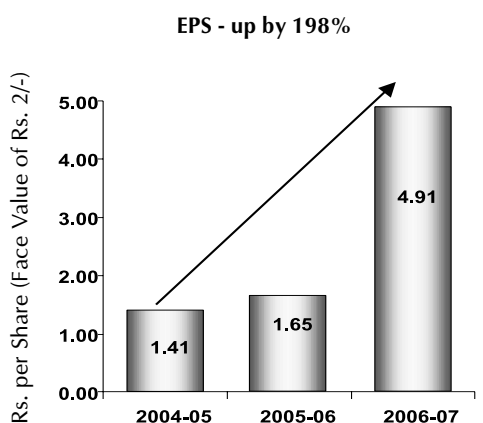
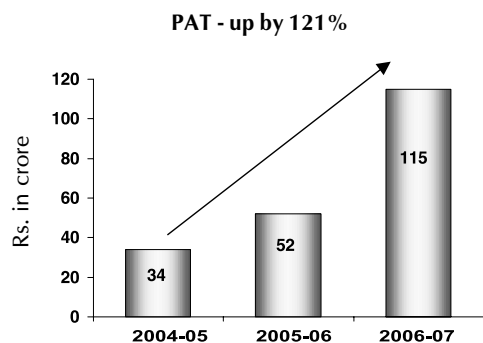
EBITDA - up by 69%





Rs. 231 crore due to healthy growth in top-line and improving returns from past investments in business. Profits before Taxes and Extra-ordinary Items increased substantially to Rs. 177 crore from Rs. 84 crore.

Profit after Tax (before Extra-ordinary Items) has increased by 121% to



Rs. 115 crore. Earnings per share has also increased by 198% to Rs. 4.91 per share.

Our operating results for FY2007 clearly signify a progress in the direction of our business, which aims for a long term sustainable growth in performance.

OUTLOOK

The economy is expected to continue showing strong GDP growth that may in turn result in an attractive growth opportunity for the advertising industry and in particular the print business. Increasing

urbanization, literacy rates and an English speaking population should keep the readership levels and ad revenues from the newsprint business strong.

With the launch of new editions and healthy growth in the existing ones, we foresee 'Hindustan' being a preferred choice for local and national advertisers.

Deriving synergies from our existing operations, we plan to expand our presence in other regions across the country both through 'Hindustan Times' and 'Hindustan'.

In a fast expanding economy, business dailies are becoming a necessary advertising medium. A premium newspaper like 'Mint' attracts a quality audience of influential decision makers.

Radio contribution to the ad revenue pie is currently around 3%. It is expected to increase by a significant extent due to entry of new players, penetration from young audiences and a loyal listener base. It is planned to launch a 'Fever 104' FM station in Kolkata during the next year.

With the internet swiftly gaining credibility and importance as a communication medium, your Company has already relaunched its website 'www.hindustantimes.com', besides launching 'livemint.com' on the EIDOS/Microsoft platform.

The outlook for the next year remains promising. New initiatives that have been implemented in the recent past should gain operational maturity and enable the Company maintain its pace of growth in the year going forward.

RISKS AND CONCERNS

Factors like escalating lending rates, high inflation and increasing regulatory controls may slow down the economy from its existing growth rate of 9% and therefore, may reflect an adverse impact on the industry as well as the Company's performance. Efforts are taken to mitigate this through new product offerings and adopting an integrated selling approach.

The risks applicable to the newspaper industry in general apply to the Company as well. Increase in the global oil prices, entry of new players and escalation of newsprint cost can impact the profitability of the Company. Any additional revenue generating opportunity created outside the main business segments would mean additional consumption of newsprint.

Also new business ventures may fail to deliver and see declining returns if they do not generate interest or have heavy cost structures.

INTERNAL CONTROL SYSTEMS

As part of listing requirement, the Company engaged Ernst & Young to develop an ERM framework for managing business risks and for laying down a process to evaluate the effectiveness of internal control systems. They have mapped all the processes and developed a 'Risk and Control Matrix' to identify the internal control gaps and suggest suitable mitigation plans to overcome the associated risks. These mitigation plans are being continuously followed up and implemented to remove the internal control gaps. During the current year, the company has also mapped lot of its processes on SAP to reduce dependency on people and significantly improve the internal controls.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

In today's fast paced and challenging business environment with innumerable opportunities, every organization ensures that its biggest assets are well managed to the best of its ability. For HT Media, its power lies in its employees who are motivated, talented and knowledgeable. Our employees' immense drive and commitment is the single largest factor in the success of HT Media.

To attract and retain the best talent in every segment, we have created a people-centric organization where there is a shared vision of excellence. Each employee is informed about what is expected from them and rewards and recognitions are linked to their performance. Each of our employees believes that they can make a difference.

The five values of **Responsibility, Courage, Continuous Self Renewal, Empowerment and People Centricity** are woven into the fabric of our organization. Every HR initiative reflects these values which have created a robust culture of 'HTism'.

At the close of the year, 3,143 employees were on the rolls of the Company.

Cautionary Statement

Certain statements in this Annual Report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. HT Media Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Annexure 'B' to Directors' Report

STATEMENT AS AT MARCH 31, 2007, PURSUANT TO CLAUSE 12 (DISCLOSURE IN THE DIRECTORS' REPORT) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999.

a)	Options granted *	3,28,470
b)	Pricing Formula	Market price of shares as per SEBI Guidelines
c)	Options vested	Nil
d)	Options exercised	Nil
e)	Total number of Ordinary Shares arising as a result of exercise of Options	Not applicable
f)	Options lapsed *	2,26,350
g)	Variation of terms of Options	None
h)	Money realised by exercise of Options	Not applicable
i)	Total number of Options in force *	9,91,880

* On equity shares of face value of Rs. 2/- each (post stock-split)

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance has ushered companies in an era where 'managing business' has graduated to 'managing business in a transparent and ethical manner'. Accountability towards stakeholders is the fundamental principle of good Corporate Governance. We, at HT Media, have built on our Corporate Governance philosophy on the same ground. As more and more stakeholders join hands with us, our commitment towards creating long-term sustainable value for them is further strengthened. To our stakeholders who have stood by us at all times, we shall strive to provide transparency and accountability in our operations, while also complying with the prevalent regulatory framework.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company comprises of eminent persons from diverse professional fields, who bring along their vast professional experience to the Company.

In accordance with the requirements of Clause 49 of the Listing Agreement of Stock Exchanges (Clause 49), more than fifty percent of the Board strength comprises of Non-executive Directors and more than one third of the Board strength comprises of Independent Directors.

Composition of the Board is as follows:

Sl. No.	Name of the Director	Designation	Category
1.	Dr. K. K. Birla	Non-executive Chairman	PG
2.	Smt. Shobhana Bhartia #	Vice Chairperson & Editorial Director	PG
3.	Shri Roger Greville	Non-executive Director	Ind.
4.	Shri Ajay Relan *	Non-executive Director	Ind.
5.	Shri K.N. Memani	Non-executive Director	Ind.
6.	Shri Y.C. Deveshwar	Non-executive Director	Ind.
7.	Shri N.K. Singh	Non-executive Director	Ind.
8.	Shri Priyavrat Bhartia	Whole-time Director	PG
9.	Shri Shamit Bhartia	Whole-time Director	PG

Managing Director under the provisions of the Companies Act, 1956

* Ceased to be a Director w.e.f. 11th April, 2007

PG - Promoter Group Ind. - Independent Director

None of the Non-executive Directors of the Company hold any shares in the Company, except Dr. K.K. Birla, who holds 5 (five) Equity Shares of the Company jointly with the Holding Company viz. The Hindustan Times Limited.

Directors' attendance record and directorships held

During the financial year ended 31st March, 2007, 4 Board meetings were held on 9th May, 2006, 21st July, 2006, 19th October, 2006 and 16th January, 2007.

Attendance record of the Directors at the above Board meetings and at the last Annual General Meeting (AGM) alongwith number of other Directorships and Committee positions held by them are as follows:

Name of the Director	No. of Board meetings attended during FY 2006-07	Attendance at the last AGM held on 02.08.2006	No. of other Directorships held +	Committee positions held in other Companies	
				Chairman	Member
Dr. K.K. Birla	4	No	9	-	-
Smt. Shobhana Bhartia	4	No	13	1	1
Shri Roger Greville	3	No	-	-	-
Shri Ajay Relan*	4	No	9	-	-
Shri K.N. Memani	2	Yes	9	3	3
Shri Y.C. Deveshwar	1	No	3	-	-
Shri N.K. Singh	3	No	1	-	-
Shri Priyavrat Bhartia	4	Yes	7	-	2
Shri Shamit Bhartia	4	Yes	4	-	-

* Ceased to be a Director w.e.f. 11th April, 2007

+ The Directorships held by Directors as mentioned above, do not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies

As stipulated by Clause 49, none of the Directors was a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he/she was a director.

Information supplied to the Board

The Directors of the Company are provided with all the information and details required for taking informed decisions at the Board meetings, which generally forms part of the agenda papers circulated well in advance of the meeting. In cases where it is not practicable to enclose document(s) with the agenda papers, the same are placed at the meeting.

The information provided to the Board, among others, includes:

- Annual operating plans and budgets and updates
- Capital budgets and updates
- Quarterly results for the Company
- Minutes of meetings of Audit Committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of Chief Financial Officer and Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Significant developments in human resources/industrial relations front

- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend and delays in share transfer etc.

The Board also periodically reviews the compliance reports of all laws applicable to the Company.

Details of remuneration paid to Directors

No remuneration is paid to Non-executive Directors, except sitting fee @ Rs.15,000/- per meeting, for attending meetings of the Board and Committees thereof. During the financial year ended 31st March, 2007, the details of sitting fee paid to the Non-executive Directors are as under:

Name of the Director	Amount (Rs.)
Dr. K.K. Birla	60,000
Shri Roger Greville +	Nil
Shri Ajay Relan + *	Nil
Shri K.N. Memani	90,000
Shri Y.C. Deveshwar +	Nil
Shri N.K. Singh	1,65,000

+ These Directors have voluntarily opted not to accept any sitting fee.

* Ceased to be a Director w.e.f. 11th April, 2007

The Board of Directors and the Members of the Company have appointed the Vice Chairperson & Editorial Director and Whole-time Director(s) for a period of 5 years from their respective dates of appointment; and approved the remuneration payable to them. The details of remuneration paid to the Vice Chairperson & Editorial Director and Whole-time Director(s) for the FY2007, are as under:

(Rs. in lacs)

Name of the Director	Salary	Perquisites	Retirement benefits
Smt. Shobhana Bhartia	72.00	32.72	8.64
Shri Priyavrat Bhartia	42.00	0.63	5.04
Shri Shamit Bhartia	42.00	0.08	5.04

Notes:

(1) Retirement benefits include contribution to Provident Fund

(2) The Vice Chairperson & Editorial Director and the Whole-time Director(s) have neither been paid any performance linked incentives nor any stock options have been granted to them.

(3) Perquisites include furnished housing, gas, water & electricity, medical reimbursements, club fee etc.

(4) Remuneration excludes provision for leave encashment and gratuity.

During the year under review, none of the Non-executive Directors had any pecuniary relationship or transactions vis-à-vis the Company, other than payment of sitting fee as mentioned above.

BOARD COMMITTEES

There are 4 committees of the Board of Directors, which have been delegated requisite powers to discharge their respective functions. These committees are (a) Audit Committee (b) Compensation Committee (c) Investors' Grievance Committee; and (d) Banking and Finance Committee. These committees meet as often as required.

The details of the abovementioned committees are as follows:

(a) Audit Committee

The Audit Committee has been constituted in accordance with the requirements prescribed under Section 292A of the Act and Clause 49.

The composition of the Audit Committee is as follows:

Name of the Director	Position in the Committee
Shri K.N. Memani	Chairman
Shri Ajay Relan*	Member
Shri N.K. Singh	Member
Shri Shamit Bhartia	Member

* Inducted on the Audit Committee w.e.f. 19th August 2006; ceased to be a Director/Member of the Audit Committee w.e.f. 11th April, 2007

The Chairman of the Audit Committee is an Independent Director and a Chartered Accountant by qualification. All the members of the Audit Committee are financially literate.

The Chief Executive Officer, Chief Financial Officer, Internal Auditor and the Statutory Auditors are invitees to the meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Audit Committee.

The role of the Audit Committee, inter-alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor, and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by statutory auditors
- Reviewing, with the management, the annual and quarterly financial statements of the Company and the subsidiaries, before submission to the Board
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems

- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors on any significant findings and follow up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors

During the year, the Audit Committee met 5 times on 5th May, 2006, 20th July, 2006, 30th August, 2006, 18th October, 2006 and 16th January, 2007. The attendance of members at these meetings was as follows:

Name of the Director	No. of meetings attended
Shri K.N. Memani	4
Shri Ajay Relan	4
Shri N.K. Singh	3
Shri Shamit Bhartia	5

(b) Compensation Committee

The Compensation Committee of the Board is responsible for administration and superintendence of the 'HTML Employee Stock Option Scheme'.

The composition of the Compensation Committee is as under:

Name of the Director	Position in the Committee
Smt. Shobhana Bhartia	Chairperson
Shri K.N. Memani	Member
Shri N.K. Singh	Member

The Company Secretary acts as the Secretary to the Committee.

During the year, the Compensation Committee met 3 times on 19th October, 2006, 5th December, 2006 and 23rd January, 2007. The attendance of the members at these meetings was as follows:

Name of the Director	No. of meetings attended
Smt. Shobhana Bhartia	3
Shri K.N. Memani	2
Shri N.K. Singh	2

The Compensation Committee oversees the following functions:

- (a) Formulate criteria for grant of Options
- (b) Recommend/decide Eligible Employees who may be granted Options
- (c) Determination of the quantum of Options to be granted under HTML ESOS to the Eligible Employees and the Exercise Price
- (d) Decide suitable course of action in case of a willful violation of the Code of Conduct, if any, by any Eligible Employee
- (e) In the event of any corporate actions, take any action necessary to make fair and reasonable adjustments to the number of Options and/or to the Exercise Price so that the total value of the ESOS remains the same
- (f) Frame suitable policies and systems to ensure that there is no violation of:
 - i) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and
 - ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

(c) Investors' Grievance Committee

The Investors' Grievance Committee has been constituted in accordance with Clause 49 to supervise and look into the redressal of investor requests/complaints, like transfer/transmission/demat/remat of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The composition of the Investors' Grievance Committee is as follows:

Name of the Director	Position in the Committee
Shri Ajay Relan*	Chairman
Shri Priyavrat Bhartia	Member
Shri Shamit Bhartia	Member

* Ceased to be a Director/Member of the Committee w.e.f. 11th April, 2007

Shri Dinesh Mittal, Vice President – Legal, Tax and Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

During the year, the Committee met 7 times on 4th April, 2006, 8th May, 2006, 9th May, 2006, 21st July, 2006, 14th September, 2006, 15th January, 2007 and 5th March, 2007 and the attendance of members at these meetings was as follows:

Name of the Director	No. of meetings attended
Shri Ajay Relan	6
Shri Priyavrat Bhartia	7
Shri Shamit Bhartia	7

During the year, 266 investor queries/complaints were received, all of which were redressed/replied to the satisfaction of the investors. There were no outstanding investor complaints as on 31st March, 2007. There was one transfer deed covering five shares, pending for transfer as on 31st March, 2007 which has since been transferred in the name of the transferee. The status on reply/redressal of investors' complaints is also reported to the Board of Directors from time to time.

(d) Banking and Finance Committee

The Banking and Finance Committee of the Board has been entrusted with functions relating to banking, finance and investment matters of the Company.

The composition of the Committee is as follows:

Name of the Director	Position in the Committee
Smt. Shobhana Bhartia	Chairperson
Shri N.K. Singh	Member
Shri Shamit Bhartia	Member

The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met 6 times, i.e., on 9th June, 2006, 13th July, 2006, 23rd September, 2006, 28th November, 2006, 19th December, 2006 and 9th March, 2007.

The attendance of the members at the above meetings was as follows:

Name of the Director	No. of meetings attended
Smt. Shobhana Bhartia	6
Shri N.K. Singh	4
Shri Shamit Bhartia	6

GENERAL BODY MEETINGS

Details of date, time and venue of the last three Annual General Meetings are as under:

Date & Time	16.09.2004 at 11.00 a.m.	01.06.2005 at 11.00 a.m.	02.08.2006 at 10.00 a.m.
Venue	18-20, Kasturba Gandhi Marg New Delhi	18-20, Kasturba Gandhi Marg New Delhi	Talkatora Indoor Stadium Talkatora Garden New Delhi
Special Resolution passed	No	Revision in remuneration of Vice Chairperson & Editorial Director	- Approval of appointment and revision in remuneration of Shri Priyavrat Bhartia, Whole-time Director - Approval of change in terms of appointment and revision in remuneration of Vice Chairperson & Editorial Director - Approval of revision in remuneration of Shri Shamit Bhartia, Whole-time Director

In addition to the above, meetings of the Equity Shareholders and Unsecured Creditors of the Company were held in terms of an Order passed by the Hon'ble High Court of Delhi at New Delhi, to consider and approve a Scheme of Arrangement and Demerger under Sections 391-394 of the Act between HT Media Limited and go4i.com (India) Private Limited and their respective shareholders and creditors.

The details of the said meetings are as under:

Date	Meeting of	Venue	Time
26.03.2007	Equity Shareholders	FICCI Golden Jubilee Auditorium	12.00 noon
26.03.2007	Unsecured Creditors	Tansen Marg New Delhi	3.00 p.m.

During the year under review, the members of the Company approved two ordinary resolutions by way of Postal Ballot process pertaining to (a) sub-division of face value of Equity Shares of the Company from Rs. 10/- per share to Rs. 2/-per share; and (b) amendment in the Capital Clause of the Memorandum of Association of the Company consequent upon the aforesaid sub-division of face value of Equity Shares of the Company.

No Special Resolution is proposed at the ensuing Annual General Meeting, which requires to be passed through Postal Ballot process.

DISCLOSURES

During the financial year ended on 31st March, 2007, there were no materially significant transactions with related parties viz. promoters, relatives or the management, subsidiaries etc. that may have a potential conflict with the interest of the Company at large. The required disclosures on related parties and transactions with them, is appearing in Note 12 of Schedule 23 to the Accounts.

No penalty or stricture was imposed on the Company by any stock exchange, SEBI or any statutory authority on account of non-compliance by the Company on any matter related to capital markets, during the last three years.

The Company is complying with all mandatory requirements of the Listing Agreement of Stock Exchanges on 'Corporate Governance'. The Company is in the process of complying with the non-mandatory requirements of Listing Agreement on Corporate Governance.

Code of Conduct and Business Ethics for Directors and Key Managerial Employees

The Company has laid down a Code of Conduct for the Board members and Key Managerial Employees of the Company, which is hosted on the website of the Company i.e. www.hindustantimes.com. The Code delineates the principles governing the conduct of employees, including Directors, with all the stakeholders of the Company. The Code, inter-alia, covers transparency, legal compliance and a gender friendly workplace. All the Board members and the Key Managerial Employees of the Company have affirmed compliance with the Code. A declaration of Vice Chairperson & Editorial Director as to the compliance of the Code of Conduct by the Board members and Key Managerial Employees is appearing at the end of this report.

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are normally published in 'Hindustan Times' (English), 'Mint' (English Business newspaper) and 'Hindustan' (Hindi).

The financial results are also displayed on the website of the Company i.e. www.hindustantimes.com, under the 'Investors' section. The website also hosts other useful investor information, like Shareholding Pattern, Distribution Schedule, Press Releases and Presentations made to Financial Analysts.

Management Discussion and Analysis forms part of the Directors' Report as Annexure - 'A'.

GENERAL SHAREHOLDER INFORMATION

5th Annual General Meeting

Date & time: Saturday, the 4th August, 2007 at 11.00 a.m.
Venue: FICCI Golden Jubilee Auditorium, Tansen Marg,
 New Delhi - 110 001

Financial year

1st April to 31st March

Financial Calendar (Tentative)

Results for quarter ending 30 th June, 2007	End July, 2007
Results for half-year ending 30 th September, 2007	End October, 2007
Results for quarter ending 31 st December, 2007	End January, 2008
Results for year ending 31 st March, 2008	End May, 2008
6 th Annual General Meeting (i.e., next year)	End August, 2008

Book Closure

The Book Closure period for the purpose of payment of dividend for the financial year 2006-07 is from Thursday, the 26th July, 2007 to Saturday, the 4th August, 2007 (both days inclusive).

Dividend Payment Date (Tentative)

The Board of Directors of the Company have recommended payment of dividend @ 15% on the Equity Shares for the financial year ended 31st March, 2007, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The dividend, if approved, is tentatively proposed to be paid in the second week of August, 2007.

Listing of Equity Shares on Stock Exchanges and Stock Codes

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street MUMBAI - 400 001	532662
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (East) MUMBAI - 400 051	HTMEDIA

The annual listing fee for the financial year 2007-08 has been paid to both BSE and NSE.

The Company has also paid the annual custody fee for the financial year 2007-08 to both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

During the year under review, the ISIN of the Equity Shares of the Company changed from 'INE501G01016' to '**INE501G01024**', consequent upon the sub-division of face value of Equity Shares of the Company, from Rs.10/- per share to Rs.2/- per share with effect from 5th January, 2007, being the record date fixed for the said purpose.

Registrar and Share Transfer Agent

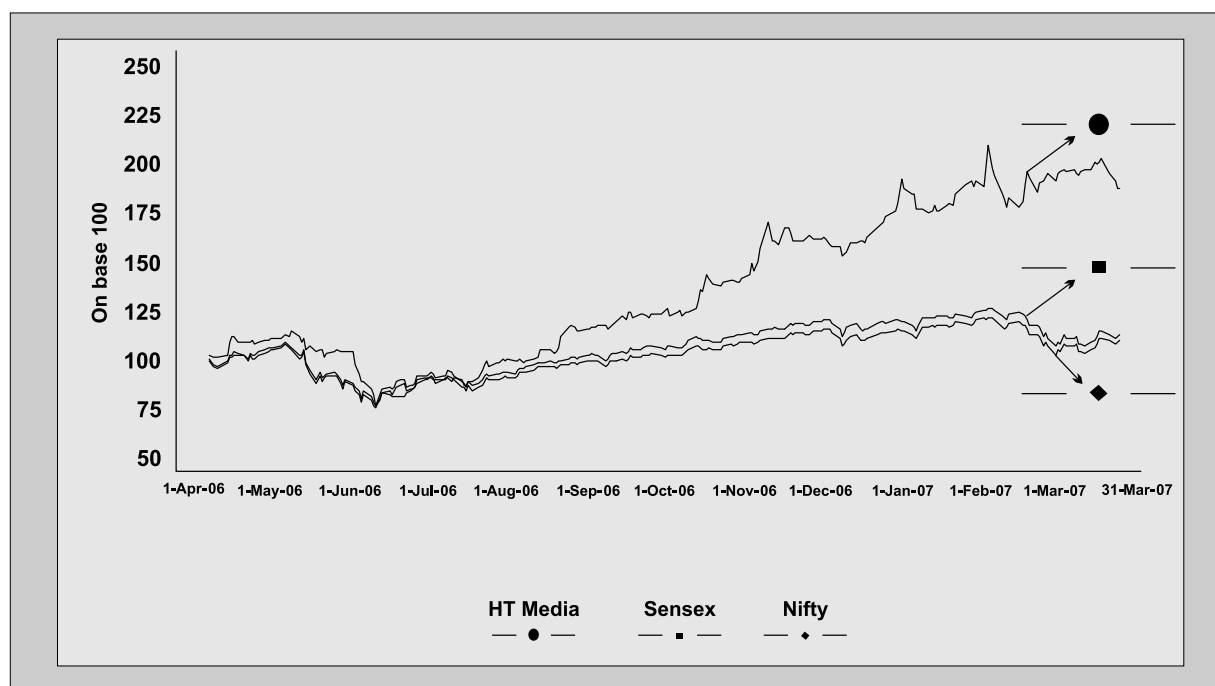
Karvy Computershare Private Limited
 Unit: HT Media Limited
 Plot Nos. 17-24, Vittal Rao Nagar, Madhapur
 HYDERABAD - 500 081
 Phone : +91 - 40 - 2342 0815 to 20
 Fax : +91 - 40 - 2342 0814
 E-mail : mailmanager@karvy.com
 Website : www.karvy.com

Stock Price Data

MONTH	BSE				NSE			
	HT Media		SENSEX		HT Media		NIFTY	
	High (Rs.)	Low (Rs.)	High	Low	High(Rs.)	Low (Rs.)	High	Low
Apr. '06	542.00	466.05	12,102.00	11,008.43	547.70	450.00	3,598.95	3,290.35
May '06	550.10	439.00	12,671.11	9,826.91	551.00	448.00	3,774.15	2,896.40
Jun. '06	497.50	357.00	10,626.84	8,799.01	500.90	359.25	3,134.15	2,595.65
Jul. '06	480.00	398.00	10,940.45	9,875.35	486.00	400.00	3,208.85	2,878.25
Aug. '06	562.50	460.00	11,794.43	10,645.99	575.00	458.00	3,452.30	3,113.60
Sep. '06	614.00	502.00	12,485.17	11,444.18	604.00	517.10	3,603.70	3,328.45
Oct. '06	699.00	523.85	13,075.85	12,178.83	690.00	570.10	3,782.85	3,508.65
Nov. '06	858.00	655.00	13,799.08	12,937.30	859.00	620.20	3,976.80	3,737.00
Dec. '06 (Pre Stock -Split)*	821.90	698.60	14,035.30	12,801.65	820.00	685.00	4,046.85	3,657.65
Dec. '06 (Post Stock -Split)*	174.70	161.10	14,035.30	12,801.65	170.00	161.00	4,046.85	3,657.65
Jan. '07	187.95	139.00	14,325.92	13,303.22	208.00	160.00	4,167.15	3,833.60
Feb. '07	203.50	166.05	14,723.88	12,800.91	202.85	168.00	4,245.30	3,674.85
Mar. '07	204.50	170.00	13,386.95	12,316.10	208.90	165.00	3,901.75	3,554.50

* During December 2006, the face value of the Equity Shares of the Company were sub-divided from Rs. 10/- per share to Rs. 2/- per share.

Performance of HT Media's Stock in comparison to BSE Sensex and NSE Nifty



Share Transfer System

All requests for transfer of shares in physical form are processed and the share certificates duly transferred are returned, within the time prescribed by law in the said behalf, subject to the share transfer documents being valid and complete in all respects.

The Board has authorized the Investors' Grievance Committee to sub-delegate its powers to the Company Officials, for prompt redressal of investor requests/complaints. Accordingly, the said Committee has sub-delegated its power to approve transfer/demat/remat/sub-division/consolidation of share certificates etc. to the Company Secretary upto limits specified in the said behalf. A summary of requests for transfer/demat/remat etc. so approved by the Company Secretary is placed at the subsequent meeting of the Investors' Grievance Committee.

The Company obtains a half-yearly certificate from Company Secretary-in-Practice on compliance with the share transfer formalities, as required under Clause 47 (c) of Listing Agreement of Stock Exchanges and files a copy of the said certificate with the Stock Exchanges.

Distribution of Shareholding by size as on 31st March, 2007

No. of Equity Shares held	No. of Share holders	% of total no. of Share holders	No. of Shares held	% of total Shares
Upto 5000	26,320	99.41	44,40,971	1.90
5001 – 10000	73	0.27	4,84,389	0.21
10001- 20000	28	0.11	3,93,469	0.17
20001 – 30000	10	0.04	2,67,434	0.11
30001 – 40000	1	0.00	35,000	0.01
40001 – 50000	2	0.01	91,216	0.04
50001 – 100000	8	0.03	5,90,608	0.25
100001 & above	35	0.13	22,79,26,118	97.31
TOTAL	26,477	100.00	23,42,29,205	100.00

Category of shareholders on 31st March, 2007 (both physical and demat form)

Category	No. of shares held	% of Shareholding
Promoters	16,09,85,260	68.73
Banks/Financial Institutions and Insurance Companies	25,17,405	1.07
Foreign Institutional Investors (FIIs)	5,02,28,602	21.44
Mutual Funds	1,17,49,383	5.02
NRI's	3,91,778	0.17
Bodies Corporate	14,78,738	0.63
Public	68,78,039	2.94
TOTAL	23,42,29,205	100.00

Dematerialization of shares and liquidity as on 31st March, 2007

Category	No. of Shares held	% of Shareholding
Shares held in Demat form	23,42,28,059	99.999511
Shares held in Physical form	1,146	0.000489
TOTAL	23,42,29,205	100.00

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company.

Plant Locations

City	Address
BHAGALPUR (Franchisee location)	Lower Nath Nagar Road Parbatti, Bhagalpur
BHOPAL (Franchisee location)	F-14, Govindpura Industrial Area Bhopal
DHANBAD	Bhela Tad Road, Dhaiya, Dhanbad
GREATER NOIDA	Plot No. 08, Udyog Vihar Greater Noida, Gautam Budh Nagar
JALLANDHAR	Nirmal Complex, Swagat Palace Near Namdev Chowk, Jalandhar
JAMSHEDPUR	NH-33, Kumkum Tola Jamshedpur
KOLKATA	B.T. Road, Panihati 24 – Parganas (North)
LUCKNOW	Vibhuti Khand, Phase - II Gomti Nagar, Lucknow
MOHALI	C-164-165, Phase VIII B Industrial Focal Point, Mohali
MUMBAI	Plot No. 6, TTC MIDC Industrial Area, Dighe Thane-Belapur Road, Navi Mumbai
MUZAFFARPUR (Franchisee location)	N.H.No. 28, Sadatpur Near Sudha Dairy, Muzaaffarpur
NOIDA	B-02, Sector-63, Noida
PATNA	Budh Marg, Patna
RANCHI	7, Kokar Industrial Area, Ranchi
VARANASI (Franchisee location)	G.T. Road, Govindpur Rohania, Varanasi

Address for correspondence

Company Secretary
HT Media Limited
Hindustan Times House (2nd Floor)
18-20, Kasturba Gandhi Marg
New Delhi – 110 001

Tel: + 91 - 11 - 6656 1608

Fax: + 91 - 11 - 6656 1206

Website: www.hindustantimes.com

In terms of Clause 47 (f) of the Listing Agreement of Stock Exchanges, investors may please use the following **exclusive e-mail Id** for redressal of their requests/complaints:

E-mail : investor@hindustantimes.com

Compliance Officer : Shri Dinesh Mittal, Company Secretary

Tel. No. : + 91 11 6656 1608

Compliance

A certificate dated 4th May, 2007 of Shri Arun Kumar Soni, Company-Secretary-in-Practice, regarding compliance with conditions of 'Corporate Governance' as stipulated under Clause 49 is annexed to the Directors' Report.

Other Useful Information

(1) Payment of dividend

In case of payment of dividend, if any by the Company, members may kindly note the following:

■ Electronic Clearing Service (ECS) facility

Members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their bank, is noted in the records of the Depository Participant (DP). Shareholders holding shares in physical form may please contact the R&T Agent.

■ Payment by Dividend Warrants

In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details, to their DP in case of electronic holding, and to the R&T Agent in case of physical holding.

Members may kindly note that the R&T Agent and/or the Company will not entertain requests for noting of change of address/bank details/ECS Mandate in case of shares held in demat form.

(2) Unclaimed/Unpaid Dividend

Members who have not yet encashed their dividend warrants for the financial year 2005-06 may approach the Company for revalidation/issue of duplicate dividend warrant.

(3) Nomination facility

In terms of Section 109A of the Act, members may register request for nomination with their DP. Members, holding shares in physical form, may contact the R&T Agent for this purpose.

DECLARATION OF VICE CHAIRPERSON & EDITORIAL DIRECTOR

I, Shobhana Bhartia, Vice Chairperson & Editorial Director of the Company do hereby confirm that all the Board Members and Key Managerial Employees have complied with the "Code of Conduct for Board Members and Key Managerial Employees" during the financial year 2006-07.

This declaration is based on and is in pursuance of the individual affirmations received in writing from the Board Members and Key Managerial Employees.



Shobhana Bhartia
Vice Chairperson & Editorial Director

New Delhi
4th May, 2007

Annexure 'D' to Directors' Report

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

The Members, HT Media Limited

I have examined the compliance with conditions of Corporate Governance by **HT Media Limited**, for the year ended on 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance with conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement in all material respects.

I state that no investor grievances are pending for a period exceeding one month against the Company as certified by the Registrar & Share Transfer Agent of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Arun Kumar Soni
Company Secretary in Practice
CP No. 1726

Place: New Delhi
Date: 4th May, 2007

Annexure 'E' to Directors' Report

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:-

(a) Energy conservation measures taken

Efforts are made for conservation of energy on an on-going basis. The energy conservation initiatives have resulted in improvement in power factor.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

As a part of energy conservation measures efforts were made to reduce losses due to air leakages of conditioned air and thereby optimizing utilization of air conditioning plant.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Improvement in power factor has resulted in power cost saving of Rs. 24 lacs annually and additional Rs. 3.6 lacs as rebate on power bill due to power factor being better than 0.95.

(d) Total energy consumption and energy consumption per unit of production

Not Applicable

B. TECHNOLOGY ABSORPTION:-

(e) Efforts made in technology absorption

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:-

(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans

Not Applicable

(g) Total foreign exchange used and earned

Foreign exchange used - Rs. 29,468.47 lacs
Foreign exchange earned - Rs. 844.81 lacs

Auditors' Report to the Members of HT Media Limited

1. We have audited the attached Balance Sheet of HT Media Limited as at March 31, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in para 3 above, we report that: -
 - i we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii in our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of the books;
 - iii the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v on the basis of written representations received from the directors, as on March 31, 2007, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2007;
- b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S.R. Batliboi & Company
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date: 04.05.2007

Annexure referred to in paragraph [3] of our report of even date
Re: HT Media Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loans to a subsidiary covered in register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 8,000 lacs and the year end balance of loans granted to such party was nil.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima-facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount has been received as per stipulation and payment of interest has been regular.

- d) Since the loan amount and interest thereon has been fully repaid by the aforesaid party and as such there is no outstanding amount of loans and interest as at the close of the year, hence paragraph 4 (iii)(d) of the said Order is not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases involving insignificant amount.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued any debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In respect of dealing in units in mutual funds, in our opinion and according to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein. The units have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements (Refer Note No. 5 of Schedule 23).
- (xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Company
Chartered Accountants

per Anil Gupta
Partner

Membership No. 87921

Place: New Delhi
Date : 04.05.2007



HT Media Limited

Balance Sheet as at March 31, 2007

	Schedule	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,684.58	6,684.58
Reserves and Surplus	2	73,699.14	62,638.90
		78,383.72	69,323.48
Loan Funds			
Secured Loans	3	16,500.00	16,957.26
Deferred Tax Liabilities (Net)	4	3,457.88	2,958.42
		98,341.60	89,239.16
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	46,186.16	43,878.05
Less : Accumulated Depreciation		10,071.71	6,619.18
Net Block		36,114.45	37,258.87
Capital Work-In-Progress including Capital Advances		1,300.87	105.16
Expenditure during construction period	6	-	-
		37,415.32	37,364.03
Intangible Assets (net of Amortisation and including Capital Work in Progress, Capital Advances and Expenditure during development stage)	7	3,460.87	1,824.19
Investments	8	37,297.99	6,439.74
Amount recoverable from HT Media Employee Welfare Trust (Refer Note No. 7 of Schedule 23)		2,174.28	2,174.28
Current Assets, Loans and Advances			
Inventories	9	10,190.26	10,845.22
Sundry Debtors	10	14,646.67	12,121.60
Cash and Bank balances	11	10,622.55	26,775.04
Loans and Advances	12	2,709.41	9,789.12
		38,168.89	59,530.98
Less: Current Liabilities and Provisions			
Current Liabilities	13	18,113.86	16,558.17
Provisions	14	2,061.89	1,535.89
		20,175.75	18,094.06
Net Current Assets		17,993.14	41,436.92
		98,341.60	89,239.16

Notes to Accounts 23

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our Report of even date

For S.R.Batliloi & Company
Chartered Accountants

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

HT Media Limited

Profit and Loss Account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
INCOME			
Turnover	15	1,03,928.82	82,373.30
Other Income	16	4,028.10	1,773.38
		1,07,956.92	84,146.68
EXPENDITURE			
Raw Materials consumed	17	43,200.93	34,136.55
Personnel Expenses	18	14,768.19	11,838.50
Operating and other Expenses	19	26,941.76	24,526.74
(Increase)/Decrease in Inventories	20	(27.44)	31.63
		84,883.44	70,533.42
Profit before depreciation/amortisation, interest, exceptional items and tax (EBITDA)			
		23,073.48	13,613.26
Depreciation/amortisation		3,971.39	3,853.64
Interest paid	21	1,425.39	1,353.96
Profit before exceptional items and tax			
		17,676.70	8,405.66
Exceptional items			
Reimbursement of terminal benefits to the Holding Company		26.10	2,187.65
Voluntary retirement and other one time compensation to employees		-	101.23
Profit before Tax			
		17,650.60	6,116.78
Provision for Wealth Tax		(1.20)	(0.70)
Fringe Benefit Tax		(365.00)	(370.00)
Provision for Current Income Tax/Minimum Alternate Tax (MAT)		(5,320.00)	(327.00)
Less: MAT Credit Entitlement Account		-	49.23
Deferred Tax (Charge)		(458.45)	(1,741.28)
Total Tax (expense)		(6,144.65)	(2,389.75)
Net Profit for the year			
		11,505.95	3,727.03
Credit balance brought forward from previous year		4,949.93	2,036.70
Amount available for Appropriation			
		16,455.88	5,763.73
Appropriations			
Transfer to Capital Redemption Reserve		2,000.00	-
Transfer to General Reserve		600.00	150.00
Proposed dividend (on preference shares)		-	20.00
Proposed dividend (on equity shares)		702.69	562.15
Tax on dividend		119.42	81.65
Surplus carried to Balance Sheet			
		13,033.77	4,949.93
Earnings Per Share (in Rs.)			
Basic and Diluted [Nominal value of shares Rs. 2/- (Previous Year on Rs. 2/-)]	22	4.91	1.65
Notes to Accounts			
	23		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our Report of even date

For **S.R.Batliloi & Company**
Chartered Accountants

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007



HT Media Limited

Cash Flow Statement for the year ended March 31, 2007

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
A. Cash flow from operating activities		
Profit before taxation	17,650.60	6,116.78
Adjustments for:		
Depreciation/amortization	3,971.39	3,853.64
Share Issue expenses (previous year gross of tax benefit of Rs. 128.71 lacs)	-	(1,551.17)
Loss on disposal of fixed assets (net)	21.02	38.17
(Profit) on sale of current investments (net)	(465.17)	(224.95)
Dividend income	(237.39)	(168.07)
Interest income	(1,640.68)	(945.55)
Interest expense	1,425.39	1,353.96
Provision for diminution in value of current investments	11.83	-
Provision for doubtful debts and advances	187.99	213.18
Operating profit before working capital changes	20,924.98	8,685.99
Movements in working capital :		
(Increase) in Sundry Debtors	(2,705.97)	(2,975.31)
(Increase)/Decrease in Inventories	654.97	(3,089.34)
(Increase) in Loans and Advances	(697.78)	(299.52)
Increase in Current Liabilities and Provisions	429.37	4,047.94
Cash generated from operations	18,605.57	6,369.76
Direct taxes paid	5,072.14	1,094.90
Net cash from operating activities	13,533.43	5,274.86
B. Cash flows from investing activities		
Purchase of fixed assets	(5,714.19)	(3,284.93)
Proceeds from sale of fixed assets	33.83	14.56
Purchase of investments	(36,524.95)	(16,275.68)
Sale of investments	5,676.47	20,152.46
Loan to a subsidiary	(700.00)	(7,300.00)
Loan refunded by the subsidiary	8,000.00	-
Amount paid to HT Media Employee Welfare Trust	-	(2,174.28)
Dividend received	237.39	168.07
Interest received	2,114.01	342.12
Fixed deposits with banks placed	(13,405.04)	(19,000.00)
Fixed deposits with banks encashed	29,300.01	-
Net cash (used) in investing activities	(10,982.47)	(27,357.68)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	26,987.29
Redemption of preference share capital	(1,582.60)	-
Proceeds from long-term borrowings	-	9,000.00
Repayment of long-term borrowing	-	(9,123.86)
(Repayment of) short-term borrowings	(457.26)	(70.10)
Interest paid	(1,425.39)	(1,362.77)
Dividend paid	(663.80)	(458.84)
Net cash (used in)/from financing activities	(4,129.05)	24,971.72
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,578.09)	2,888.90
Cash and cash equivalents at the beginning of the year	7,775.04	4,886.14
Cash and cash equivalents at the end of the year	6,196.95	7,775.04
Components of cash and cash equivalents as at the end of the year		
Cash and cheques on hand	5,872.15	4,304.69
With Scheduled Banks - on current accounts	270.30	727.81
- on cash credit accounts	81.98	-
- on book overdraft account	(1,320.61)	-
- on deposit accounts*	1,292.54	2,742.54
- on unpaid and unclaimed dividend account	0.59	-
	6,196.95	7,775.04

* represents short-term investments with an original maturity of three months or less

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard-3 on Cash Flow Statement.

As per our Report of even date

For and on behalf of the Board of Directors

For S.R.Batliboi & Company
Chartered Accountants

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 1 : Share Capital		
Authorised		
262,500,000 equity shares of Rs. 2/- each (Previous year 52,500,000 equity shares of Rs. 10/- each)	5,250.00	5,250.00
2,000,000 (Previous year 2,000,000) preference shares of Rs. 100/- each	2,000.00	2,000.00
	7,250.00	7,250.00
Issued, Subscribed and Paid up		
234,229,205 equity shares of Rs. 2/- each (Previous year 46,845,841 equity shares of Rs. 10/- each) fully paid	4,684.58	4,684.58
Nil (Previous year 2,000,000) 1% non-cumulative redeemable preference shares of Rs. 100/- each fully paid*	-	2,000.00
	4,684.58	6,684.58
Of the above :		
i) 160,985,260 equity shares of Rs. 2/- each (Previous year 32,197,052 equity shares of Rs. 10/- each) and Nil (Previous year 2,000,000) preference shares are held by The Hindustan Times Limited, the Holding Company.		
ii) 149,749,995 equity shares of Rs. 2/- each (Previous year 29,949,999 equity shares of Rs. 10/- each) were allotted as fully paid-up for consideration other than cash.		
*Note: 2,000,000 1% Non-cumulative Redeemable preference shares of Rs. 100/- each, were redeemed on September 16, 2006 @ Rs. 79.13 per share aggregating to Rs. 1,582.60 lacs. The balance amount of Rs. 417.40 lacs has been credited to Capital Reserve Account shown in Schedule 2 below.		
Schedule 2 : Reserves and Surplus		
Securities Premium Account		
As per last Balance Sheet	57,538.98	32,483.34
Add: Received during the year	-	26,478.09
	57,538.98	58,961.43
Less: Share issue expenses written off*	-	1,422.46
Less: Tax adjustment on account of Income Tax**	41.01	-
	57,497.97	57,538.97
Capital Reserve (Refer Note of Schedule 1 above)	417.40	-
General Reserve - Opening Balance	150.00	-
Transferred from Profit and Loss Account during the year	600.00	150.00
Closing Balance	750.00	150.00
Capital Redemption Reserve - Transferred from Profit and Loss Account during the year	2,000.00	-
Profit and Loss Account Balance	13,033.77	4,949.93
	73,699.14	62,638.90

* Including payments to Statutory Auditors amounting to Rs. Nil (Previous year Rs. 44.90 lacs) towards certification work etc. and net of Income Tax of Rs. Nil (Previous year Rs. 128.71 lacs) (Comprises current income tax Rs. 25.75 lacs and deferred tax Rs. 102.96 lacs)

** Due to inter-se reallocation of the proceeds of the IPO funds, the Company is eligible to claim income tax/deferred tax benefit under Section 35D of the Income Tax Act, 1961 to the extent of Rs. 87.70 lacs (income tax/deferred tax amount). As a result of this, excess credit of income tax/deferred tax taken in last year amounting to Rs. 41.01 lacs has been adjusted in the current year

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 3 : Secured Loans		
Rupee Term Loan from Punjab National Bank	7,500.00	7,500.00
Secured by way of hypothecation of entire block of assets which are lying at all work place/office of the Company, consisting of plant & machinery, computers, furniture, fixtures fittings & furnishers, vehicles, (present & future) which now or hereafter from time to time during the continuance of this security, belonging to the Company wherever situated including in-transit. All the above charges are ranking pari-passu with the existing and proposed lenders. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Noida, Greater Noida and Mohali (Repayable within a year Rs. Nil, previous year Rs. Nil).		
Rupee Term Loan from State Bank of India	9,000.00	9,000.00
Secured by way of hypothecation of all present and future goods, book debts and all other movable assets, including documents of the title to the goods, outstanding moneys, receivables including receivables by way of cash assistance and/or cash incentive under the Cash Incentive Scheme or any other scheme, claims including claims by way of refund of customs/excise duties under the Duty Drawback Credit Scheme or any other scheme, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments, rights and present and future machinery and by way of equitable mortgage of immovable property belonging to the Company situated at Noida, Greater Noida and Mohali, by way of a pari-passu charge. (Repayable within a year Rs. Nil, Previous year Rs. Nil).		
Cash Credit facility from Banks	-	457.26
Secured by way of hypothecation of goods stored in godowns including any such goods in course of transit or delivery and book debts including present and future debts, outstanding money, receivables and claims of the Company.		
	16,500.00	16,957.26
Schedule 4 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	4,203.00	3,609.39
Gross Deferred Tax Liabilities	4,203.00	3,609.39
Deferred Tax Assets		
Effect of expenditure adjusted from share issue expenses in the current year/last year but allowable for tax purposes in following years	56.40	102.96
Effect of expenditure debited to Profit and Loss Account in the current year/earlier years but allowable for tax purposes in following years	234.36	161.34
Provision for doubtful debts and advances	454.36	386.67
Gross Deferred Tax Assets	745.12	650.97
Net Deferred Tax Liabilities	3,457.88	2,958.42

HT Media Limited
Schedules to the Accounts

(Rs. in lacs)

Schedule 5 : Fixed Assets

	Land- Leasehold	Buildings	Improvement to Leasehold Premises	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block								
At 01.04.2006	1,781.58	5,188.77	546.69	35,816.16	415.54	129.31	43,878.05	40,563.67
Additions	-	64.75	464.08	1,713.74	98.18	63.82	2,404.57	3,634.58
Deductions/Adjustments	-	19.70	20.29	43.89	5.68	6.90	96.46	320.20
At 31.03.2007	1,781.58	5,233.82	990.48	37,486.01	508.04	186.23	46,186.16	43,878.05
Depreciation/Amortisation								
At 01.04.2006	55.27	272.81	192.55	5,921.88	136.52	40.15	6,619.18	3,238.11
For the year	24.10	174.97	161.62	3,073.70	44.39	15.35	3,494.13	3,466.53
Deductions/Adjustments	-	1.79	12.79	21.08	1.31	4.63	41.60	85.46
At 31.03.2007	79.37	445.99	341.38	8,974.50	179.60	50.87	10,071.71	6,619.18
Net Block								
At 31.03.2007	1,702.21	4,787.83	649.10	28,511.51	328.44	135.36	36,114.45	37,258.87
At 31.03.2006	1,726.31	4,915.96	354.14	29,894.28	279.02	89.16	37,258.87	-
Capital Work-In-Progress							1,130.83	26.13
Capital Advances (Unsecured and considered good)							170.04	79.03
Total	1,702.21	4,787.83	649.10	28,511.51	328.44	135.36	37,415.32	37,364.03

Notes:

1. Motor Vehicle of the cost of Rs. 3.44 lacs (Previous year Rs. 3.44 lacs) is pending for registration in the name of the Company.
2. Depreciation for the year includes Rs. Nil (Previous year Rs. 2.42 lacs) debited to expenditure during construction period.
3. Fixed Assets of the value of Rs. 42.28 lacs (W.D.V. Rs. 22.96 lacs) [Previous year Rs. 89.65 lacs (W.D.V Rs. 28.14 lacs)] and Capital Work-in-Progress of the cost of Rs. 2.38 lacs (Previous year Rs. Nil) have been discarded during the year.
4. Additions to Plant & Machinery include foreign exchange fluctuation amounting to Rs. 17.27 lacs (Previous year deductions amounting to Rs. 94.81 lacs).
5. Fixed Assets amounting to Rs. 180.89 lacs (Previous year Rs. Nil) held under joint ownership with others.

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 6 : Expenditure during construction period		
Balance brought forward	-	43.27
Add: Incurred during the year		
- Salaries, wages and bonus	-	30.61
- Contribution to provident fund	-	1.55
- Consumption of stores and spares	-	2.15
- Power and fuel	-	10.34
- Rates and taxes	-	3.64
- Travelling and conveyance	-	14.43
- Legal and professional fees	-	4.46
- Depreciation on fixed assets	-	2.42
- Miscellaneous expenses	-	8.89
	-	121.76
Less: Allocated to fixed assets during the year	-	120.83
Less: Charged off to revenue during the year	-	0.93
Balance carried forward	-	-

(Rs. in lacs)

Schedule 7 : Intangible Assets	Website development	Software Licenses	Total	Previous Year
Gross Block				
At 01.04.2006	-	2,495.07	2,495.07	1,887.19
Additions	79.77	1,717.86	1,797.63	617.88
Deletions *	-	-	-	10.00
At 31.03.2007	79.77	4,212.93	4,292.70	2,495.07
Amortisation				
At 01.04.2006	-	956.15	956.15	566.63
For the year	2.17	475.09	477.26	389.53
At 31.03.2007	2.17	1,431.24	1,433.41	956.16
Net Block at 31.03.2007	77.60	2,781.69	2,859.29	1,538.91
Capital Work-in-Progress	-	-	37.40	-
Capital Advances (Unsecured and considered good)	-	-	564.18	285.28
Expenditure during development stage				
Balance brought forward	-	-	-	5.28
Less: Allocated to Intangible Assets	-	-	-	(5.28)
Balance carried forward	-	-	-	-
Balance at the year end	-	-	3,460.87	1,824.19
At 31.03.2006	-	1,824.19	1,824.19	-

Notes:

1. Capital Work-in-Progress of the value of Rs. Nil (Previous year Rs. 13.68 lacs) have been discarded during the year
2. * Represents adjustment of liability against software installed in earlier years

HT Media Limited
Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 8 : Investments		
<u>Long Term Investments</u>		
A. Trade Investments (Unquoted)		
Fully paid up equity shares of Rs. 100/- each		
457 (Previous year 457) in Press Trust of India Limited	0.46	0.46
738 (Previous year 738) in United News of India	0.74	0.74
B. Other than Trade Investments		
In Subsidiary Companies (Unquoted)		
Fully paid up equity shares of Rs. 10/- each		
3,974,771 (Previous year 3,974,771) in Searchlight Publishing House Limited	867.10	867.10
15,000,000 (Previous year 15,000,000) in HT Music and Entertainment Company Limited	1,500.00	1,500.00
Fully paid up 1% non-cumulative redeemable preference shares of Rs. 100/- each		
11,750,000 (Previous year Nil) in HT Music and Entertainment Company Limited	11,750.00	-
In Joint Venture Company (Unquoted)		
Fully paid up equity shares of Rs. 10/- each		
300,000 (Previous year Nil) in Metropolitan Media Company Private Limited	255.00	-
Other than Trade Investments (Quoted)		
Units in fixed maturity plan of mutual fund of Rs. 10/- each		
140,000,000 (Previous year Nil) of DWS Fixed Term Fund-Series 24-Institutional Plan-Growth Option-having maturity of 13 months	14,000.00	-
<u>Current Investments</u>		
Other than Trade Investments (Quoted)		
Units in mutual funds of Rs. 10/- each		
20,655,600.112 (Previous year Nil) of Birla Cash Plus - Institutional Premium Plan - Weekly Dividend Reinvest Plan*	2,072.04	-
20,609,539.373 (Previous year Nil) of Kotak Liquid - Institutional Premium- Weekly Dividend Reinvest Plan	2,068.78	-
10,341,800.312 (Previous year Nil) of HSBC Cash Fund-Institutional Plus - Weekly Dividend Reinvest Plan	1,035.71	-
9,106,783.256 (Previous year Nil) of HDFC MF-Monthly Income Plan- Monthly Dividend Reinvest Plan	1,040.64	-
4,867,887.480 (Previous year Nil) of HSBC MIP-Saving Plan-Monthly Dividend Reinvest Plan	520.22	-
4,162,740.968 (Previous year Nil) of Birla Monthly Income Plan-25-Growth Plan*	558.56	-
3,032,666.618 (Previous year 3,032,655.636 Units) of Prudential ICICI MIP-Cumulative-Growth Plan	568.60	500.00
Nil (Previous year 4,348,771.472) of SMG Sundaram Monthly Income Plan-Growth Plan	-	500.00
Nil (Previous year 2,936,909.314) of Birla Monthly Income Plan- Growth Plan	-	500.00
4,382,122.944 (Previous year 4,381,237.787) of HSBC MIP-Saving Plan Growth Option	571.97	500.00
3,668,432.405 (Previous year Nil) of Reliance Monthly Income Plan-Growth Plan*	500.00	-
Units in mutual funds of Rs. 1,000/- each		
Nil (Previous year 186,124.537) of UTI-Liquid Cash-Institutional Plan-Growth Plan	-	2,071.44
	37,309.82	6,439.74
Less: Provision for diminution in the value of current investments*	11.83	-
	37,297.99	6,439.74

Notes:

1) The following units held in mutual funds were purchased and sold during the year:

	Value (Rs. in lacs)	
Purchased		
- In Liquid Funds-Dividend Option		
20,609,539.373 units of Kotak Liquid (Institutional Premium)-Weekly Dividend Reinvest Plan of Rs.10/- each	2,068.78	
20,655,600.112 units of Birla Cash Plus -Institutional Premium Plan-Weekly Dividend Reinvest Plan of Rs.10/- each	2,072.04	
10,341,800.312 units of HSBC Cash Fund -Institutional Plus- Weekly Dividend Reinvest Plan of Rs. 10/- each	1,035.71	
- In MIP-Growth Option		
4,162,740.968 units of Birla Monthly Income Plan- 25-Growth Plan of Rs.10/- each	558.56	
3,032,666.618 units of Prudential ICICI MIP-Cumulative Growth Plan of Rs.10/- each	568.60	
3,668,432.405 units of Reliance Monthly Income Plan-Growth Plan of Rs.10/- each	500.00	
4,382,122.944 units of HSBC MIP-Saving Plan- Growth Option of Rs.10/- each	571.97	
- In MIP-Dividend Option		
4,875,838.045 units of Prudential ICICI MIP-Monthly Dividend Option of Rs.10/- each	568.05	
5,378,003.790 units of HSBC MIP-Regular Plan- Monthly Dividend Option of Rs.10/- each	571.82	
9,106,783.257 units of HDFC MF- MIP- Monthly Dividend Reinvest Plan of Rs.10/- each	1,040.64	
4,867,887.480 units of HSBC MIP- Saving Plan -Monthly Dividend Reinvest Plan of Rs.10/- each	520.22	
- In Fixed Maturity Plan-Growth Option		
140,000,000 units of DWS Fixed Term Fund Series 24-Institutional Plan-Growth Option of Rs 10/- each	14,000.00	
Sold		
- In Liquid Funds-Growth Option		
186,124.537 units of UTI-Liquid Cash Plan Institutional-Growth Option of Rs.1,000/- each	2,289.84	
- In MIP-Growth Option		
4,348,771.472 units of SMG Sundaram Monthly Income Plan-Growth Plan of Rs.10/- each	547.63	
2,936,909.314 units of Birla Monthly Income Plan-Growth Plan of Rs.10/- each	558.56	
3,032,655.636 units of Prudential ICICI MIP Cumulative-Growth Plan of Rs.10/- each	568.05	
4,381,237.787 units of HSBC MIP-Saving Plan- Growth Option of Rs.10/- each	571.82	
- In MIP-Dividend Option		
4,875,838.045 units of Prudential ICICI MIP-Monthly Dividend Option of Rs.10/- each	568.60	
5,378,003.790 units of HSBC MIP-Regular Plan- Monthly Dividend Option of Rs.10/- each	571.97	
	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
2) Aggregate amount of Quoted investments	22,924.69	4,071.44
Market Value Rs. 22,947.63 lacs (Previous year Rs. 4,271.67 lacs)		
3) Aggregate amount of Unquoted investments	14,373.30	2,368.30

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 9 : Inventories		
Raw materials	9,134.09	9,973.21
Stores and spares	1,003.74	847.02
Work-in-progress	48.23	21.26
Scrap and waste papers	4.20	3.73
	10,190.26	10,845.22
Schedule 10 : Sundry Debtors		
Debts outstanding for a period exceeding six months		
Secured, considered good	1.62	1.34
Unsecured, considered good	1,529.55	1,368.94
Unsecured, considered doubtful	1,308.93	1,097.54
Other debts		
Secured, considered good	742.28	724.54
Unsecured, considered good	12,373.22	10,026.78
Unsecured, considered doubtful	11.69	42.18
	15,967.29	13,261.32
Less : Provision for doubtful debts	1,320.62	1,139.72
	14,646.67	12,121.60
Included in Sundry Debtors are:		
i) Due from an Officer of the Company (Maximum amount outstanding during the year - Rs. 0.27 lac (Previous year Rs. 0.76 lac)	-	0.27
Schedule 11 : Cash and Bank Balances		
Cash on hand	119.88	84.52
Cheques in hand	5,752.27	4,220.17
Balances with Scheduled Banks:		
On current accounts	270.30	727.81
On cash credit account	81.98	-
On deposit accounts *	4,397.53	21,742.54
On unpaid and unclaimed dividend account	0.59	-
	10,622.55	26,775.04

* Includes fixed deposit receipts pledged with bank amounting to Rs. 2.39 lacs (Previous year Rs. 2.39 lacs)

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 12 : Loans and Advances		
Secured, considered good		
Advances recoverable in cash or kind or for value to be received	-	8.02
Deposits – others	-	7.89
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	704.04	661.01
Loan and Advances to a subsidiary	-	7,300.00
Deposits – others	1,431.69	768.13
Advance towards purchase of property (to be considered as investment in properties)	443.56	-
Advance payment of income tax/ tax deducted at source (net of provision for tax)	-	365.65
MAT Credit Entitlement Account*	-	74.98
Interest accrued on deposits	130.12	603.44
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	30.44	23.35
	2,739.85	9,812.47
Less: Provision for doubtful advances	30.44	23.35
	2,709.41	9,789.12
Included in Loans and Advances are:		
i) Due from an Officer of the Company [Maximum amount outstanding during the year - Rs. 15.55 lacs (Previous year Rs. 1.31 lacs)]	15.00	0.12
ii) Balance with Post Office in Savings Bank Account	0.50	0.50
iii) National Savings Certificate	0.01	0.01
iv) Due as loans from a Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 (i.e. HT Music and Entertainment Company Limited)	-	7,300.00
v) The maximum amount due as loans from such company at any time during the year.	8,000.00	7,300.00
vi) The maximum amount due as advance against preference share capital from such company at any time during the year.	11,750.00	-
* The amount has been fully utilised during the year		
Schedule 13 : Current Liabilities		
Sundry creditors	12,263.36	13,105.53
Unclaimed dividend (statutory liabilities as referred in Section 205 C of the Companies Act, 1956)	0.54	-
Book overdraft with a bank	1,320.61	-
Payable to subsidiaries	160.38	79.48
Customers and Agents Balances	374.41	602.94
Income received in advance	2,490.73	1,361.32
Sundry deposits	1,495.92	1,408.90
Unaccrued income	7.91	-
	18,113.86	16,558.17
Included in Sundry Creditors are:		
i) Dues to small scale industrial undertakings	-	-
ii) Due to holding company	109.42	1,668.25

HT Media Limited

Schedules to the Accounts

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
Schedule 14 : Provisions		
For staff benefit schemes (Leave Encashment)	741.12	516.19
For staff benefit schemes (Gratuity)	266.51	289.64
For other expenses*	50.00	57.55
For taxation (net of advance tax)	162.15	-
Fringe benefit tax	20.00	8.71
For Proposed dividend - on preference shares	-	20.00
For Proposed dividend - on equity shares	702.69	562.15
For Tax on proposed dividend	119.42	81.65
	2,061.89	1,535.89
* Opening Balance	57.55	-
Created during the year	-	57.55
Used during the year	7.55	-
Closing Balance	50.00	57.55
	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
Schedule 15 : Turnover		
Advertisements	87,672.26	65,756.10
Sale of publications	13,615.97	13,683.06
Job work Revenue	1,889.17	2,366.40
Sale of waste papers and scrap	751.42	567.74
	103,928.82	82,373.30
Schedule 16 : Other Income		
Interest (Gross) on:		
Bank deposits (Gross, tax deducted at source Rs. 265.98 lacs, Previous year Rs. 180.73 lacs)	1,254.56	821.64
Loan to a Subsidiary (Gross, tax deducted at source Rs. 86.13 lacs, Previous year Rs. 27.20 lacs)	383.82	121.23
Others	2.30	2.68
Dividend income (From current investments - other than trade)	237.39	168.07
[Gross, tax deducted at source Rs. Nil, Previous year Rs. Nil]		
Foreign exchange difference (net)	145.66	-
Profit on sale of current investments - other than trade (net)	465.17	224.95
Unclaimed balances/unspent liabilities written back (net)	1,283.88	250.88
Miscellaneous income	255.32	183.93
	4,028.10	1,773.38
Schedule 17 : Raw Materials Consumed		
Inventories as at March 31, 2006	9,973.21	7,107.38
Purchases	42,809.71	37,233.77
Less: Sale of damaged newsprint	447.90	231.39
	52,335.02	44,109.76
Inventories as at March 31, 2007	9,134.09	9,973.21
	43,200.93	34,136.55

HT Media Limited

Schedules to the Accounts

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
Schedule 18 : Personnel Expenses		
Salaries, wages and bonus	13,110.04	10,316.54
Contribution to group insurance scheme	5.26	10.46
Contribution to provident fund	759.71	640.14
Contribution to gratuity fund	290.73	297.29
Contribution to other funds	19.55	18.53
Workmen and staff welfare expenses	582.90	555.54
	14,768.19	11,838.50
Schedule 19 : Operating and Other Expenses		
Consumption of stores and spares	2,671.57	2,191.30
Printing and service charges	3,438.50	3,605.36
News services and despatches	1,517.08	1,310.08
Power and fuel	1,448.40	1,280.39
Advertising and sales promotion	6,378.03	7,087.92
Freight and forwarding charges (net)	1,489.55	1,219.34
Service charges on advertisement revenue	617.23	424.70
Rent	1,280.38	727.65
Rates and taxes	12.14	32.39
Insurance	251.51	251.91
Repairs and maintenance		
- Plant and Machinery	867.10	756.39
- Buildings	313.62	204.94
- Others	13.61	5.93
Travelling and conveyance	1,480.17	1,374.20
Communication costs	913.91	825.06
Legal and professional fees	1,465.00	879.99
Directors' sitting fees	3.15	4.65
Auditor's remuneration		
- Audit fee	25.28	16.53
- Tax audit fee	4.49	3.31
- Quarterly limited review of accounts	16.84	11.02
- Taxation matters	5.06	4.41
- Certification etc.	2.43	11.81
Foreign exchange difference (net)	-	8.22
Donations	-	1.55
Provision for doubtful debts and advances	187.99	213.18
Loss on disposal of fixed assets (net)	21.02	38.17
Provision for diminution in value of current investments	11.83	-
Expenditure during construction period written off	-	0.93
Bank charges	60.56	75.92
Miscellaneous expenses	2,445.31	1,959.49
	26,941.76	24,526.74

HT Media Limited
Schedules to the Accounts

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
Schedule 20 : (Increase)/Decrease in Inventories		
Inventories as at March 31, 2007		
Work-in-progress	48.23	21.26
Scrap and waste papers	4.20	3.73
	52.43	24.99
Inventories as at March 31, 2006		
Work-in-progress	21.26	49.60
Scrap and waste papers	3.73	7.02
	24.99	56.62
	(27.44)	31.63
Schedule 21 : Interest Paid		
Interest		
On term loans	1,348.16	1,270.46
To banks and others	77.23	83.50
	1,425.39	1,353.96
Schedule 22 : Earnings Per Share (EPS)		
Net profit for the year	11,505.95	3,727.03
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	-	(22.81)
Net profit after exceptional items and taxes for calculation of basic and diluted EPS	11,505.95	3,704.22
Weighted average number of equity shares in calculating basic and diluted EPS	234,229,205	223,855,055
Number of Equity Shares at the beginning of the year (outstanding for 365 days)	234,229,205	208,769,500
Number of Equity Shares issued on August 24, 2005 (outstanding for 220 days)	-	23,200,000
Number of Equity Shares issued on October 5, 2005 (outstanding for 178 days)	-	2,259,705
Number of Equity Shares at the end of the year	234,229,205	234,229,205
Weighted average number of equity shares	234,229,205	223,855,055
Basic & diluted earnings per share (in Rs.)	4.91	1.65

HT Media Limited

Schedules to the Accounts

Schedule 23: Notes to Accounts

1. Nature of Operations

The Company publishes 'Hindustan Times', an English daily, 'Hindustan', a Hindi daily and 'Mint', a Business paper daily except on Sunday and two monthly Hindi magazines, 'Kadambini' and 'Nandan'.

The Company derives revenue from the sale of the above mentioned publications, advertisements published therein and by undertaking printing jobs. The Company also derives revenue from the internet business by displaying advertisements on its website, 'hindustantimes.com'.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Fixed Assets

Value for individual Fixed Assets acquired from the holding company in earlier years had been allocated based on the valuation carried out by independent experts.

Other Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of Fixed Assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at the various locations.

(c) Depreciation

Leasehold Land and Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

In respect of fixed assets acquired in an earlier year from the holding company, which are estimated to have lower residual lives than envisaged as per the rates provided in Schedule XIV to the Companies Act, 1956, depreciation is provided based on such estimated lower residual life.

In respect of fixed assets acquired during the year 2004-05 from the holding company, depreciation is provided on straight line method over a period of 5 years as useful lives technically assessed by an independent expert.

Assets costing below Rs. 5,000/- are fully depreciated in the year of acquisition.

Depreciation on other assets (except those acquired from the holding company) is provided on Straight Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

(d) Intangibles

Software Licenses

Value for individual software license acquired from holding company in an earlier year had been allocated based on the valuation carried out by an independent expert.

Software licenses acquired from the holding company, which are estimated to have lower residual lives than that envisaged above, are amortised over such estimated lower residual lives.

Cost relating to other software licenses which are purchased is capitalized and amortized on a straight line basis over their estimated useful lives of six years or five years as the case may be.

Software licenses costing less than Rs 5,000/- are depreciated fully in the year of acquisition.

Website Development

Cost relating to website development is capitalized and amortized over their estimated useful lives of six years on a straight line basis.

(e) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is adjusted against the total of the indirect expenditure.

All direct capital expenditure incurred on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its originally assessed standard of performance.

(f) Leases (where the Company is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of Cost and Fair value determined on an individual investment basis. Long-term investments are carried at cost, however, provision for diminution in value is made to recognise a decline other than a temporary in the value of the investments.

(h) Inventories

Inventories are valued as follows :

Raw materials, stores and spares - Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress - Lower of cost and net realizable value. Cost represents direct materials cost.

Scrap and Waste papers - At net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically, the following basis is adopted:

Advertisements

Revenue is recognized as and when advertisement is published /displayed and is disclosed net of discounts.

Sale of Publications, Waste Paper and Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

Printing Job Work

Revenue from printing job work is recognized on the completion of job work as per terms of the agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest and related income on investment made in the units of fixed maturity plans of mutual funds is recognized based on the yield earned and to the extent of reasonable certainty.

Dividend

Revenue is recognized if the right to receive payment is established by the Balance Sheet date.

(j) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non- monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except gain or loss on transactions relating to acquisition of Fixed Assets/ Intangibles from outside India, which is adjusted to the carrying amount of the Fixed Assets/Intangibles.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year, except gain or loss on transactions relating to acquisition of Fixed Assets/Intangibles from outside India, which is adjusted to the carrying amount of Fixed Assets/ Intangibles.

(k) Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund contribution are charged to the Profit and Loss Account of the year when the contribution to the fund is due.
- ii. Provision in respect of Gratuity is made as per actuarial valuation carried out by an independent actuary as at year end and is contributed to Gratuity Fund created by the holding company.
- iii. Provision for leave encashment is accrued and made on the basis of an actuarial valuation carried out by an independent actuary at the year end.

(l) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amounts of an asset

exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(m) Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement and such provision amount is charged to Profit and Loss Account in the year of provision.

(n) Income Taxes

Tax expense comprises fringe benefit, current and deferred taxes. Fringe benefit and current income-tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. In case Company has unabsorbed depreciation or carried forward tax losses, entire Deferred Tax Assets are recognised if there is virtual certainty supported by convincing evidence that Deferred Tax Assets can be realized against future taxable profits. Unrecognized Deferred Tax Assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such Deferred Tax Assets can be realised.

In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(o) Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p) Cash and Cash equivalents

Cash and Cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

3. During the year ended March 31, 2005, the Company acquired the printing undertaking at New Delhi from its holding company namely The Hindustan Times Limited (HTL). The writ petition filed by the ex-workmen of HTL challenging the transfer of business was quashed by the Hon'ble Delhi High Court on May 9, 2006. Thereafter, the ex-workmen of HTL raised the industrial dispute before Delhi Government, who referred the dispute to Industrial Tribunal-I, Karkardooma Courts, New Delhi (Tribunal). During the course of the proceedings before Tribunal, the ex-workmen moved application for interim relief. The Tribunal vide its order dated March 8, 2007, granted interim relief to the ex-workmen of HTL to the extent of 50% of last drawn wages from the date of such order till the disposal of the matter and relieved the Company from such order.

However, HTL challenged the said order before Hon'ble Delhi High Court in a Writ Petition, wherein the Hon'ble Court modified the order of the Tribunal to the extent that the amount equivalent to 50% so received by ex-workmen will be set off against their retrenchment compensation (not encashed by the above ex-workmen till date), in the event of HTL succeeding in the writ petition. The Hon'ble Court further clarified that payment will be made only from date of the High Court order (i.e. March 23, 2007) till the disposal of writ petition and it further stayed the order and proceedings pending before the Tribunal.

4. Segment Information

The Company is engaged in the Printing and Publication of Newspapers and Periodicals. The entire operations are governed by the same set of risk and returns, hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard – 17 on Segment Reporting.

The Company sells its products mostly within India with insignificant export income and does not have any operations in

economic environments with different risks and returns, hence, it is considered operating in a single geographical segment.

5. Utilization of IPO funds

(Rs. in lacs)

Objects	As per Prospectus	Total amount spent till March 31, 2007
Capital expenditure	7,648.00	5,210.38
Sales and Marketing	7,600.00	5,097.85
Radio Services	1,000.00	5,939.77
General Corporate purposes	8,065.69	9,251.52
Issue expenses	2,673.60	1,487.77
Total	26,987.29	26,987.29

Note: The Board of Directors of the Company have approved the above inter-se re-allocation of proceeds of IPO funds. As a result of this, the Company has fully utilised the entire IPO proceeds.

- 6 a) The Company has till date, funded HT Music and Entertainment Company Limited, its subsidiary company for Rs. 1,500 lacs by way of Equity Share Capital and Rs. 11,750 lacs by way of Preference Share Capital out of total approved limit of Rs. 15,000 lacs by the Board of Directors. HT Music and Entertainment Company Limited is engaged in the business of operating FM Radio Stations in Delhi, Mumbai and Bangalore and is in the process of setting up FM Radio Station in Kolkata.

b) Details of loans given to a subsidiary in which directors are interested

HT Music and Entertainment Company Limited

Balance as at March 31, 2007 Rs. Nil (Previous year Rs. 7,300 lacs)

Maximum amount outstanding during the year Rs. 8,000 lacs (Previous year Rs. 7,300 lacs)

Principal amount has been repaid during the year as per stipulation.

- c) The Company has invested a total sum of Rs. 13,250 lacs in a subsidiary company promoted by it. The aforesaid company has been presently incurring losses. The accumulated losses as at March 31, 2007 are Rs. 2,272.13 lacs. The Company, however, is of the view that the nature of business of the said company being such, the losses were expected in the initial years and the said company based on future projections prepared for next five years expects to generate sufficient income which will enable it to offset the entire amount of accumulated losses incurred upto date. Accordingly, no provision is considered necessary.
7. In terms of the approval accorded by the shareholders at their Extra-ordinary General Meeting held on October 21, 2005, the Company had, during the previous year, given an interest free loan of Rs. 2,174.28 lacs to HT Media Employee Welfare Trust who had in turn purchased 468,044 equity shares of

Rs. 10/- each (as on date equivalent to 2,340,220 equity shares of Rs. 2/- each) of HT Media Limited for Rs. 2,174.28 lacs (average cost per share Rs. 92.91, computed based on 2,340,220 equity shares of Rs. 2/- each) from the open market for the purposes of granting share options to employees of the Company.

Under the HT Media Employee Stock Option Scheme, the trust had opening balance of stock options of 1,450,460 equity shares of Rs. 2/- each at Rs. 92.30 each. During the year, the Trust has further granted 328,470 stock options of Rs. 2/- each at Rs. 165.66 each and trust has forfeited 226,350 stock options of Rs. 2/- each at Rs. 110.58 each. No granted options have been exercised till March 31, 2007. The contractual life of the granted options is 48 months. The eligible employees can exercise upto 10% of the option at the lapse of 24 months, 40% at the lapse of 36 months and remaining 50% at lapse of 48 months. The trust is holding entire 2,340,220 equity shares of Rs. 2/- each of the Company (including equity shares not due on granted options, till March 31, 2007) as on March 31, 2007.

8. Based on expert opinion, deferred tax charge as provided for in the books of accounts during the year ended March 31, 2005 and March 31, 2006, pursuant to Accounting Standard 22 issued by the Institute of Chartered Accountants of India, was considered as an admissible deduction from net profit for the purpose of determining Book Profit under Section 115 JB (2) of the Income Tax Act, 1961. Accordingly, the Income Tax provision was made in those years.
9. Pursuant to the approval of the shareholders of the Company by way of postal ballot, the equity shares of the Company of the face value of Rs. 10/- each were subdivided into equity shares of Rs. 2/- each with effect from January 5, 2007 being the record date fixed by the Board of Directors for the said purpose. Accordingly, number of equity shares issued have increased to 234,229,205 from 46,845,841. As per Accounting Standard 20 issued by Institute of Chartered Accountants of India, Earnings Per Share (EPS) for the last year has accordingly been revised.
10. The Company has during the year, obtained the approval of the equity shareholders and unsecured creditors in their court convened meetings held on March 26, 2007 to implement a Scheme of Arrangement and Demerger under Section 391-394 of the Companies Act, 1956 between the Company and go4i.com (India) Private Limited (go4i.com) and their respective shareholders and creditors effective July 1, 2006. The Company is awaiting approval of Hon'ble Delhi High Court of the Scheme. The accounting treatment for the aforesaid Scheme will be done, once all the legal formalities are completed and/or necessary/requisite approvals are obtained. Had the accounting treatment for the aforesaid arrangement being given impact in the books of accounts, the profit after tax for the year would have been Rs. 12,055 lacs (approx.).

11. Interest in Joint Venture Company

The Company's interest in a Joint Venture Company is as follows-

Name of the Joint Venture Company (JVC)	Country of Incorporation	Proportion of ownership interest	For the year ended	Description of interest
Metropolitan Media Company Private Limited (Incorporated on September 12, 2006) (MMCPL)	India	50%	March 31, 2007	JV established for publishing 'Metro Now' English daily

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the year March 31, 2007 are as follows-

Proportion of Company's interest in JVC (MMCPL)	March 31, 2007 (Rs. in lacs)
Assets	
Fixed assets (net block)	61.22
Deferred tax assets (net)	68.92
Inventories	7.04
Sundry debtors	67.79
Cash and bank balances	63.71
Loans and advances	0.46
Liabilities	
Unsecured loans	75.50
Current liabilities	72.95
Provisions	1.99
Income	
Turnover	88.71
Expenses	
Raw materials consumed	65.04
Personnel expenses	62.13
Operating and other expenses	163.34
Depreciation	1.71
Preliminary expenses written off	0.18
Deferred tax credit	68.92
Fringe benefit tax	1.49
Contingent liabilities	-
Capital commitments	-

The Joint Venture Company was incorporated on September 12, 2006. Hence, figures for the previous year have not been reported.

12. Names of related parties

Holding Company	The Hindustan Times Limited
Subsidiaries	Searchlight Publishing House Limited HT Music and Entertainment Company Limited
Fellow Subsidiaries	Shradhanjali Investment & Trading Company Limited HTL Investment and Trading Company Limited HT Interactive Media Properties Limited go4i.com (Mauritius) Limited go4i.com (India) Private Limited go4cricket.com (India) Private Limited Paxton Trexim Private Limited
Key Management Personnel	Smt. Shobhana Bhartia (Vice Chairperson & Editorial Director) Shri Shamit Bhartia (Whole-time Director) Shri Priyavrat Bhartia (Whole-time Director)
Relatives of Key Management Personnel	Dr. K.K. Birla (Chairman)
Enterprise owned or significantly influenced by Key Management Personnel or their relatives	Priyavrat Traders Billigiri Rangan Coffee Estate The Hindustan Times Limited HT Music and Entertainment Company Limited Kumaon Orchards Shekhar Traders Shobhana Traders Britex (India) Limited Udit (India) Limited Usha Flowell Limited Goldmerry Investments and Trading Company Limited

12. Related Party Transactions (contd.)

	Holding company		Subsidiary/Fellow Subsidiaries		Joint Venture		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Transactions during the year ended														
Sale of goods														
- Stores Material	-	-	6.07	21.03	-	-	-	-	-	-	-	-	6.07	21.03
- Searchlight Publishing House Limited														
- Waste Papers	-	-	3.91	3.76	-	-	-	-	-	-	-	-	3.91	3.76
- Searchlight Publishing House Limited														
Job Revenue														
- Metropolitan Media Company Private Limited	-	-	-	-	56.96	-	-	-	-	-	-	-	56.96	-
Process Management Fees Received														
- Metropolitan Media Company Private Limited	-	-	-	-	5.17	-	-	-	-	-	-	-	5.17	-
Share of Advertisement Revenue Paid														
- Metropolitan Media Company Private Limited	-	-	-	-	129.08	-	-	-	-	-	-	-	129.08	-
Printing & Service Charges paid														
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	21.25	255.00	-	-	-	-	-	-	-	-	151.55	134.37	151.55	134.37
- Searchlight Publishing House Limited	-	-	1,539.28	1,495.68	-	-	-	-	-	-	-	-	1,539.28	1,495.68
Sitting fee														
- Dr. K. K. Birla	-	-	-	-	-	-	-	-	0.60	0.60	-	-	0.60	0.60
Reimbursement of Capital Expenditure														
incurred on behalf of the company by parties														
- HT Music and Entertainment Company Limited	-	-	180.89	-	-	-	-	-	-	-	-	-	180.89	-
News Message														
- go4i.com (India) Private Limited	-	-	12.00	17.00	-	-	-	-	-	-	-	-	12.00	17.00
Dividend Paid on Equity Shares														
- The Hindustan Times Limited	386.36	317.32	-	-	-	-	-	-	-	-	-	-	386.36	317.32
Dividend Paid on Preference Shares														
- The Hindustan Times Limited	20.00	16.58	-	-	-	-	-	-	-	-	-	-	20.00	16.58
Issue of Shares upon exercise of Green Shoe Option														
- The Hindustan Times Limited	-	2,395.29	-	-	-	-	-	-	-	-	-	-	-	2,395.29
Investment in Share Capital														
- HT Music and Entertainment Company Limited	-	-	11,750.00	1,500.00	-	-	-	-	-	-	-	-	11,750.00	1,500.00
- Metropolitan Media Company Private Limited	-	-	-	-	255.00	-	-	-	-	-	-	-	255.00	-
Redemption of Preference Share Capital														
- The Hindustan Times Limited	1,582.60	-	-	-	-	-	-	-	-	-	-	-	1,582.60	-
Reimbursement of expenses														
- HT Music and Entertainment Company Limited	-	-	5.74	17.16	-	-	-	-	-	-	-	-	5.74	17.16
Loans Given														
- HT Music and Entertainment Company Limited	-	-	700.00	7,300.00	-	-	-	-	-	-	-	-	700.00	7,300.00
Repayment of Loans Given														
- HT Music and Entertainment Company Limited	-	-	8,000.00	-	-	-	-	-	-	-	-	-	8,000.00	-
Interest Received														
- HT Music and Entertainment Company Limited	-	-	383.82	121.23	-	-	-	-	-	-	-	-	383.82	121.23

(Rs. in lacs)

	Holding company		Subsidiary/Fellow Subsidiaries		Joint Venture		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Transactions during the year ended														
Rent Received	-	-	0.08	-	-	-	-	-	-	-	-	-	0.08	-
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement Revenue	-	-	250.33	-	-	-	-	-	-	-	-	-	250.33	-
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Metropolitan Media Company Private Limited	-	-	-	-	21.48	-	-	-	-	-	-	-	21.48	-
Maintenance Expenses	-	-	6.00	6.00	-	-	-	-	-	-	-	-	6.00	6.00
- go4i.com (India) Private Limited	-	-	7.01	-	-	-	-	-	-	-	-	-	7.01	-
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment for Employees on Deputation	-	-	291.54	200.35	-	-	-	-	-	-	-	-	36.59	882.04
- The Hindustan Times Limited	36.59	882.04	-	-	-	-	-	-	-	-	-	-	291.54	200.35
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt for Employees on Deputation	-	-	26.94	-	1.60	-	-	-	-	-	-	-	26.94	-
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Metropolitan Media Company Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-
Reimbursement of Separation Scheme Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	26.10	2,137.56	-	-	-	-	-	-	-	-	-	-	26.10	2,137.56
Remuneration paid to Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Shobhana Bhartia	-	-	-	-	-	-	113.36	68.80	-	-	-	-	113.36	68.80
- Mr. Shamit Bhartia	-	-	-	-	-	-	47.12	17.53	-	-	-	-	47.12	17.53
- Mr. Priyavrat Bhartia	-	-	-	-	-	-	47.67	2.96	-	-	-	-	47.67	2.96
Rent paid	447.34	45.00	-	-	-	-	-	-	-	-	-	-	447.34	45.00
- The Hindustan Times Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising and Sales Promotion	44.90	-	2.49	-	-	-	-	-	-	-	-	-	44.90	-
- The Hindustan Times Limited	-	-	-	-	-	-	-	-	-	-	-	-	2.49	-
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the company by parties	-	-	50.68	25.12	-	-	-	-	-	-	-	-	50.68	25.12
- Searchlight Publishing House Limited	-	-	-	0.88	-	-	-	-	-	-	-	-	-	0.88
- go4i.com (India) Private Limited	236.76	222.18	-	-	-	-	-	-	-	-	-	-	236.76	222.18
- The Hindustan Times Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the parties by company	-	-	112.59	64.19	1.66	-	-	-	-	-	-	-	112.59	64.19
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	-	-	-	-	-	1.66	-
- Metropolitan Media Company Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding at the end of the year														
Investment in Shares (including premium)	-	-	867.10	867.10	-	-	-	-	-	-	-	-	867.10	867.10
- Searchlight Publishing House Limited	-	-	13,250.00	1,500.00	-	-	-	-	-	-	-	-	13,250.00	1,500.00
- HT Music and Entertainment Company Limited	-	-	-	-	255.00	-	-	-	-	-	-	-	255.00	-
- Metropolitan Media Company Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans Given	-	-	-	7,300.00	-	-	-	-	-	-	-	-	-	7,300.00
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Share Capital	3,219.71	3,219.71	-	-	-	-	-	-	-	-	-	-	3,219.71	3,219.71
- The Hindustan Times Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference Share Capital	-	2,000.00	-	-	-	-	-	-	-	-	-	-	-	2,000.00
- The Hindustan Times Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable as Advances / Debtors	-	-	0.28	-	-	-	-	-	-	-	-	-	0.28	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	-	-	-	-	-	21.37	-
- Metropolitan Media Company Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable as Creditors	109.42	1,668.25	-	-	-	-	-	-	-	-	-	-	109.42	1,668.25
- The Hindustan Times Limited	-	-	108.90	78.22	-	-	-	-	-	-	-	-	108.90	78.22
- Searchlight Publishing House Limited	-	-	51.48	1.26	-	-	-	-	-	-	-	-	51.48	1.26
- HT Music and Entertainment Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	29.70	-
- Metropolitan Media Company Private Limited	-	-	-	-	103.74	-	-	-	-	-	-	-	103.74	-

13. Derivative Instruments

- (a) Particulars of Hedged Foreign Currency exposure as at the Balance Sheet date

Particulars	Currency	Amount in respective currency	
		As at March 31, 2007	As at March 31, 2006
Sundry Creditors	USD	3,560,000	-

- (b) Particulars of Unhedged Foreign Currency exposure as at the Balance Sheet date

Particulars	Currency	Amount in respective currency	
		As at March 31, 2007	As at March 31, 2006
Sundry Creditors	USD	6,361,951	11,671,811
	EURO	592,308	-
Debtors	USD	625,999	97,441
	EURO	19,262	2,874
	GBP	5,351	11,980
Loans and Advances	USD	23,861	-
Capital Advances	USD	386,548	-

- (c) The exchange difference gain of Rs. 7.91 lacs in respect of outstanding forward exchange contracts will be recognized in the Profit and Loss Account in subsequent accounting period.
- (d) The Company had outstanding option contracts for USD 5 million in respect of payment for imported raw material purchases. These contracts are with ABN Amro Bank N.V. which would expire in next year. While there is no loss on these contracts as at the Balance Sheet date, the ultimate adjustment towards gain or loss would be made on expiry or earlier termination of contract.

14. Leases

Rental expenses in respect of operating leases are recognized as an expense in the Profit and Loss Account, on a straight-line basis over the lease term.

Operating Lease (for assets taken on Lease)

- a) The Company has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent and generally restrict for further leasing.
- b) Lease payments for the year are Rs. 1,280.38 lacs (Previous year Rs. 727.65 lacs).
- c) The future minimum lease payments under non-cancellable operating leases;
- not later than one year is Rs. 52.90 lacs (Previous year Rs. 69.34 lacs);
 - later than one year but not later than five years is Rs. 31.45 lacs (Previous year Rs. 76.02 lacs);
 - later than five years is Rs. 6.08 lacs (Previous year Rs. 14.41 lacs).

15. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for

As at March
31, 2007
(Rs. in lacs)

As at March
31, 2006
(Rs. in lacs)

1,056.11

542.27

16. Contingent Liabilities not provided for

- a) Claims against the Company not acknowledged as debts

17.18

14.60

The Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by the Company.

- b) In respect of various labour and defamation cases pending. (In view of large number of cases, it is impracticable to disclose the details of each case).

Amount not
ascertainable

Amount not
ascertainable

Based on discussions with the Solicitors, the Company believes that there is fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same.

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
17. Supplementary Statutory Information		
17.1 Directors' Remuneration*		
Salaries	156.00	59.50
Contribution to provident fund	18.72	7.14
Perquisites	33.43	19.91
	208.15	86.55
* Excluding provision for leave encashment and gratuity		
17.2 Earnings in foreign currency (on cash basis)		
Export of newspapers and periodicals	1.47	1.89
Advertisements	841.98	695.60
Others	1.36	0.71
	844.81	698.20
17.3 Expenditure in foreign currency (on cash basis)		
Travelling	106.34	96.24
Professional and consultation fees	546.51	405.41
Others	400.56	197.31
	1,053.41	698.96
17.4 Value of imports calculated on CIF basis		
Raw materials	25,921.80	19,799.07
Stores and Spares	1,086.15	958.27
Capital goods	1,320.69	333.23
	28,328.64	21,090.57
17.5 Net Dividend remitted in foreign currency*		
Number of Non Resident Shareholders	2	2
Number of Shares held by them	7,201,848	9,556,848
Dividend Paid (Rs. in lacs)	86.42	68.52
Year to which dividend relates	2005-06	2004-05

* excluding Dividend credited to FCNR/NRE account of NRI's and also payments of Dividend to Foreign Institutional Investors on repatriation basis.

18. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

18.1 Licensed Capacity and Installed Capacity

	Unit (No. of machines)	Installed Capacity (As at year end) Impression per hour	
		As at March 31, 2007	As at March 31, 2006
Newsline 45 offset Rotary Press	5 (6)	225,000	270,000
Coroset offset Rotary Press	1 (2)	40,000	80,000
Newsline 30 Rotary Press	8 (8)	240,000	240,000
Citiline Express Machine	7 (7)	210,000	210,000
Wifag offset Rotary	3 (3)	180,000	180,000
Heatset Web offset	1 (1)	40,000	40,000
Starline 30 rotary Press	1 (1)	30,000	30,000
Manroland Colorman	3 (3)	255,000	255,000

- Notes: (i) Licensed capacity is not applicable
(ii) Installed capacity is taken as certified by the management (excludes press owned by others where the Company's publications are printed)
(iii) Figures in brackets represent figures for previous year.

18.2 Actual Production and Sales

Unit		Quantity (in lacs)		Value (Rs. in lacs)	
		For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2007	For the year ended March 31, 2006
Actual Production	Pages	291,336.12	263,816.95		
	Copies	9,111.29	8,884.09		
Sales	Copies	8,640.49	8,537.20	13,615.97	13,683.06

Notes: i) Includes pages/copies produced by presses owned by others where the Company's publications are printed but excludes pages/copies printed on job work.
ii) Difference in the quantity tally is on account of unsold, complimentary copies etc.

18.3 Consumption of raw materials

Unit		Quantity (in lacs)		Value (Rs. in lacs)	
		For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2007	For the year ended March 31, 2006
Newsprint	MT	130,926.779	118,706.279	40,645.67	32,253.70
Ink	MT	2,273.244	1,802.912	2,555.26	1,882.85
Total		133,068.034	120,509.191	43,200.93	34,136.55

18.4 Imported and indigenous raw materials, stores and spares consumed (excluding consumption included in expenditure during construction period)

Percentage of total consumption			Value (Rs. in lacs)	
			For the year ended March 31, 2007	For the year ended March 31, 2006
i) Raw materials				
- Imported	69.42	57.53	29,991.92	19,640.08
- Indigenous obtained	30.58	42.47	13,209.01	14,496.47
	100.00	100.00	43,200.93	34,136.55
ii) Stores and Spares				
- Imported	46.09	39.89	1,231.27	874.20
- Indigenous obtained	53.91	60.11	1,440.30	1,317.10
	100.00	100.00	2,671.57	2,191.30

19. Previous Year comparatives

Previous year's figures have been re-grouped/re-arranged where necessary to conform to this year's classification.

As per our Report of even date

For S.R.Batliloi & Company
Chartered Accountants

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

Balance Sheet Abstract and Company's General Business Profile as per Part (IV) of Schedule VI to the Companies Act, 1956

I Registration details

Registration No.	117874	State Code	55
Balance Sheet date	31.03.2007		

**II Capital raised during the year
(Amount in Rs. Thousands)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	
		-Equity	Nil
		-Preference	Nil

**III Position of mobilisation and deployment of Funds
(Amount in Rs. Thousands)**

Total Liabilities	98,34,160	Total Assets	98,34,160
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Sources of Funds

Paid-up Capital	4,68,458	Reserves & Surplus	73,69,914
Secured Loans	16,50,000	Deferred Tax Liabilities	3,45,788
		Unsecured Loans	Nil

Application of Funds

Net Fixed Assets	40,87,619	Investments	37,29,799
Net Current Assets	17,99,314	Accumulated Losses	Nil

**IV Performance of the Company
(Amount in Rs. Thousands)**

Turnover (Gross Revenue)	1,07,95,692	Total Expenditure	90,30,632
Profit/(Loss) Before Tax	17,65,060	Profit/(Loss) After Tax	11,50,595
Earning Per Share (in Rs.)	4.91	Dividend Rate	15% *
		* Proposed	

V Generic Name of Two Principal Products/Services of the Company (as per monetary terms)

Product Description	Item Code
Printing/Publication of Newspapers	490210.01
Printing/Publication of Periodicals	490290.02

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Searchlight Publishing House Limited	HT Music and Entertainment Company Limited
Financial Year of the Subsidiary Company ended on	31 st March, 2007	31 st March, 2007
Number of shares in the Subsidiary Company held by HT Media Limited and its nominee at the above date	39,74,771	1,50,00,000
Extent of holding	99.71%	75%
Net aggregate amount of profit/(loss) of the Subsidiary Company so far as it concerns the members of HT Media Limited		
i) dealt with the accounts of HT Media Limited amounted to :		
a) for Subsidiary Company's Financial Year ended on 31 st March, 2007	Nil	Nil
b) for previous financial years of the Subsidiary Company since it became subsidiary company of HT Media Limited	Nil	Nil
ii) not dealt with in the accounts of HT Media Limited amounted to :		
a) for Subsidiary Company's Financial Year ended on 31 st March, 2007 (Rs. in lacs)	10.06	(1,575.09)
b) for previous financial years of the Subsidiary Company since it became Subsidiary Company of HT Media Limited (Rs. in lacs)	81.25	(1,704.10)

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

**Information relating to Subsidiary Companies pursuant to Section 212 (8) of the Companies Act, 1956
for the financial year ended on 31st March, 2007**

The required information relating to the Subsidiary Companies for the financial year ended on 31st March, 2007 is given below:

(Rs. in lacs)

	Particulars	Searchlight Publishing House Limited	HT Music and Entertainment Company Limited
a)	Capital	398.55	13,750.00
b)	Reserves	339.96	(2,272.13)
c)	Total Assets	975.02	1,240.64
d)	Total Liabilities	207.81	928.54
e)	Details of Investment	-	-
f)	Turnover	1,599.11	213.91
g)	Profit/(Loss) before Taxation	16.01	(2,725.62)
h)	Provision for Taxation	5.92	625.50
i)	Profit/(Loss) after Taxation	10.08	(2,100.12)
j)	Proposed Dividend	-	-

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HT MEDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED, ITS SUBSIDIARIES (SEARCHLIGHT PUBLISHING HOUSE LIMITED AND HT MUSIC AND ENTERTAINMENT COMPANY LIMITED) AND JOINT VENTURE (METROPOLITAN MEDIA COMPANY PRIVATE LIMITED)

1. We have audited the attached Consolidated Balance Sheet of HT Media Limited, its Subsidiaries and Joint Venture (hereinafter referred as the "HT Media Group") as at March 31, 2007, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the HT Media Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding its subsidiaries and joint venture. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one of the subsidiaries (Searchlight Publishing House Limited) of HT Media Limited whose financial statements reflect total assets of Rs. 946.32 lacs as at March 31, 2007 (Rs. 971.11 lacs as at March 31, 2006) and total revenues of Rs. 1,599.10 lacs for the year ended March 31, 2007 (Rs. 1,546.89 lacs for the year ended March 31, 2006) and cash flows amounting to Rs. 19.18 lacs for the year ended March 31, 2007 (Rs. 11.16 lacs for the year ended March 31, 2006). We also did not audit the financial statements of the Joint Venture (Metropolitan Media Company Private Limited) of HT Media Limited out of which total assets of Rs. 269.14 lacs and total revenue of Rs. 88.71 lacs for the period have been considered for the purpose of preparation of these consolidated financial statements.
4. The financial statements and other financial information of the above subsidiary and joint venture have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary and joint venture is based solely on the report of the other auditors.
5. *One of the subsidiary company (HT Music and Entertainment Company Limited) and Joint Venture (Metropolitan Media company Private Limited) have accounted for deferred tax assets (net) of Rs. 662.35 lacs and Rs. 68.92 lacs respectively as on March 31, 2007. The subsidiary company and joint venture are confident that subsequent realization of the deferred tax assets is virtually certain in the near future based on future projections and existing business model of the subsidiary company and joint*

venture. This basis is not in line with the requirements of Accounting Standard Interpretations issued by the Institute of Chartered Accountant of India to determine virtual certainty.

We further report that had the observation made by us in paragraph above been considered, the consolidated profits for the year and consolidated reserves & surplus would have decreased by Rs. 731.27 lacs each and consolidated deferred tax liabilities would have increased by Rs. 731.27 lacs (Refer Note No. 12 in Schedule 28 of the consolidated financial statements).

6. We report that *except for non compliance of Accounting Standard 22 in respect of recognition of deferred tax assets as explained in para 5 above (refer Note No. 12 of Schedule 28), the consolidated financial statements have been prepared by HT Media Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and AS 27, Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of HT Media Limited, its subsidiaries and Joint Venture included in the consolidated financial statements.*
7. *Subject to our comments in paras 5 and 6 above, in our opinion, and on the basis of the information and explanations given to us and based on the consolidation of separate audit reports on individual financial statement of HT Media Limited, its subsidiaries and joint venture, the consolidated financial statements of HT Media Limited, its subsidiaries and joint venture give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (i) *in the case of the Consolidated Balance Sheet of the consolidated state of affairs of HT Media Group as at March 31, 2007;*
 - (ii) *in the case of the Consolidated Profit and Loss Account, of the Profit of the HT Media Group for the year ended on that date; and*
 - (iii) *in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the HT Media Group for the year ended on that date.*

For S.R. Batliboi & Company
Chartered Accountants

per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Date : 04.05.2007



HT Media Limited

Consolidated Balance Sheet as at March 31, 2007

	Schedule	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,684.58	6,684.58
Reserves and Surplus	2	71,735.96	62,477.33
		76,420.54	69,161.91
Minority Interest	3		
Equity		501.08	501.08
Non-Equity		(500.00)	(43.09)
		1.08	457.99
Loan Funds			
Secured Loans	4	16,500.00	16,957.26
Unsecured Loan	5	75.50	-
		16,575.50	16,957.26
Deferred Tax Liabilities (Net)	6	2,725.99	2,955.09
		95,723.11	89,532.25
APPLICATION OF FUNDS			
Fixed Assets	7		
Gross Block		50,009.45	45,182.69
Less : Accumulated Depreciation		10,807.36	7,168.94
Net Block		39,202.09	38,013.75
Capital Work-In-Progress including Capital Advances		1,864.64	324.56
Expenditure during construction period (Pending Allocation)	8	20.24	13.43
		41,086.97	38,351.74
Intangible Assets (net of Amortisation and including Capital Work in Progress, Capital Advances and Expenditure during development stage)	9	10,981.80	9,405.22
Investments	10	22,925.89	4,072.64
Amount recoverable from HT Media Employee Welfare Trust (Refer Note No. 7 of Schedule 28)		2,174.28	2,174.28
Current Assets, Loans and Advances			
Inventories	11	10,320.12	10,956.28
Sundry Debtors	12	14,851.30	12,122.08
Cash and Bank balances	13	11,041.39	28,060.18
Loans and Advances	14	3,458.89	2,744.19
		39,671.70	53,882.73
Less: Current Liabilities and Provisions			
Current Liabilities	15	19,077.62	16,791.24
Provisions	16	2,047.45	1,571.35
		21,125.07	18,362.59
Net Current Assets		18,546.63	35,520.14
Miscellaneous Expenditure (to the extent not written off)	17	7.54	8.23
		95,723.11	89,532.25
Notes to Accounts	28		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our Report of even date

For **S.R.Batliboi & Company**
Chartered Accountants

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

HT Media Limited

Consolidated Profit and Loss Account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
INCOME			
Turnover	18	103,965.75	82,416.76
Other Income	19	3,668.56	1,686.91
		107,634.31	84,103.67
EXPENDITURE			
Raw Materials consumed	20	43,519.98	34,356.48
Personnel Expenses	21	15,962.24	12,437.44
Operating and other Expenses	22	27,707.45	23,691.27
(Increase)/Decrease in Inventories	23	(27.64)	33.90
		87,162.03	70,519.09
Profit before depreciation/amortisation, interest, exceptional items and tax (EBITDA)		20,472.28	13,584.58
Depreciation/Amortisation		4,359.88	3,964.41
Interest paid	24	1,428.98	1,375.13
Profit before exceptional items and tax		14,683.42	8,245.04
Exceptional items	25	4.38	2,407.73
Profit before tax		14,679.04	5,837.31
Taxes	26	5,457.65	2,399.62
Net Profit before Pre-acquisition Losses and Minority Interest for the year		9,221.39	3,437.69
Add: Pre-Acquisition Losses Adjusted Against Goodwill		26.04	77.55
Add: Share of Minority Interests in losses		456.91	43.23
Net Profit for the year		9,704.34	3,558.47
Credit Balance brought forward from previous year		4,788.36	2,043.69
Amount available for appropriation		14,492.70	5,602.16
Appropriations			
Transfer to Capital Redemption Reserve		2,000.00	-
Transfer to General Reserve		600.00	150.00
Proposed dividend (on preference shares)		-	20.00
Proposed dividend (on equity shares)		702.69	562.15
Tax on dividend		119.42	81.65
Surplus carried to Balance Sheet		11,070.59	4,788.36
Earnings Per Share (in Rs.)	27		
Basic and Diluted [Nominal value of shares Rs. 2/- (Previous Year on Rs. 2/-)]		4.14	1.58
Notes to Accounts	28		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our Report of even date

For S.R.Batliloi & Company
Chartered Accountants

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007



HT Media Limited

Consolidated Cash Flow Statement for the year ended March 31, 2007

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
A. Cash flow from operating activities		
Profit before taxation	14,679.04	5,837.31
Adjustments for:		
Depreciation/amortisation	4,359.88	3,964.41
Share Issue expenses (gross of tax benefit of Rs. 128.71 lacs)	-	(1,551.17)
Loss on disposal of fixed assets (net)	21.02	38.45
(Profit) on sale of current investments (net)	(465.17)	(224.95)
Dividend income	(237.39)	(168.07)
Interest income	(1,276.17)	(854.63)
Interest expense	1,428.98	1,375.13
Miscellaneous Expenditure	0.69	(8.23)
Provision for diminution in value of current investments	11.83	-
Provision for doubtful debts and advances	187.99	210.71
Operating profit before working capital changes	18,710.70	8,618.96
Movements in working capital :		
(Increase) in sundry debtors	(2,910.12)	(2,973.88)
(Increase)/Decrease in inventories	636.16	(3,107.04)
(Increase) in loans and advances	(1250.87)	(446.10)
Increase in current liabilities and provisions	1,264.49	4,176.04
Cash generated from operations	16,450.36	6,267.58
Direct taxes paid	5,133.74	1,138.68
Net cash from operating activities	11,316.62	5,128.90
B. Cash flows from investing activities		
Purchase of fixed assets	(8,700.78)	(11,158.02)
Proceeds from sale of fixed assets	33.84	16.10
Purchase of investments	(24,519.95)	(14,775.68)
Sale of investments	5,676.47	20,152.46
Amount recoverable from HT Media Employee Welfare Trust	-	(2,174.28)
Dividend received	237.39	168.07
Interest received	1,758.47	241.84
Fixed deposits with banks placed	(13,648.84)	(19,000.00)
Fixed deposits with banks encashed	29,300.01	-
Net cash (used) in investing activities	(9,863.39)	(26,529.51)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	26,987.29
Redemption of preference share capital	(1,582.60)	-
Proceeds from long-term borrowings	-	9,000.00
Repayment of long-term borrowing	-	(9,123.86)
(Repayment of) short-term borrowings	(381.76)	(70.10)
Receipt from minority shareholder	-	500.00
Interest paid	(1,428.98)	(1,383.94)
Dividend paid	(663.80)	(458.84)
Net cash from financing activities	(4,057.14)	25,450.55
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2,603.91)	4,049.94
Add: Pre-Acquisition losses adjusted against goodwill	-	-
Cash and cash equivalents at the beginning of the year	8,972.38	4,922.44
Cash and cash equivalents at the end of the year	6,368.47	8,972.38
Components of cash and cash equivalents as at the end of the year		
Cash and cheques on hand	5,879.15	4,307.12
With Scheduled Banks - on current accounts	415.29	728.02
- on cash credit accounts	105.03	1,282.50
- on book overdraft account	(1,324.09)	(87.80)
- on deposit accounts*	1,292.50	2,742.54
- on unpaid and unclaimed dividend account	0.59	-
	6,368.47	8,972.38

* represents short-term investments with an original maturity of three months or less.

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard-3 on Cash Flow Statement.

As per our Report of even date

For and on behalf of the Board of Directors

For S.R.Batliloi & Company

Chartered Accountants

Dr. K. K. Birla
(Chairman)

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 1 : Share Capital				
Authorised				
262,500,000 equity shares of Rs. 2/- each (Previous year 52,500,000 equity shares of Rs. 10/- each)	5,250.00	-	5,250.00	5,250.00
2,000,000 (Previous year 2,000,000) preference shares of Rs. 100/- each	2,000.00	-	2,000.00	2,000.00
	7,250.00	-	7,250.00	7,250.00
Issued, Subscribed and Paid up				
234,229,205 equity shares of Rs. 2/- each (Previous year 46,845,841 equity shares of Rs. 10/- each) fully paid	4,684.58	-	4,684.58	4,684.58
Nil (Previous year 2,000,000) 1% non-cumulative redeemable preference shares of Rs. 100/- each fully paid *	-	-	-	2,000.00
	4,684.58	-	4,684.58	6,684.58
Of the above :				
i) 160,985,260 equity shares of Rs. 2/- each (Previous year 32,197,052 equity shares of Rs. 10/- each) and Nil (Previous year 2,000,000) preference shares are held by The Hindustan Times Limited, the Holding Company.				
ii) 149,749,995 equity shares of Rs. 2/- each (Previous year 29,949,999 equity shares of Rs. 10/- each) were allotted as fully paid-up for consideration other than cash.				
*Note: 2,000,000 1% Non-cumulative redeemable preference shares of Rs. 100/- each, were redeemed on September 16, 2006 @ Rs. 79.13 per share aggregating to Rs. 1,582.60 lacs. The balance amount of Rs. 417.40 lacs has been credited to Capital Reserve Account shown in Schedule 2 below.				
Schedule 2 : Reserves and Surplus				
Securities Premium Account				
As per last Balance Sheet	57,538.98	-	57,538.98	32,483.34
Add: Received during the year	-	-	-	26,478.09
	57,538.98	-	57,538.98	58,961.43
Less: Share issue expenses written off *	-	-	-	1,422.46
Less: Tax adjustment on account of Income Tax **	41.01	-	41.01	-
	57,497.97	-	57,497.97	57,538.97
Capital Reserve (Refer Note of Schedule 1 above)	417.40	-	417.40	-
General Reserve - Opening Balance	150.00	-	150.00	-
Transferred from Profit and Loss Account during the year	600.00	-	600.00	150.00
Closing Balance	750.00	-	750.00	150.00
Capital Redemption Reserve - Transferred from Profit and Loss Account during the year	2,000.00	-	2,000.00	-
Profit and Loss Account balance	11,180.84	(110.25)	11,070.59	4,788.36
	71,846.21	(110.25)	71,735.96	62,477.33

* Including payments to Statutory Auditors of Parent Company amounting to Rs. Nil (Previous year Rs. 44.90 lacs) towards certification work etc. and net of Income Tax of Rs. Nil (Previous year Rs. 128.71 lacs) (Comprises current income tax Rs. 25.75 lacs and deferred tax Rs. 102.96 lacs)

** Due to inter-se reallocation of the proceeds of the IPO funds, the Parent Company is eligible to claim income tax/deferred tax benefit under Section 35D of the Income Tax Act, 1961 to the extent of Rs. of 87.70 lacs (income tax/deferred tax amount). As a result of this, excess credit of income tax/deferred tax taken in last year amounting to Rs. 41.01 lacs has been adjusted in the current year

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 3 : Minority Interest				
a) Minority Interest in Equity of Searchlight Publishing House Limited 11,479 Equity Shares of Rs. 10/- each (net of calls in arrear Rs. 0.07 lac)	1.08	-	1.08	1.08
b) Minority Interest in Non - Equity of Searchlight Publishing House Limited Share of Profit/(Loss) brought forward	(0.09)	-	(0.09)	0.14
Share of Profit/(Loss) of the current year	0.09	-	0.09	(0.23)
	1.08	-	1.08	0.99
c) Minority Interest in Equity of HT Music and Entertainment Company Limited 5,000,000 Equity Shares of Rs. 10/- each fully paid	500.00	-	500.00	500.00
d) Minority Interest in Non - Equity of HT Music and Entertainment Company Limited Share of (Loss) brought forward	(43.00)	-	(43.00)	-
Share of (Loss) of the current year	(457.00)	-	(457.00)	(43.00)
	-	-	-	457.00
	1.08	-	1.08	457.99
Minority Interest in Equity of Subsidiaries	501.08	-	501.08	501.08
Minority Interest in Non - Equity of Subsidiaries	(500.00)	-	(500.00)	(43.09)
	1.08	-	1.08	457.99
Schedule 4 : Secured Loans				
Rupee Term Loan from Punjab National Bank	7,500.00	-	7,500.00	7,500.00
Secured by way of hypothecation of entire block of assets which are lying at all work place/office of the Parent Company, consisting of plant & machinery, computers, furniture, fixtures, fittings & furnishers, vehicles, (present & future) which now or hereafter from time to time during the continuance of this security, belonging to the Parent Company wherever situated including in-transit. All the above charges are ranking pari-pasu with the existing and proposed lenders. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Parent Company situated at Noida, Greater Noida and Mohali (Repayable within a year Rs. Nil, Previous year Rs. Nil).				
Rupee Term Loan from State Bank of India	9,000.00	-	9,000.00	9,000.00
Secured by way of hypothecation of all present and future goods, book debts and all other movable assets, of the Parent Company including documents of the title to the goods, outstanding moneys, receivables including receivables by way of cash assistance and/or cash incentive under the Cash Incentive Scheme or any other scheme, claims including claims by way of refund of customs/excise duties under the Duty Drawback Credit Scheme or any other scheme, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and present and future machinery, by way of a equitable mortgage of immovable property belonging to the Company situated at Noida, Greater Noida and Mohali by way of pari-passu charge. (Repayable within a year Rs. Nil, Previous year Rs. Nil).				
Cash Credit Facility from Banks	-	-	-	457.26
Secured by way of hypothecation of goods stored in godowns including any such goods in course of transit or delivery and book debts including present and future debts, outstanding money, receivables and claims of the Parent Company.				
	16,500.00		16,500.00	16,957.26

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 5 : Unsecured Loan				
Loan from a Joint Venture Venturer *	-	75.50	75.50	-
	-	75.50	75.50	-
* represents loan in kind i.e. newsprint supplied by a venturer.				
Schedule 6 : Deferred Tax Liabilities (Net)				
Deferred Tax Liabilities				
Differences in depreciation in block of fixed assets as per tax books and financial books	4,515.31	5.17	4,520.48	3,634.93
Gross Deferred Tax Liabilities	4,515.31	5.17	4,520.48	3,634.93
Deferred Tax Assets				
Carry forward of unabsorbed depreciation	396.00	11.40	407.40	-
Carry forward of unabsorbed business losses	565.15	62.00	627.15	-
Effect of expenditure adjusted from share issue expenses in the current year/last year but allowable for tax purposes in following years	56.40	-	56.40	102.96
Effect of expenditure debited to Profit and Loss Account in the current year/earlier years but allowable for tax purposes in following years	248.49	0.69	249.18	190.21
Gross Deferred Tax Assets	1,720.40	74.09	1,794.49	679.84
Net Deferred Tax Liabilities/(Assets)	2,794.91	(68.92)	2,725.99	2,955.09

HT Media Limited

Schedules to the Consolidated Accounts

Schedule 7 : Fixed Assets (Company and its Subsidiaries)

(Rs. in lacs)

	Goodwill (On Consolidation)	Land leasehold	Buildings	Improvement to Leasehold Premises	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block									
At 01.04.2006	333.25	1,817.29	5,627.96	546.69	36,202.05	520.74	134.71	45,182.69	41,734.46
Additions	-	-	64.75	1,076.07	3,466.87	168.24	63.24	4,839.75	3,777.84
Deductions/Adjustments	-	-	19.70	20.29	43.89	5.68	6.90	96.46	329.61
At 31.03.2007	333.25	1,817.29	5,673.01	1,602.47	39,625.03	683.30	191.63	49,925.98	45,182.69
Depreciation/Amortisation									
At 01.04.2006	140.90	55.27	374.94	192.55	6,155.34	205.88	44.06	7,168.94	3,684.69
For the year	66.25	24.10	193.57	191.33	3,130.33	55.80	15.75	3,677.53	3,577.30
Deductions/Adjustments	-	-	1.79	12.79	21.08	1.31	4.63	41.60	93.05
At 31.03.2007	207.55	79.37	566.72	371.09	9,264.59	260.37	55.18	10,804.87	7,168.9
Net Block									
At 31.03.2007	125.70	1,737.92	5,106.29	1,231.38	30,360.44	422.93	136.45	39,121.11	38,013.75
At 31.03.2006	192.35	1,762.02	5,253.02	354.14	30,046.71	314.86	90.65	38,013.75	-
Capital Work in Progress								1,194.99	26.13
Capital Advances (Unsecured and considered good)								669.65	298.43
								1,864.64	324.56
Total	125.70	1,737.92	5,106.29	1,231.38	30,360.44	422.93	136.45	40,985.75	38,338.31

Notes :

- Motor vehicle of the cost of Rs. 3.44 lacs (Previous year Rs. 3.44 lacs) is pending for registration in the name of the Parent Company.
- Depreciation for the year includes Rs. Nil (Previous year Rs. 2.42 lacs) debited to expenditure during construction period.
- Fixed Assets of the value of Rs. 42.28 lacs (W.D.V. Rs. 22.96 lacs) (Previous year Rs. 89.65 lacs) (W.D.V. Rs. 28.14 lacs) and capital work in progress of the cost of Rs. 2.38 lacs (Previous year Rs. Nil) have been discarded the year.
- Additions to Plant & Machinery include foreign exchange fluctuation amounting to Rs.17.27 lacs (Previous year deduction amounting to Rs. 94.81 lacs).
- Capital advances include Rs. 425.39 lacs (previous year Rs. 218.20 lacs) paid by a subsidiary company towards its proportionate share in the Common Infrastructure (for four centres; Previous period two centres) to be built on the land owned by Prasar Bharati for Channel transmission to be used by all the broadcasters at respective centers as per the terms of bid document on FM Radio Broadcasting (Phase II).

Schedule 7 : Fixed Assets (Company's proportionate share in Joint Venture)

(Rs. in lacs)

	Goodwill (On Consolidation)	Plant & Machinery	Furniture & Fittings	Total
Gross Block				
Additions	26.04	53.74	3.69	83.47
At 31.03.2007	26.04	53.74	3.69	83.47
Depreciation				
For the period	1.24	1.20	0.05	2.49
At 31.03.2007	1.24	1.20	0.05	2.49
Net Block				
At 31.03.2007	24.80	52.54	3.64	80.98

Note:

Joint Venture Company was incorporated on September 12, 2006. Hence, previous year comparatives have not been given.

HT Media Limited

Schedules to the Consolidated Accounts

Schedule 7 : Fixed Assets (Consolidated)

(Rs. in lacs)

	Goodwill	Land leasehold	Buildings Premises	Improvement to Leasehold	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block									
At 01.04.2006	333.25	1,817.29	5,627.96	546.69	36,202.05	520.74	134.71	45,182.69	41,734.46
Additions	26.04	-	64.75	1,076.07	3,520.61	171.93	63.82	4,923.22	3,777.84
Deductions/Adjustments	-	-	19.70	20.29	43.89	5.68	6.90	96.46	329.61
At 31.03.2007	359.29	1,817.29	5,673.01	1,602.47	39,678.77	686.99	191.63	50,009.45	45,182.69
Depreciation/Amortisation									
At 01.04.2006	140.90	55.27	374.94	192.55	6,155.34	205.88	44.06	7,168.94	3,684.69
For the year	67.89	24.10	193.57	191.33	3,131.53	55.85	15.75	3,680.02	3,577.30
Deductions/Adjustments	-	-	1.79	12.79	21.08	1.31	4.63	41.60	93.05
At 31.03.2007	208.79	79.37	566.72	371.09	9,265.79	260.42	55.18	10,807.36	7,168.94
Net Block									
At 31.03.2007	150.50	1,737.92	5,106.29	1,231.38	30,412.98	426.57	136.45	39,202.09	38,013.75
At 31.03.2006	192.35	1,762.02	5,253.02	354.14	30,046.71	314.86	90.65	38,013.75	-
Capital Work in Progress								1,194.99	26.13
Capital Advances (Unsecured and considered good)								669.65	298.43
								1,864.64	324.56
Total	150.50	1,737.92	5,106.29	1,231.38	30,412.98	426.57	136.45	41,066.73	38,338.31

Notes :

1. Motor vehicle of the cost of Rs. 3.44 lacs (Previous year Rs. 3.44 lacs) is pending for registration in the name of the Parent Company.
2. Depreciation for the year includes Rs. Nil (Previous year Rs. 2.42 lacs) debited to expenditure during construction period.
3. Fixed Assets of the value of Rs. 42.28 lacs (W.D.V. Rs. 22.96 lacs) (Previous year Rs. 89.65 lacs) (W.D.V. Rs. 28.14 lacs) and capital work in progress of the cost of Rs. 2.38 lacs (Previous year Rs. Nil) have been discarded during the year.
4. Additions to Plant & Machinery include foreign exchange fluctuation amounting to Rs. 17.27 lacs (Previous year deduction amounting to Rs. 94.81 lacs).
5. Capital advances include Rs. 425.39 lacs (previous year Rs. 218.20 lacs) paid by a subsidiary company towards its proportionate share in the Common Infrastructure (for four centres, Previous period two centres) to be built on the land owned by Prasara Bharati for Channel transmission to be used by all the broadcasters at respective centers as per the terms of bid document on FM Radio Broadcasting (Phase II).

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 8 : Expenditure during construction period (Pending Allocation)				
Balance brought forward	13.43	-	13.43	43.27
Add: Incurred during the year				
- Salaries, wages and bonus	73.08	-	73.08	30.61
- Contribution to provident fund	3.60	-	3.60	1.55
- Staff Welfare Expenses	0.37	-	0.37	-
- Consumption of stores and spares	-	-	-	2.15
- Power and fuel	-	-	-	10.34
- Rent	79.73	-	79.73	-
- Rates and taxes	3.30	-	3.30	3.64
- Repairs and Maintenance - others	1.07	-	1.07	-
- Travelling and conveyance	52.09	-	52.09	14.43
- Communication costs	1.28	-	1.28	-
- Legal and professional fees	90.91	-	90.91	17.88
- Bank charges	3.42	-	3.42	-
- Fringe benefit tax	4.53	-	4.53	-
- Depreciation on fixed assets	-	-	-	2.42
- Miscellaneous expenses	2.49	-	2.49	8.90
	329.30	-	329.30	135.19
Less: Interest on bank deposits (Gross, tax deducted at source Rs. 0.95 lac, Previous year Rs. Nil)	4.83	-	4.83	-
	324.47	-	324.47	135.19
Less: Allocated to fixed assets during the year	304.23	-	304.23	120.83
Less: Charged off to revenue during the year	-	-	-	0.93
Balance carried forward	20.24	-	20.24	13.43

HT Media Limited

Schedules to the Consolidated Accounts

Schedule 9 : Intangible Assets (Company and its Subsidiaries)

(Rs. in lacs)

	Website Development	License Fee	Music Contents	Software Licenses	Total	Previous Year
Gross Block						
At 01.04.2006	-	-	-	2,495.07	2,495.07	1,887.19
Additions	79.77	7,054.24	39.61	1,737.28	8,910.40	617.88
Deletions *	-	-	-	-	-	10.00
At 31.03.2007	79.77	7,054.24	39.61	4,232.35	11,405.97	2,495.07
Amortisation						
At 01.04.2006	-	-	-	956.16	956.16	566.63
For the year	2.17	199.15	2.27	475.82	679.41	389.53
At 31.03.2007	2.17	199.15	2.27	1,431.98	1,635.57	956.16
Net Block at 31.03.2007	77.60	6,855.09	37.34	2,800.37	9,770.40	1,538.91
Capital Work in Progress					38.91	-
Capital Advances (Unsecured and considered good)					567.43	285.28
One Time Entry Fee**					600.01	7,581.03
Expenditure during development stage						
Balance brought forward					-	5.28
Less: Allocated to Intangible Assets					-	(5.28)
Balance carried forward					-	-
Balance at the year end					10,976.75	9,405.22
At 31.03.2006					9,405.22	-

Notes:

1. Capital Work-in-Progress of the value of Rs. Nil (Previous year Rs. 13.68 lacs) have been discarded during the year.
2. * Represent adjustment of liability against software installed in earlier years.
3. ** This amount includes Rs. 600.01 lacs paid by a subsidiary company as One Time Entry Fee (OTEF) towards FM Radio Channel for Kolkata location (Previous period Rs. 7581.03 lacs for Delhi, Mumbai, Bangalore and Kolkata locations).

Schedule 9 : Intangible Assets (Company's proportionate share in Joint Venture)

(Rs. in lacs)

	Software	Total	Previous Year
Gross Block			
Additions	5.50	5.50	
At 31.03.2007	5.50	5.50	-
Amortisation			
For the period	0.45	0.45	
At 31.03.2007	0.45	0.45	-
Net Block	5.05	5.05	-

Note:

Joint Venture Company was incorporated on September 12, 2006. Hence, previous year comparatives have not been given.

HT Media Limited

Schedules to the Consolidated Accounts

Schedule 9 : Intangible Assets (Consolidated)

(Rs. in lacs)

	Website Development	License Fee	Music Contents	Software Licenses	Total	Previous Year
Gross Block						
At 01.04.2006	-	-	-	2,495.07	2,495.07	1,887.19
Additions	79.77	7,054.24	39.61	1,742.78	8,916.40	617.88
Deletions *	-	-	-	-	-	10.00
At 31.03.2007	79.77	7,054.24	39.61	4,237.85	11,411.47	2,495.07
Amortisation						
At 01.04.2006	-	-	-	956.16	956.16	566.63
For the year	2.17	199.15	2.27	476.27	679.86	389.53
At 31.03.2007	2.17	199.15	2.27	1,432.43	1,636.02	956.16
Net Block at 31.03.2007	77.60	6,855.09	37.34	2,805.42	9,775.45	1,538.91
Capital Work in Progress					38.91	-
Capital Advances (Unsecured and considered good)					567.43	285.28
One Time Entry Fee**					600.01	7,581.03
Expenditure during development stage						
Balance brought forward					-	5.28
Less: Allocated to Intangible Assets					-	(5.28)
Balance carried forward					-	-
Balance at the year end					10,981.80	9,405.22
At 31.03.2006					9,405.22	-

Notes:

1. Capital Work-in-Progress of the value of Rs. Nil (Previous year Rs. 13.68 lacs) have been discarded during the year.
2. * Represents adjustment of liability against software installed in earlier years.
3. ** This amount includes Rs. 600.01 lacs paid by a subsidiary company as One Time Entry Fee (OTEF) towards FM Radio Channel for Kolkata location (Previous period Rs. 7581.03 lacs for Delhi, Mumbai, Bangalore and Kolkata locations).

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 10 : Investments				
Long Term Investments				
A. Trade Investments (Unquoted)				
Fully paid up equity shares of Rs. 100/- each				
457 (Previous year 457) in Press Trust of India Limited	0.46	-	0.46	0.46
738 (Previous year 738) in United News of India	0.74	-	0.74	0.74
B. Other than Trade Investments (Quoted)				
Units in fixed maturity plan of mutual fund of Rs. 10/- each				
140,000,000 (Previous year Nil) of DWS Fixed Term Fund-Series 24-Institutional Plan-Growth Option-having maturity of 13 months	14,000.00	-	14,000.00	
Current Investments				
Other than Trade Investments (Quoted)				
Units in mutual funds of Rs. 10/- each				
20,655,600.112 (Previous year Nil) of Birla Cash Plus - Institutional Premium Plan - Weekly Dividend Reinvest Plan*	2,072.04	-	2,072.04	-
20,609,539.373 (Previous year Nil) of Kotak Liquid - Institutional Premium-Weekly Dividend Reinvest Plan	2,068.78	-	2,068.78	-
10,341,800.312 (Previous year Nil) of HSBC Cash Fund- Institutional Plus - Weekly Dividend Reinvest Plan	1,035.71	-	1,035.71	-
9,106,783.256 (Previous year Nil) of HDFC MF- Monthly Income Plan- Monthly Dividend Reinvest Plan	1,040.64	-	1,040.64	-
4,867,887.480 (Previous year Nil) of HSBC MIP-Saving Plan- Monthly Dividend Reinvest Plan	520.22	-	520.22	-
4,162,740.968 (Previous year Nil) of Birla Monthly Income Plan-25-Growth Plan*	558.56	-	558.56	-
3,032,666.618 (Previous year 3,032,655.636 Units) of Prudential ICICI MIP-Cumulative-Growth Plan	568.60	-	568.60	500.00
Nil (Previous year 4,348,771.472) of SMG Sundaram Monthly Income Plan-Growth Plan	-	-	-	500.00
Nil (Previous year 2,936,909.314) of Birla Monthly Income Plan- Growth Plan	-	-	-	500.00
4,382,122.944 (Previous year 4,381,237.787) of HSBC MIP- Saving Plan Growth Option	571.97	-	571.97	500.00
3,668,432.405 (Previous year Nil) of Reliance Monthly Income Plan- Growth Plan*	500.00	-	500.00	
Units in mutual funds of Rs. 1,000/- each				
Nil (Previous year 186,124.537) of UTI-Liquid Cash- Institutional Plan-Growth Plan	-	-	-	2,071.44
	22,937.72	-	22,937.72	4,072.64
Less: Provision for diminution in the value of current investments*	11.83	-	11.83	-
	22,925.89	-	22,925.89	4,072.64

Notes:

1) The following units held in mutual funds were purchased and sold during the year:

	Value (Rs. in lacs)	
Purchased		
- In Liquid Funds-Dividend Option		
20,609,539.373 units of Kotak Liquid (Institutional Premium)- Weekly Dividend Reinvest Plan of Rs.10/- each	2,068.78	
20,655,600.112 units of Birla Cash Plus -Institutional Premium Plan- Weekly Dividend Reinvest Plan of Rs.10/- each	2,072.04	
10,341,800.312 units of HSBC Cash Fund -Institutional Plus- Weekly Dividend Reinvest Plan of Rs. 10/- each	1,035.71	
- In MIP-Growth Option		
4,162,740.968 units of Birla Monthly Income Plan- 25- Growth Plan of Rs.10/- each	558.56	
3,032,666.618 units of Prudential ICICI MIP- Cumulative Growth Plan of Rs.10/- each	568.60	
3,668,432.405 units of Reliance Monthly Income Plan- Growth Plan of Rs.10/- each	500.00	
4,382,122.944 units of HSBC MIP-Saving Plan- Growth Option of Rs.10/- each	571.97	
- In MIP-Dividend Option		
4,875,838.045 units of Prudential ICICI MIP- Monthly Dividend Option of Rs.10/- each	568.05	
5,378,003.790 units of HSBC MIP-Regular Plan- Monthly Dividend option of Rs.10/- each	571.82	
9,106,783.257 units of HDFC MF- MIP- Monthly Dividend Reinvest Plan of Rs.10/- each	1,040.64	
4,867,887.480 units of HSBC MIP- Saving Plan - Monthly Dividend Reinvest Plan of Rs.10/- each	520.22	
- In Fixed Maturity Plan-Growth Option		
140,000,000 units of DWS Fixed Term Fund Series 24- Institutional Plan-Growth Option of Rs. 10/- each	14,000.00	
Sold		
- In Liquid Funds-Growth Option		
186,124.537 units of UTI-Liquid Cash Plan Institutional- Growth Option of Rs.1,000/- each	2,289.84	
- In MIP-Growth Option		
4,348,771.472 units of SMG Sundaram Monthly Income Plan- Growth Plan of Rs.10/- each	547.63	
2,936,909.314 units of Birla Monthly Income Plan- Growth Plan of Rs.10/- each	558.56	
3,032,655.636 units of Prudential ICICI MIP Cumulative- Growth Plan of Rs.10/- each	568.05	
4,381,237.787 units of HSBC MIP-Saving Plan- Growth Option of Rs.10/- each	571.82	
- In MIP-Dividend Option		
4,875,838.045 units of Prudential ICICI MIP-Monthly Dividend Option of Rs.10/- each	568.60	
5,378,003.790 units of HSBC MIP-Regular Plan-Monthly Dividend Option of Rs.10/- each	571.97	
	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
2) Aggregate amount of Quoted investments	22,924.69	4,071.44
Market Value Rs. 22,947.63 lacs (Previous year Rs. 4,271.67 lacs)		
3) Aggregate amount of Unquoted investments	1.20	1.20

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Schedule 11 : Inventories				
Raw materials	9,174.66	7.04	9,181.70	10,012.38
Stores and spares	1,085.65	-	1,085.65	918.77
Work-in-progress	48.57	-	48.57	21.26
Scrap and waste papers	4.20	-	4.20	3.87
	10,313.08	7.04	10,320.12	10,956.28
Schedule 12 : Sundry Debtors				
Debts outstanding for a period exceeding six months				
Secured, considered good	1.62	-	1.62	1.34
Unsecured, considered good	1,529.55	-	1,529.55	1,368.94
Unsecured, considered doubtful	1,308.93	-	1,308.93	1,097.54
Other debts				
Secured, considered good	742.28	-	742.28	724.54
Unsecured, considered good	12,534.09	43.76	12,577.85	10,027.26
Unsecured, considered doubtful	11.69	-	11.69	42.18
	16,128.16	43.76	16,171.92	13,261.80
Less : Provision for doubtful debts	1,320.62	-	1,320.62	1,139.72
	14,807.54	43.76	14,851.30	12,122.08
Included in Sundry Debtors are:				
i) Due from an Officer of the Parent Company	-	-	-	0.27
[Maximum amount outstanding during the year - Rs. 0.27 lac (Previous year Rs. 0.76 lac)]				
Schedule 13 : Cash and Bank Balances				
Cash on hand	126.30	0.03	126.33	86.95
Cheques in hand	5,752.82	-	5,752.82	4,220.17
Balances with Scheduled Banks:				
On current accounts	351.61	63.68	415.29	728.02
On cash credit account	105.03	-	105.03	1,282.50
On deposit accounts *	4,641.33	-	4,641.33	21,742.54
On unpaid and unclaimed dividend account	0.59	-	0.59	-
	10,977.68	63.71	11,041.39	28,060.18
* Includes fixed deposit receipts pledged with bank amounting to Rs. 246.19 lacs (Previous year Rs. 2.39 lacs)				
Schedule 14 : Loans and Advances				
Secured, considered good				
Advances recoverable in cash or kind or for value to be received	-	-	-	8.02
Deposits – others	-	-	-	7.89
Unsecured, considered good				
Advances recoverable in cash or kind or for value to be received	814.77	0.46	815.23	753.17
Service Tax/modvat credit receivables	264.94	-	264.94	-
Due from Holding Company	49.02	-	49.02	-
Deposits – others	1,749.46	-	1,749.46	865.79
Advance towards purchase of property (to be considered as investment in properties)	443.56	-	443.56	-
Advance payment of income tax/ tax deducted at source (net of provision for tax)	-	-	-	421.54
MAT Credit Entitlement Account*	1.35	-	1.35	74.98
Interest accrued on deposits	135.33	-	135.33	612.80

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	As at March 31, 2007	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
Unsecured, considered doubtful				
Advances recoverable in cash or kind or for value to be received	30.44	-	30.44	23.35
	3,488.87	0.46	3,489.33	2,767.54
Less: Provision for doubtful advances	30.44	-	30.44	23.35
	3,458.43	0.46	3,458.89	2,744.19
Included in Loans and Advances are:				
i) Due from an Officer of the Parent Company [Maximum amount outstanding during the year Rs. 15.55 lacs (Previous year Rs. 1.31 lacs)]	15.00	-	15.00	0.12
ii) Balance with Post Office in Savings Bank Account	0.50	-	0.50	0.50
iii) National Savings Certificate	0.01	-	0.01	0.01
* The amount has been fully utilized during the year by the Parent Company.				
Schedule 15 : Current Liabilities				
Sundry creditors	13,324.82	48.61	13,373.43	13,329.02
Unclaimed dividend (statutory liabilities as referred in Section 205 C of the Companies Act, 1956)	0.54	-	0.54	-
Book overdraft with a bank	1,324.09	-	1,324.09	87.80
Customers and Agents Balances	376.34	-	376.34	603.59
Income received in advance	2,499.09	-	2,499.09	1,361.32
Sundry deposits	1,495.92	0.30	1,496.22	1,409.51
Unaccrued income	7.91	-	7.91	-
	19,028.71	48.91	19,077.62	16,791.24
Included in Sundry Creditors are:				
i) Due to small scale industrial undertakings	-	-	-	-
ii) Due to holding company of Parent Company	109.42	-	109.42	1,668.25
Schedule 16 : Provisions				
For staff benefit schemes (Leave Encashment)	791.98	1.09	793.07	551.59
For staff benefit schemes (Gratuity)	269.33	0.79	270.12	289.64
For other expenses*	50.00	-	50.00	57.55
For taxation (net of advance tax)	92.04	0.11	92.15	-
Fringe benefit tax	20.00	-	20.00	8.77
For Proposed dividend - on preference shares	-	-	-	20.00
For Proposed dividend - on equity shares	702.69	-	702.69	562.15
For Tax on proposed dividend	119.42	-	119.42	81.65
	2,045.46	1.99	2,047.45	1,571.35
* Opening Balance	57.55	-	57.55	-
Created during the year	-	-	-	57.55
Used during the year	7.55	-	7.55	-
Closing Balance	50.00	-	50.00	57.55
Schedule 17 : Miscellaneous Expenditure (to the extent not written-off)				
Preliminary Expenses				
As per last Balance Sheet	8.23	-	8.23	-
Add : Incurred during the period	-	-	-	8.23
	8.23	-	8.23	8.23
Less: Written off during the year	0.69	-	0.69	-
	7.54	-	7.54	8.23

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006
Schedule 18 : Turnover				
Advertisements	87,411.19	79.71	87,490.90	65,756.10
Airtime Sales	190.79	-	190.79	-
Sale of publications	13,615.97	9.00	13,624.97	13,683.06
Job work Revenue	1,864.12	-	1,864.12	2,371.06
Sale of waste papers and scrap	794.97	-	794.97	606.54
	103,877.04	88.71	103,965.75	82,416.76
Schedule 19 : Other income				
Interest (Gross) on:				
Bank deposits (Gross, tax deducted at source Rs. 269.26 lacs, Previous year Rs. 185.68 lacs)	1,273.87	-	1,273.87	851.95
Others	2.30	-	2.30	2.68
Dividend income (From current investments - other than trade) (Gross, tax deducted at source Rs. Nil, Previous year Rs. Nil)	237.39	-	237.39	168.07
Foreign exchange difference (net)	145.21	-	145.21	-
Profit on sale of current investments - other than trade (net)	465.17	-	465.17	224.95
Unclaimed balances/unspent liabilities written back (net)	1,288.46	-	1,288.46	251.16
Miscellaneous income	256.16	-	256.16	188.10
	3,668.56	-	3,668.56	1,686.91
Schedule 20 : Raw Materials Consumed				
Inventories as at March 31, 2006	10,012.38	-	10,012.38	7,128.74
Purchases	43,057.79	75.50	43,133.29	37,467.75
Less: Sale of damaged newsprint	443.99	-	443.99	227.63
	52,626.18	75.50	52,701.68	44,368.86
Less: Inventories as at March 31, 2007	9,174.66	7.04	9,181.70	10,012.38
	43,451.52	68.46	43,519.98	34,356.48
Schedule 21 : Personnel Expenses				
Salaries, wages and bonus	14,127.30	55.73	14,183.03	10,848.72
Contribution to group insurance scheme	6.55	0.03	6.58	10.46
Contribution to provident fund	810.23	3.98	814.21	672.66
Contribution to gratuity fund	307.06	-	307.06	312.00
Contribution to other funds	22.27	-	22.27	22.38
Workmen and staff welfare expenses	625.89	3.20	629.09	571.22
	15,899.30	62.94	15,962.24	12,437.44

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006
Schedule 22 : Operating and Other Expenses				
Consumption of stores and spares	3,008.21	-	3,008.21	2,486.21
Printing and service charges	1,902.84	-	1,902.84	2,113.87
News services and despatches	1,517.08	5.69	1,522.77	1,310.08
Programming expenses	96.70	-	96.70	-
Power and fuel	1,605.15	2.09	1,607.24	1,403.15
Radio License fee (Radio Broadcast and renewal fee)	56.49	-	56.49	-
Advertising and sales promotion	7,079.41	77.91	7,157.32	7,106.92
Freight and forwarding charges (net)	1,489.55	2.26	1,491.81	1,219.34
Service charges on advertisement revenue	617.23	-	617.23	424.70
Rent	1,351.50	5.85	1,357.35	733.33
Rates and taxes	96.24	-	96.24	43.94
Insurance	254.31	0.01	254.32	253.04
Repairs and maintenance:				
- Plant and Machinery	900.92	0.01	900.93	790.26
- Buildings	351.32	-	351.32	231.92
- Others	22.60	-	22.60	7.09
Travelling and conveyance	1,652.16	6.79	1,658.95	1,398.31
Communication costs	954.54	2.93	957.47	835.07
Legal and professional fees	1,702.56	11.01	1,713.57	904.35
Directors' sitting fees	3.16	-	3.16	4.67
Auditor's remuneration:				
- Audit fee	29.06	0.11	29.17	17.56
- Tax audit fee	6.07	-	6.07	3.39
- Quarterly limited review of accounts	16.84	-	16.84	11.02
- Taxation matters	5.09	-	5.09	4.44
- Certification etc.	3.19	-	3.19	12.17
Foreign exchange difference (net)	-	-	-	8.22
Donations	-	-	-	1.55
Provision for doubtful debts and advances	187.99	-	187.99	213.18
Loss on disposal of fixed assets (net)	21.02	-	21.02	38.45
Provision for diminution in value of current investments	11.83	-	11.83	-
Expenditure during construction period written off	-	-	-	0.93
Preliminary expenses written off	0.69	-	0.69	-
Bank charges	66.75	0.01	66.76	79.81
Miscellaneous expenses	2,579.25	3.03	2,582.28	2,034.30
	27,589.75	117.70	27,707.45	23,691.27
Schedule 23 : (Increase)/Decrease in Inventories				
Inventories as at March 31, 2007				
Work-in-progress	48.57	-	48.57	21.26
Scrap and waste papers	4.20	-	4.20	3.87
	52.77	-	52.77	25.13
Inventories as at March 31, 2006				
Work-in-progress	21.26	-	21.26	49.60
Scrap and waste papers	3.87	-	3.87	9.43
	25.13	-	25.13	59.03
	(27.64)	-	(27.64)	33.90

HT Media Limited

Schedules to the Consolidated Accounts

(Rs. in lacs)

	Company and its Subsidiaries	Joint Venture	Total	Total
	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2007	For the year ended March 31, 2006
Schedule 24 : Interest Paid				
Interest				
on term loans	1,348.16	-	1,348.16	1,270.46
to banks and others	80.82	-	80.82	104.67
	1,428.98	-	1,428.98	1,375.13
Schedule 25 : Exceptional Items				
Reimbursement of terminal benefits to the Holding Company of Parent Company	26.10	-	26.10	2,187.65
Reversal of provision of Voluntary retirement and other one time compensation to employees	(21.72)	-	(21.72)	220.08
	4.38	-	4.38	2,407.73
Schedule 26 : Provision for Taxes				
Provision for Wealth Tax	1.20	-	1.20	0.70
Fringe Benefit Tax	400.11	1.49	401.60	373.76
Provision for Current Income Tax/Minimum Alternate Tax (MAT)	5,320.00	-	5,320.00	333.09
Less: MAT Credit Entitlement Account	-	-	-	(49.23)
Income taxes for earlier years	4.96	-	4.96	-
Deferred Tax (Credit)/Charge	(201.19)	(68.92)	(270.11)	1,741.30
	5,525.08	(67.43)	5,457.65	2,399.62
Schedule 27 : Earnings Per Share (EPS)				
Net profit for the year			9,704.34	3,558.47
Less: Dividend on non-cumulative redeemable preference shares and tax thereon			-	(22.81)
Net profit before exceptional items but after taxes for calculation of basic and diluted EPS			9,704.34	3,535.66
Weighted average number of equity shares in calculating basic and diluted EPS			234,229,205	223,855,055
Number of Equity Shares at the beginning of the year (outstanding for 365 days)			234,229,205	208,769,500
Number of Equity Shares issued on August 24, 2005 (outstanding for 220 days)			-	23,200,000
Number of Equity Shares issued on October 5, 2005 (outstanding for 178 days)			-	2,259,705
Number of Equity Shares at the end of the year			234,229,205	234,229,205
Weighted average number of equity shares			234,229,205	223,855,055
Basic and diluted earnings per share (in Rs.)			4.14	1.58

HT Media Limited

Schedules to the Consolidated Accounts

Schedule 28: Notes to the Consolidated Accounts

Notes annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2007, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

1. Principles of Consolidation

The Consolidated Financial Statements relate to HT Media Limited (Parent Company), its Subsidiary Companies and its Joint Venture Company (hereinafter referred as the "HT Media Group"). The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.
- (ii) The Subsidiary Companies which are included in the consolidation and the Parent Company's holding therein are as under:

Name of Subsidiary Companies	Country of Incorporation	Percentage of Ownership as at March 31, 2007
Searchlight Publishing House Limited (SPHL)	India	99.71
HT Music and Entertainment Company Limited (HTMECL)	India	75.00

- (iii) Joint Venture Company – In accordance with "Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures", issued by the Institute of Chartered Accountants of India, the Parent Company has prepared the accompanying Consolidated Financial Statements by including the Parent Company's proportionate interest in the Joint Venture's assets, liabilities, income, expenses and other relevant information. Details of Joint Venture Company are as follows:

Name of Joint Venture	Country of Incorporation	Percentage of Ownership as at March 31, 2007
Metropolitan Media Company Private Limited (MMCPL) (incorporated on September 12, 2006)	India	50

- (iv) The financial statements of the Subsidiary Companies and Joint Venture used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March 31, 2007. MMCPL (the joint venture) was incorporated on September 12, 2006 and therefore, its financial statements used in consolidation are for the period from September 12, 2006 to March 31, 2007.

- (v) Goodwill represents the difference between the Parent Company's share in the net worth of the Subsidiary Companies/ Joint Venture Company and the cost of acquisition at the time of making the investment in the Subsidiary Companies/Joint Venture. For this purpose, the Parent Company's share of net worth of the Subsidiary Companies/Joint Venture is determined on the basis of the latest financial statements of the Subsidiary Companies/Joint Venture prior to acquisition, after making the necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill is amortised pro-rata over a period of 5 years from the date of acquisition.
- (vi) Minorities' interest in net profit/(loss) of consolidated Subsidiary Companies for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Minorities' share of net assets has been identified and presented in the Consolidated Balance Sheet separately. The excess of the losses applicable to the minority are adjusted against the majority interest.
- (vii) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Differences in the accounting policies have been disclosed separately.

2. Goodwill

- a) The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the HT Media Limited's share in the net assets of its subsidiary – Searchlight Publishing House Limited.

Particulars	March 31, 2004 (Rs. in lacs)
Investment - Searchlight Publishing House Limited taken over from Holding Company – on July 1, 2003	527.10
HT Media Limited's share in the net assets of its subsidiary	278.07
Goodwill (A)	249.03
Investment – Additional shares allotted by Searchlight Publishing House Limited on November 18, 2003	340.00
HT Media Limited's share in the net assets of its subsidiary	333.33
Goodwill (B)	6.67
Total Goodwill (A+B)	255.70

HT Media Limited has taken over the above investment of 3,124,771 shares of Searchlight Publishing House Limited from the holding company on July 1, 2003. Goodwill amounting to Rs. 249.03 lacs has been worked out based on the net assets value of the subsidiary as on June 30, 2003. Financial statements as at June 30, 2003 drawn by the management for this purpose have been audited by their statutory auditors.

- b) The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the HT Media Limited's share in the net assets of its subsidiary – HT Music and Entertainment Company Limited.

Particulars	March 31, 2006 (Rs. in lacs)
Investment – HT Music and Entertainment Company Limited on October 28, 2005 and November 4, 2005	825.00
HT Media Limited's share in the net assets of its subsidiary	825.00
Goodwill (A)	-
Investment – Additional shares allotted by HT Music and Entertainment Company Limited on March 14, 2006	675.00
HT Media Limited's share in the net assets of its subsidiary	597.45
Goodwill (B)	77.55

- c) The Goodwill in the Consolidated Financial Statements represents the excess of the purchase consideration of investment over the HT Media Limited's share in the net assets of its joint venture – Metropolitan Media Company Private Limited.

Particulars	March 31, 2007 (Rs. in lacs)
Investment – Metropolitan Media Company Private Limited on November 20, 2006	5.00
HT Media Limited's share in the net assets of its joint venture	(0.71)
Goodwill (A)	5.71
Investment – Additional shares allotted by Metropolitan Media Company Private Limited on January 17, 2007	250.00
HT Media Limited's share in the net assets of its joint venture	229.67
Goodwill (B)	20.33
Total Goodwill (A+B)	26.04

3. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the HT Media Group and are consistent with those used in the previous year.

(b) Fixed Assets

Value for individual Fixed Assets acquired by the Parent Company from its holding company in earlier years had been allocated based on the valuation carried out by independent experts.

Other Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of Fixed Assets are also included to the extent they relate to the period till such assets are ready for their intended use.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc. on the leased premises at the various locations.

- (c) Goodwill represents the difference between the Parent Company's share in the net worth of the Subsidiary Companies/Joint Venture and the cost of acquisition at the time of making the investment in the Subsidiary Companies/Joint Venture. For this purpose, the Parent Company's share of net worth of the Subsidiary Companies/Joint Venture is determined on the basis of the latest financial statements of the Subsidiary Companies/Joint Venture prior to acquisition, after making the necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

(d) Depreciation

Leasehold Land and Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

Goodwill arising out of acquisition of shares in the Subsidiary Companies/Joint Venture is amortized pro-rata over a period of 5 years from the date of acquisition.

In respect of Fixed Assets acquired in an earlier year by the Parent Company from its holding company, which are estimated to have lower residual lives than envisaged as per the rates provided in Schedule XIV to the Companies Act, 1956, depreciation is provided based on such estimated lower residual life.

In respect of Fixed Assets acquired during the year 2004-05 by the Parent Company from its holding company, depreciation is provided on straight line method over a period of 5 years as useful lives technically assessed by an independent expert.

Depreciation on other assets (except those acquired by the Parent Company from its holding company) of the parent company, HTMECL (Subsidiary Company) and MMCPL (Joint Venture) is provided on Straight Line Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. However, depreciation on fixed assets of SPHL (Subsidiary Company) is provided on Written Down Value Method at the rates computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956 (Aggregate WDV of the assets of SPHL as at the year end is 1.01% of total fixed assets of the HT Media Group).

Assets costing below Rs. 5,000/- are fully depreciated in the year of acquisition.

(e) Intangibles

Software Licenses

Value for individual software license acquired by Parent Company from its holding company in an earlier year had been

allocated based on the valuation carried out by an independent expert.

Software licenses acquired from the holding company, which are estimated to have lower residual lives than that envisaged above, are amortised over such estimated lower residual lives.

Cost relating to other software licenses which are purchased is capitalized and amortized on a straight line basis over their estimated useful lives of six years or five years as the case may be.

Software licenses costing less than Rs 5,000/- are depreciated fully in the year of acquisition.

Website Development

Cost relating to website development is capitalized and amortized over their estimated useful lives of six years on a straight line basis.

License Fees

One Time Entry Fees paid by a subsidiary company for acquiring licenses including consultancy cost for Bidding Phase II is capitalized and is amortised over the useful life or unexpired period of license (whichever is lower) from the date of commercialization of license.

Music Contents

Cost relating to music contents purchased by a subsidiary company is capitalized and amortized on a Straight Line Basis over their estimated useful lives of four years.

(f) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is adjusted against the total of the indirect expenditure.

All direct capital expenditure incurred on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its originally assessed standard of performance.

(g) Preliminary Expenses

Costs incurred towards preliminary expenses by one of the subsidiary company are amortized equally over a period of five years after the commencement of commercial operations. Costs incurred by the joint venture are charged off to revenue in the year of incurrence.

(h) Broadcast License Fees

As per the new Frequency Module (FM) broadcasting policy, effective April 1, 2005, license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fee (ROTEF) for the concerned city, whichever is higher by a subsidiary company. Gross Revenue for this purpose is revenue derived on the basis of billing rates inclusive of any taxes and without deduction of any discount given to the

advertiser and any commission paid to advertising agencies. ROTEF means 25% of highest valid bid in the city.

(i) Leases (Where the HT Media Group is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term

(j) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of Cost and Fair value determined on an individual investment basis. Long-term investments are carried at cost, however, provision for diminution in value is made to recognize a decline other than a temporary in the value of the investments.

(k) Inventories

Inventories are valued as follows:

Raw materials, stores and spares - Lower of cost and net realizable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress - Lower of cost and net realizable value. Cost represents direct materials cost.

Scrap and Waste papers - At net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

(l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the HT Media Group and the revenue can be reliably measured. Specifically, the following basis is adopted:

Advertisements published in newspapers and periodicals

Revenue is recognized as and when advertisement is published/ displayed and is disclosed net of discounts.

Airtime Revenue

Revenue from radio broadcasting is recognized on an accrual basis on the airing of client's commercials.

Sale of Publications, Waste Paper & Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

Printing Job Work

Revenue from printing job work is recognized on the completion of job work as per terms of agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest and related income on investment made in the units of fixed maturity plans of mutual funds is recognized based on the yield earned and to the extent of reasonable certainty.

Dividend

Revenue is recognised if the right to receive payment is established by the balance sheet date.

(m) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion Foreign currency monetary items are reported using the closing rate.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise except gain or loss on transactions relating to acquisition of Fixed Assets/Intangibles from outside India, which is adjusted to the carrying amount of the Fixed Assets/Intangibles.

Forward Exchange Contracts not intended for trading or speculation purposes.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year, except gain or loss on transactions relating to acquisition of Fixed Assets/Intangibles from outside India, which is adjusted to the carrying amount of Fixed Assets/Intangibles.

(n) Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund contribution are charged to the Profit and Loss Account of the year when the contribution to the fund is due.
- ii. Liability in respect of Gratuity of employees of Parent Company is provided for as per actuarial valuation carried out by an independent actuary as at year end and is contributed to Gratuity Fund created by the holding company of the Parent Company. The liability towards gratuity of employees of a Subsidiary Company is ascertained based on demand received from Life Insurance Corporation of India (LIC) with whom a Group Gratuity Policy has been taken and is paid to them. LIC has ascertained the gratuity liability on actuarial valuation basis at the year-end. The liability in respect of gratuity of employees of another Subsidiary Company and a Joint Venture Company is provided as per actuarial valuation carried out by an independent actuary(ies) at the year end.
- iii. Provision for leave encashment is accrued and made on the basis of actuarial valuation carried out by an independent actuary/(ies) at the year-end.

(o) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(p) Provisions

A provision is recognised when the HT Media Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement and such provision amount is charged to Consolidated Profit and Loss Account in the year of provision.

(q) Income Taxes

Tax expense comprises fringe benefit, current and deferred taxes. Fringe benefit and current income-tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred Income Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. In case individual Company has unabsorbed depreciation or carried forward tax losses, entire Deferred Tax Assets are recognized if there is virtual certainty supported by convincing evidence that Deferred Tax Assets can be realized against future taxable profits. Unrecognized Deferred Tax Assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such Deferred Tax Assets can be realized.

In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. Each company of the HT Media Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that such company will pay normal Income Tax during the specified period.

(r) Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus

issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(s) **Cash and Cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

4. During the year ended March 31, 2005, the Parent Company acquired the printing undertaking at New Delhi from its holding company namely The Hindustan Times Limited (HTL). The writ petition filed by the ex-workmen of HTL challenging the transfer of business was quashed by the Hon'ble Delhi High Court on May 9, 2006. Thereafter, the ex-workmen of HTL raised the industrial dispute before Delhi Government, who referred the dispute to Industrial Tribunal-I, Karkardooma Courts, New Delhi (Tribunal). During the course of the proceedings before Tribunal, the ex-workmen moved application for interim relief. The Tribunal vide its order dated March 8, 2007, granted interim relief to the ex-workmen of HTL to the extent of 50% of last drawn wages from the date of such order till the disposal of the matter and relieved the Parent Company from such order.

However, HTL challenged the said order before Hon'ble Delhi High Court in a Writ Petition, wherein the Hon'ble Court modified the order of the Tribunal to the extent that the amount equivalent to 50% so received by ex-workmen will be set off against their retrenchment compensation (not encashed by the above ex-workmen till date), in the event of HTL succeeding in the writ petition. The Hon'ble Court further clarified that payment will be made only from date of the High Court order (i.e. March 23, 2007) till the disposal of writ petition and it further stayed the order and proceedings are pending before the Tribunal.

5. **Segment Information**

- (i) The Parent Company, its joint venture and one of its subsidiary companies are presently engaged in the business of Printing and Publication of Newspapers and Periodicals. The other subsidiary company of the Parent Company is engaged in the business of providing entertainment, radio broadcast and all other related activities through its Radio Stations operating under brand name 'Fever 104' in India. As of March 31, 2007, the HT Media Group has organized its operations into two major businesses: "Printing and Publishing of Newspapers and Periodicals" and "Radio Broadcast".

Geographical Segments

The analysis of geographical segments is based on the location of the customers i.e. Domestic and Overseas.

5. (ii) **Segment Information for the year ended March 31, 2007**-Information about Primary Business Segments

(Rs. in lacs)

	Publishing & Printing	Radio Broadcasting	Inter-segment elimination	Total
Revenue				
External	1,03,772.47	193.28		1,03,965.75
Inter-Segment	250.33	2.49	(252.82)	-
Other Income*	1,686.23	3.60		1,689.83
Total Revenue	1,05,709.03	199.37		1,05,655.58
Results				
Segment Results	15,961.33	(1,759.76)		14,201.57
Amortisation of Goodwill				67.89
Interest Expense				1,428.98
Income from Investment				1,978.73
Operating Profit				14,683.42
Exceptional Item (Net)				4.38
Profit Before Taxation				14,679.04
Provision for Wealth Tax				(1.20)
Provision for Taxation (Including taxes for earlier years)				(5,324.96)
Provision for Fringe Benefit Tax				(401.60)
Credit towards Deferred Tax				270.11
Profit after Taxation but before minority interest				9,221.39
Other Information				
Segment Assets	75,408.19	11,696.55		87,104.75
Unallocated Assets				29,743.44
Total				1,16,848.18
Segment Liabilities	19,261.71	928.56		20,192.27
Unallocated Liabilities				20,236.30
Total				40,426.57
Capital Expenditure	5,787.48	2,939.05		8,726.53
Depreciation/Amortisation	4,088.94	270.94		4,359.88
Non-Cash Expenses other than Depreciation/Amortisation	200.51			200.51

Note: Since one of the subsidiaries has during the year, started Radio Broadcasting operations, previous year comparatives have not been given.

*Total other income as per Profit and Loss Account is Rs. 3,668.56 lacs which includes Rs. 1,978.73 lacs pertaining to income from investments.

6. Utilization of IPO funds: (Rs. in lacs)

Objects	As per Prospectus	Total amount spent till March 31, 2007
Capital expenditure	7,648.00	5,210.38
Sales and Marketing	7,600.00	5,097.85
Radio Services	1,000.00	5,939.77
General Corporate purposes	8,065.69	9,251.52
Issue expenses	2,673.60	1,487.77
Total	26,987.29	26,987.29

Note: The Board of Directors of the Parent Company have approved the above inter-se re-allocation of proceeds of IPO funds. As a result of this, the Parent Company has fully utilised the entire IPO proceeds.

- In terms of the approval accorded by the shareholders of the Parent Company at their Extra-ordinary General Meeting held on October 21, 2005, the Parent Company had, during the previous year, given an interest free loan of Rs. 2,174.28 lacs to HT Media Employee Welfare Trust who had in turn purchased 468,044 equity shares of Rs. 10/- each (as on date equivalent to 2,340,220 equity shares of Rs. 2/- each) of Parent Company for Rs. 2,174.28 lacs (average cost per share Rs. 92.91, computed based on 2,340,220 equity shares of Rs. 2/- each) from the open market for the purposes of granting share options to employees of the Parent Company.

Under the HT Media Limited Employee Stock Option Scheme, the trust had opening balance of stock options of 1,450,460 equity shares of Rs. 2/- each at Rs. 92.30 each. During the year, the Trust has further granted 328,470 stock options of Rs. 2/- each at Rs. 167.66 each and trust has forfeited 226,350 stock options of Rs. 2/- each at Rs. 110.58 each. No granted options have been exercised till March 31, 2007. The contractual life of the granted options is 48 months. The eligible employees can exercise upto 10% of the option at the lapse of 24 months, 40% at the lapse of 36 months and remaining 50% at lapse of 48 months. The trust is holding entire 2,340,220 equity shares of Rs. 2/- each of the Parent Company (including equity shares not due on granted options, till March 31, 2007) as on March 31, 2007.

- Based on expert opinion, deferred tax charge as provided for in the books of accounts of Parent Company during the year ended March 31, 2005 and March 31, 2006, pursuant to Accounting Standard 22 issued by the Institute of Chartered Accountants of India, has been considered as an admissible deduction from net profit for the purpose of determining Book Profit under Section 115 JB (2) of the Income Tax Act, 1961 by the Parent Company. Accordingly, the income tax provision was made in those years.
- Pursuant to the approval of the shareholders of the Parent Company by way of postal ballot, the equity shares of the Parent Company of the face value of Rs. 10/- each were sub-divided

into equity shares of Rs. 2/- each with effect from January 5, 2007 being the record date fixed by the Board of Directors for the said purpose. Accordingly, number of equity shares issued has increased to 234,229,205 from 46,845,841. As per Accounting Standard 20 issued by Institute of Chartered Accountants of India, Earnings Per Share (EPS) for the last year has accordingly been revised.

- The Parent Company has during the year, obtained the approval of the equity shareholders and unsecured creditors in their court convened meetings held on March 26, 2007 to implement a Scheme of Arrangement and Demerger under Section 391-394 of the Companies Act, 1956 between the Parent Company and go4i.com (India) Private Limited (go4i.com) and their respective shareholders and creditors effective July 1, 2006. The Parent Company is awaiting approval of Hon'ble Delhi High Court of the Scheme. The accounting treatment for the aforesaid Scheme will be done, once all the legal formalities are completed and/or necessary/requisite approvals are obtained. Had the accounting treatment for the aforesaid arrangement being given impact in the books of accounts, net profit of the HT Media Group for the year would have been Rs. 10,254 lacs (approx.).
- SPHL (subsidiary company) has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of Rs. 73.37 lacs made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Subsidiary Company has deposited Rs. 5.00 lacs to ESIC and the Hon'ble High Court has stayed the matter. Based on discussions with the solicitors, the management believes that the Subsidiary Company has a strong chance of success in above mentioned case and hence no provision thereagainst is considered necessary.
- A subsidiary company, HT Music and Entertainment Company Limited and Joint Venture Metropolitan Media Company Private Limited, have accounted for deferred tax assets (net) amounting to Rs. 662.35 lacs and Rs. 68.92 lacs respectively till March 31, 2007. The subsidiary company and joint venture company are confident that subsequent realization of the deferred tax assets created is virtually certain in the near future based on future projections and existing business model as enumerated below:

The nature of business of subsidiary company and joint venture is being such, that every player in the radio industry and publication business incurred losses in the initial years but some of them are now a days earning profits.

During the year, the subsidiary company has issued 11,750,000 1% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each, which has resulted in reduction in interest cost.
- A subsidiary company, HT Music and Entertainment Company Limited, as at the close of the year is carrying service tax credit/modvat credit receivable of Rs. 264.94 lacs. The subsidiary company based on future projections prepared for next five years expects significant increase in the sales which will enable it to utilize the entire amount of service tax credit/modvat credit receivable. Accordingly, these amounts have been considered good for recovery.

14. Names of related parties	
Holding Company of Parent Company	The Hindustan Times Limited
Fellow Subsidiaries of Parent Company	Shradhanjali Investment & Trading Company Limited HTL Investment and Trading Company Limited HT Interactive Media Properties Limited go4i.com (Mauritius) Limited go4i.com (India) Private Limited go4cricket.com (India) Private Limited
Key Management Personnel	Smt. Shobhana Bhartia (Vice-Chairperson & Editorial Director) Mr. Shamit Bhartia (Whole-time Director of the Parent Company and Subsidiary Company) Mr. Priyavrat Bhartia (Whole-time Director) Mr. S. M. Agarwal (Whole-time Director of a Subsidiary Company)
Relatives of Key Management Personnel	Dr. K.K. Birla (Chairman)
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Priyavrat Traders Billigiri Rangan Coffee Estates Kumaon Orchards Shekhar Traders Shobhana Traders Britex (India) Limited Udit (India) Limited Usha Flowell Limited Goldmerry Investments and Trading Company Limited Paxton Trexim Private Limited

14. Related Party Transactions (contd.)

(Rs. in lacs)

	Holding Company with Parent Company and subsidiaries		Fellow Subsidiaries		Joint Venture with Parent Company and subsidiaries of Parent Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel		Total	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Transactions during the year ended														
Job Revenue														
- Metropolitan Media Company Private Limited	-	-	-	-	28.48	-	-	-	-	-	-	-	28.48	-
Process Management Fees received	-	-	-	-	2.58	-	-	-	-	-	-	-	2.58	-
- Metropolitan Media Company Private Limited	-	-	-	-	64.54	-	-	-	-	-	-	-	64.54	-
Share of Advertisement Revenue paid														
- Metropolitan Media Company Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing & Service Charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	21.25	255.00	-	-	-	-	-	-	-	-	151.55	134.37	151.55	134.37
Sitting fee														
- Dr. K. K. Birla	-	-	-	-	-	-	-	-	0.60	0.60	-	-	0.60	0.60
News Message														
- go4i.com (India) Private Limited	-	-	12.00	17.00	-	-	-	-	-	-	-	-	12.00	17.00
Dividend paid on Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	386.36	317.32	-	-	-	-	-	-	-	-	-	-	386.36	317.32
Dividend paid on Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	20.00	16.58	-	-	-	-	-	-	-	-	-	-	20.00	16.58
Issue of Shares upon exercise of Green Shoe Option	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	-	2,395.29	-	-	-	-	-	-	-	-	-	-	-	2,395.29
Redemption of Preference Share Capital														
- The Hindustan Times Limited	1,582.60	-	-	-	-	-	-	-	-	-	-	1,582.60	-	-
Advertisement Revenue														
- Metropolitan Media Company Private Limited	-	-	-	13.63	-	-	-	-	-	-	13.63	-	-	-
Maintenance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- go4i.com (India) Private Limited	-	-	6.00	6.00	-	-	-	-	-	-	-	-	6.00	6.00
Payment for Employees on Deputation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	36.59	882.04	-	-	-	-	-	-	-	-	-	-	36.59	882.04
Receipt for Employees on Deputation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Metropolitan Media Company Private Limited	-	-	-	0.80	-	-	-	-	-	-	0.80	-	-	-
Reimbursement of Separation Scheme Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	26.10	2,137.56	-	-	-	-	-	-	-	-	-	-	26.10	2,137.56
Remuneration paid to Key Managerial Personnel														
- Mrs. Shobhana Bhartia	-	-	-	-	-	-	113.36	68.80	-	-	-	-	113.36	68.80
- Mr. Shamit Bhartia	-	-	-	-	-	-	47.12	17.53	-	-	-	-	47.12	17.53
- Mr. Priyavrat Bhartia	-	-	-	-	-	-	47.67	2.96	-	-	-	-	47.67	2.96
- Mr. S.M. Agarwal	-	-	-	-	-	-	6.67	4.38	-	-	-	-	6.67	4.38
Rent paid														
- The Hindustan Times Limited	464.70	45.00	-	-	-	-	-	-	-	-	-	-	464.70	45.00
Advertising and Sales Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	44.90	-	-	-	-	-	-	-	-	-	-	-	44.90	-

(Rs. in lacs)

	Holding company with Parent Company and subsidiaries		Fellow Subsidiaries		Joint Venture with Parent Company and subsidiaries of Parent Company		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned of significantly influenced by Key Management Personnel		Total	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Transactions during the year ended														
Reimbursement of expenses incurred on behalf of the company by parties														
- go4cricket.com (India) Private Limited	-	-	-	0.88	-	-	-	-	-	-	-	-	-	0.88
- The Hindustan Times Limited	242.51	222.18	-	-	-	-	-	-	-	-	-	-	242.51	222.18
Reimbursement of expenses incurred on behalf of the parties by company														
- Metropolitan Media Company Private Limited	-	-	-	0.83	-	-	-	-	-	-	0.83	-	-	-
Balance outstanding at the end of the year														
Equity Share Capital														
- The Hindustan Times Limited	3,719.71	3,219.71	-	-	-	-	-	-	-	-	-	-	3,719.71	3,219.71
Preference Share Capital														
- The Hindustan Times Limited	-	2,000.00	-	-	-	-	-	-	-	-	-	-	-	2,000.00
Receivable as Advances/Debtors														
- Metropolitan Media Company Private Limited	-	-	-	11.05	-	-	-	-	-	-	11.05	-	-	-
Payable as Creditors														
- The Hindustan Times Limited	109.42	1,668.25	-	-	-	-	-	-	-	-	-	-	109.42	1,668.25
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-	29.70	-	29.70	-
- Metropolitan Media Company Private Limited	-	-	-	52.28	-	-	-	-	-	-	52.28	-	-	-

Note:

1. No amount has been written-off/back or provided as doubtful debt or advance in respect of debts/advances due from/to above related parties.

15. Derivative Instruments

- (a) Particulars of Hedged Foreign Currency exposure as at the Balance Sheet date

Particulars	Currency	Amount in respective currency	
		As at March 31, 2007	As at March 31, 2006
Sundry Creditors	USD	3,560,000	-

- (b) Particulars of Unhedged Foreign Currency exposure as at the Balance Sheet date

Particulars	Currency	Amount in respective currency	
		As at March 31, 2007	As at March 31, 2006
Sundry Creditors	USD EURO	6,614,646 592,308	11,807,827 -
Debtors	USD EURO GBP	625,999 19,262 5,351	97,441 2,874 11,980
Loans and Advances	USD	23,861	-
Capital Advances	USD EURO	528,348 17,057	- -

- (c) The exchange difference gain of Rs. 7.91 lacs in respect of outstanding forward exchange contracts will be recognized in the Profit and Loss Account of the Parent Company in subsequent accounting period.
- (d) The Parent Company had outstanding option contracts for USD 5 million in respect of payment for imported raw material purchases. These contracts are with ABN Amro Bank N.V. which would expire in next year. While there is no loss on these contracts as at the Balance Sheet date, the ultimate adjustment towards gain or loss would be made on expiry or earlier termination of contract.

16. Leases

Rental expenses in respect of operating leases are recognised as an expense in the Profit and Loss Account, on a straight-line basis over the lease term.

Operating Lease (for assets taken on Lease)

- a) The HT Media Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent and generally restrict for further leasing.
- b) Lease payments for the year are Rs. 1437.08 lacs (Previous year Rs. 733.33 lacs).
- c) The future minimum lease payments under non-cancelable operating leases;
- not later than one year is Rs. 52.90 lacs (Previous year Rs. 69.34 lacs);
 - later than one year but not later than five years is Rs. 31.45 lacs (Previous year Rs. 76.02 lacs);
 - later than five years is Rs. 6.08 lacs (Previous year Rs. 14.41 lacs).

	As at March 31, 2007 (Rs. in lacs)	As at March 31, 2006 (Rs. in lacs)
17. Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,117.05	546.07
18. Contingent Liabilities not provided for		
a) Claims against the HT Media Group not acknowledged as debts:		
The Parent Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by the Parent Company.	17.18	14.60
b) In respect of various labour and defamation cases pending. (In view of large number of cases, it is impracticable to disclose the details of each case).	Amount not ascertainable	Amount not ascertainable
Based on discussions with the Solicitors, the Group believes that there is fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same.		

	For the year ended March 31, 2007 (Rs. in lacs)	For the year ended March 31, 2006 (Rs. in lacs)
19. Supplementary Statutory Information		
Directors' Remuneration*		
Salaries	161.97	65.50
Contribution to provident fund	19.15	7.86
Perquisites	33.70	20.31
	214.82	93.67

* Excluding provision for leave encashment and gratuity

20. Previous Year comparative

- (a) Current year's figures include Parent Company's proportionate interest in joint venture (incorporated on September 12, 2006). Hence, there are no reportable figures for the previous year.
- (b) Previous year's figures have been re-grouped/re-arranged where necessary to conform to this year's classification.
- (c) One of the subsidiaries has commenced its commercial operations from October 30, 2006. However, previous period's figures are for a period of 5 months and 4 days (from October 28, 2005 to March 31, 2006) whereas current year's figures are for the period of twelve months (April 1, 2006 to March 31, 2007) and hence previous period's figures of the financials are strictly not comparable with those of the current year.

As per our Report of even date

For S.R. Batliboi & Company
Chartered Accountants

Per Anil Gupta
Partner
Membership No. 87921

Rajiv Verma
(Chief Executive Officer)

Vinayak Purohit
(Chief Financial Officer)

Dinesh Mittal
(VP-Legal, Tax &
Company Secretary)

Shobhana Bhartia
(Vice Chairperson &
Editorial Director)

Place: New Delhi
Date: 04.05.2007

For and on behalf of the Board of Directors

Dr. K. K. Birla
(Chairman)