DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated April 21, 2005
(The Draft Red Herring Prospectus will be updated upon RoC filing)
100% Book Building Issue

HT MEDIA LIMITED

(Incorporated under the Companies Act, 1956 on December 3, 2002 as HT Media Limited)
Registered Office: Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi, India.
Tel: +91 11 5556 1234; Fax +91 11 2373 8887. Contact Person: Mr. V.K. Charoria; Tel: +91 11 5556 1206.
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PUBLIC ISSUE OF 4,640,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS [•] PER EQUITY SHARE AGGREGATING RS. [•] MILLION, COMPRISING A FRESH ISSUE OF 4,640,000 EQUITY SHARES OF RS. 10 EACH BY HT MEDIA LIMITED ("HT MEDIA", THE COMPANY" OR "THE ISSUER") AND AN OFFER FOR SALE OF 2,355,000 EQUITY SHARES OF RS.10 EACH BY HPC (MAURITIUS) LIMITED ("HPC" OR THE "SELLING SHAREHOLDER"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE JOINTLY REFERRED TO HEREIN AS THE ISSUE ("THE ISSUE").

THERE WILL ALSO BE A GREEN SHOE OPTION OF 696,000 EQUITY SHARES TO BE OFFERED BY THE HINDUSTAN TIMES LIMITED I.E. THE PROMOTER, FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING RS. [•] MILLION. THE ISSUE AND THE GREEN SHOE OPTION AGGREGATE RS. [•] MILLION. THE ISSUE WILL CONSTITUTE 15.08% OF THE FULLY DILUTED POST-ISSUE CAPITAL OF OUR COMPANY ASSUMING THAT THE GREEN SHOE OPTION IS NOT EXERCISED AND 16.33% ASSUMING THAT THE GREEN SHOE OPTION IS EXERCISED IN FULL.

PRICE BAND: RS. [•] TO RS. [•] PER EQUITY SHARE OF FACE VALUE RS. 10
ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

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

RISK IN RELATION TO FIRST ISSUE

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

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE ISSUE
kotak Investment Banking	KARVY Karvy Computershare Private Limited
KOTAK MAHINDRA CAPITAL COMPANY LIMITED Bakhtawar, 3rd Floor, 229, Nariman Point, Mumbai 400 021, India. Tel. : +91 22 5634 1100. Fax. : +91 22 2284 0492 E-mail: html.ipo@kotak.com Website: www.kotak.com	**KARVY COMPUTERSHARE PRIVATE LIMITED** Karvy House, 46, Avenue 4 Street no.1, Banjara Hills, Hyderabad - 500 034. Tel: +91 40 2331 2454. Fax: +91 40 2331 1968. E-mail: htipo @karvy.com Website: www.karvy.com

BID/ ISSUE PROGRAMME	
BID/ ISSUE OPENS ON: [•]	**BID/ ISSUE CLOSES ON: [•]**

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DEFINITIONS AND ABBREVIATIONS

Definitions

Term	Description
"HTML" or "the Company" or "our Company" or "HT Media Limited"	HT Media Limited, a public limited company incorporated under the Companies Act, 1956.
"we" or "us" or "our"	Refers to HT Media Limited and, where the context requires, its subsidiary namely Searchlight Publishing House Limited.

Issue Related Terms and Abbreviations

Term	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended from time to time.
Allotment	Unless the context otherwise requires, the issue and the transfer/ allotment of Equity Shares, pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued or transferred.
Article/ Articles of Association	Articles of Association of our Company.
Auditors	S.R. Batliboi & Company, Chartered Accountants.
Banker(s) to the Issue	[•].
Bid	An indication to make an offer during the Bidding/ Issue Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder pursuant to the Bid in the Issue.
Bid/ Issue Closing Date	The date after which the Syndicate Member will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to/ purchase the Equity Shares and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which the Bidders can submit their Bids.
Bid/ Issue Opening Date	The date on which the Syndicate Member shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English national newspaper and Hindi national newspaper.
Board of Directors/ Board	The board of directors of our Company or a committee constituted thereof.
Book Building Process	The book-building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.

Term	Description
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Kotak Mahindra Capital Company Limited.
Business Purchase Agreements	Collectively, (a) the two business purchase agreements dated August 15, 2003 between HTL and HT Media Limited in terms of which the printing and publishing undertaking of HTL at all locations except the printing undertaking at New Delhi, was transferred by HTL to our Company with effect from July 1, 2003 and (b) the agreement dated October 1, 2004 between HTL and HT Media Limited through which we acquired the printing undertaking at New Delhi with effect from October 2, 2004.
BSE	The Stock Exchange, Mumbai.
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Companies Act	The Companies Act, 1956 as amended from time to time.
Calcutta Stock Exchange	The Calcutta Stock Exchange Association Limited
Cut-off Price	Any price within the Price Band finalised by us in consultation with the BRLM and the Selling Shareholder.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account after the Prospectus is filed with the RoC.
Designated Stock Exchange	[•].
Director(s)	Director(s) of HT Media Limited, unless otherwise specified.
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each, unless otherwise specified in the context thereof.
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into amongst the Company, the Selling Shareholder, the Registrar, the Escrow Collection Bank(s) the BRLM and the Syndicate Member for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened and in this case being [•].
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.

Term	Description
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
Fresh Issue	The issue of 4,640,000 Equity Shares at the Issue Price by the Company pursuant to the Red Herring Prospectus.
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Green Shoe Lender	HTL.
Green Shoe Option	An option to the BRLM and our Company, in consultation with the Stabilising Agent, to allocate Equity Shares in excess of the Equity Shares included in the public issue and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is granted to a company to be exercised through a stabilising agent.
Green Shoe Option Portion	The portion of the Issue being upto 696,000 Equity Shares aggregating Rs. [•] million, if exercised in full.
GSO Bank Account	The bank account opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
GSO Demat Account	The demat account opened by the Stabilising Agent under the Stabilising Agreement, on the terms and conditions thereof.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
Issue	Public issue of 6,995,000 Equity Shares at a price of Rs. [•] each for cash aggregating upto Rs. [•] million comprising the Fresh Issue and the Offer for Sale.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be allotted/ transferred in terms of this Draft Red Herring Prospectus, as determined by the Company and the Selling Shareholder in consultation with the BRLM, on the Pricing Date.
Loaned Shares	Upto 696,000 Equity Shares loaned by the Green Shoe Lender pursuant to the terms of the Stabilisation Agreement, on the terms and conditions thereof.
Margin Amount	The amount paid by the Bidder at the time of submission of his/ her Bid, which may be 0% to 100% of the Bid Amount.
Memorandum / Memorandum of Association	The memorandum of association of our Company.
MIB Guidelines	The guidelines for Foreign Direct Investment in Indian Entities Publishing Newspapers and Periodicals Dealing with News and

Term	Description
	Current Affairs issued by the MIB.
NSE	National Stock Exchange of India Limited.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being upto 699,500 Equity Shares available for allocation to Non-Institutional Bidders.
Non-Resident	A person resident outside India, as defined under FEMA.
NRI/ Non-Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Offer for Sale	The offer for sale by the Selling Shareholder of 2,355,000 Equity Shares at the Issue Price pursuant to the Red Herring Prospectus.
Over Allotment Shares	The Equity Shares allotted pursuant to the Green Shoe Option.
PAN	The permanent account number allotted under the I.T. Act.
Pay-in Date	The Bid/ Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/ Issue Closing Date, and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date.
Preference Shares	Preference shares of Rs.100 each issued by our Company.
Price Band	The price band of Rs. [●] to Rs. [●] including revisions thereof.
Pricing Date	The date on which the Company and the Selling Shareholder in consultation with the BRLM finalises the Issue Price.
Promoter	The Hindustan Times Limited.
Prospectus	The prospectus, filed with the RoC containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
QIB Portion	The portion of the Issue being at least 4,197,000 Equity Shares

Term	Description
	available for allocation to QIBs.
Registered Office of the Company	Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110 001, India.
Registrar/ Registrar to the Issue	Karvy Computershare Private Limited.
Retail Individual Bidders	Individual Bidders and HUFs (in the name of *karta*) who have bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue, being upto 2,098,500 Equity Shares, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	Means the document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus which will be filed with the RoC at least three days before the Bid/ Issue Opening Date and will become a Prospectus after filing with the RoC after pricing and allocation.
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi.
Shareholders Agreement	The agreement dated April 21, 2005 between our Company, HTL, Henderson, HPC, Citicorp and others.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Selling Shareholder	HPC (Mauritius) Ltd, Mauritius.
Stabilising Agent or SA	Kotak Mahindra Capital Company Limited.
Stabilising Agreement	Agreement entered into by us, the Green Shoe Lender and the Stabilising Agent dated April 20, 2005 in relation to the Green Shoe Option.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the the Stock Exchanges for the Equity Shares under the Issue, and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.
Stock Exchanges	BSE and NSE.
Subsidiary	Searchlight Publishing House Limited.
Syndicate	The BRLM and the Syndicate Member.
Syndicate Agreement	The agreement to be entered into among the Company, the Selling Shareholder and the members of the Syndicate, in relation to the

Term	Description
	collection of Bids in this Issue.
Syndicate Member	Kotak Securities Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Member.
Underwriting Agreement	The Agreement among the members of the Syndicate and the Company to be entered into on or after the Pricing Date.
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended from time to time.

Abbreviations

Abbreviation	Full Form
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Citicorp	Citicorp International Finance Corporation.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
EGM	Extraordinary General Meeting.
EOU	Export Oriented Unit.
EPS	Earnings per share.
FDI	Foreign Direct Investment.
FIPB	Foreign Investment Promotion Board.
Hindustan Times	*Hindustan Times*, an English daily newspaper.
Hindustan	*Hindustan*, a Hindi daily newspaper.
HTL	The Hindustan Times Limited.
KMCC	Kotak Mahindra Capital Company Limited.
Henderson	Henderson Asia Pacific Equity Partners ILP, United Kingdom.
HPC	HPC (Mauritius) Limited.
HUF	Hindu Undivided Family.
LC	Letters of credit.
MIB	Ministry of Information & Broadcasting, Government of India.
NAV	Net Asset Value.
NSDL	National Securities Depository Limited.
p.a.	per annum.
P/ E Ratio	Price/ Earnings Ratio.
RBI	The Reserve Bank of India.
RNI	Registrar of Newspapers for India.

Abbreviation	Full Form
RoNW	Return on Net Worth.

Industry Related Terms

Abbreviation	Full Form
ABC	Audit Bureau of Circulation.
ad-spend	Advertisement spending.
IRS	Indian Readership Survey.
NCR	National Capital Region.
MP	Madhya Pradesh.
FM	Frequency Modulated.
IT	Information Technology.
PACE	Partnerships for Action in Education.
TAM Adex	Television Advertising Monitoring Ad Expenditure.
DAVP	Department of Audio & Visual Publications, Government of India.
QBC	Quick Booking Centers.
INS	Indian Newspaper Society.
RISI	Resource Information Systems Inc.
CIF	Cost, Insurance & Freight.
SEC	Socio Economic Classification.
GDP	Gross Domestic Product.

PRESENTATION OF FINANCIAL AND MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated and unconsolidated financial statements prepared in accordance with Indian GAAP. Unless stated otherwise, the operational data in this Draft Red Herring Prospectus is presented on an consolidated basis. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year, unless otherwise specified. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

Market Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications such as *Audit Bureau Of Circulation, Indian Readership Survey*, *Pricewaterhouse Coopers Global Entertainment and Media Outlook 2004-2008*, *Zenith Optimedia December 2003 report*, *TAM AdEx India.* Such industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used from these sources may have been reclassified by us for the purpose of presentation. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the newspaper and print media industry in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks, competitive landscape, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated fluctuations in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

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

RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the Information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 41 and 157 of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. If the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

Internal Risk Factors and Risks Relating to our Business

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

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

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

Some of our competitors have greater financial resources, generate higher revenues, and therefore, may be able to better respond to market changes and shifts in consumer spending patterns and changes in consumer sentiments and tastes than we can. They also may be in a better position than us to sustain losses in revenue due to pricing pressures on advertising rates and cover prices of newspapers. Accordingly, we cannot be certain that we will be able to compete effectively with these competitors or that we will not lose circulation or readership to these competitors or lose advertising business to them. If we are not able to compete effectively, our business, results of operations and financial condition could be adversely affected.

Our historical financial information is limited and is difficult to evaluate.

Our business was an undertaking of HTL until it was transferred to us pursuant to the Business Purchase Agreements. Accordingly, we have had a limited operating history. Our financial statements for the nine-month period from July 1, 2003 to March 31, 2004 and for the nine-month period from April 1, 2004 to December 31, 2004 are included in this Draft Red Herring Prospectus. However, these periods are not comparable and it is difficult, therefore, to evaluate our business and financial results.

The launch of our Mumbai edition may not be successful and our Mumbai operations are expected to adversely impact our results of operations and financial condition.

The launch of *Hindustan Times*, Mumbai edition, expected in mid-2005, is subject to numerous risks associated with establishing our brand and business in a new market. For our business plan to succeed, we will need to build our Hindustan Times brand in the Mumbai market, establish a significant level of circulation and readership, leverage our existing relationship with advertisers, develop our distribution network and produce a newspaper of the highest quality. No assurance can be made that we will successfully implement our business plan or achieve these objectives.

We expect that competition in the Mumbai market will be intense. Our major competitor, *The Times of India*, is well established in the Mumbai market and has greater financial resources than we do. In addition, other competitors may enter the Mumbai market.

We expect that our Mumbai operations will incur losses in its early years of operation, and our Mumbai operations may not achieve profitability. In addition, we expect to have invested approximately Rs. 500 million in capital expenditure at the time of launch of our Mumbai edition, of which we had we had incurred Rs. 81.1 million as of December 31, 2004. Accordingly, our Mumbai operations may adversely affect our results of operation and financial condition.

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

We rely substantially on advertisements for our revenue. During the period ended December 31, 2004, we derived approximately 78.9% of our revenues from advertisements of which our top 10 advertisers contributed to approximately 8% of our total revenue. Accordingly, a reduction in ad-spend by our customers, the loss of advertising customers and our inability to attract new advertising customers could have a material adverse effect on our business, results of operations and financial condition.

Ad-spend by our customers and our ability to attract new customers is influenced largely by the circulation and readership of our newspapers, the geographical reach of our newspapers and by readership demographics and by the preference of advertising customers for one media over another. In addition, ad-spend is influenced by a number of factors including the Indian economy, the performance of particular industry sectors, shifts in consumer spending patterns and changes in consumer sentiments and tastes.

We have no contracts guaranteeing us advertising revenue. The advertising agencies place advertisement orders for their clients with us either for a particular day or for a comprehensive advertising campaign. Some of these advertisers or advertising agencies may pre-maturely terminate such advertisements or such advertisement campaigns and switch to our competitors or other media platforms, which may adversely affect our revenues.

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

Circulation of our newspapers among our readers is an important source of our revenue as we earn revenue from the sales of our newspapers. In addition, circulation and readership significantly influence ad-spend by our advertisers and our advertising rates. Circulation and readership is dependant on the quality of our newspapers, the reach of our newspapers and the loyalty of our readers to our newspapers. Any failure by us to meet our readers' preferences and quality standards could adversely affect our circulation or readership over time. Circulation in the Indian market is also largely affected by price and, therefore, the circulation of our newspapers may be adversely effected if we fail to meet any price competition. A decline in the circulation or readership of one or more of our newspapers for any reason could adversely affect our business, results of operations and financial condition.

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

Newsprint forms the major raw material for our business, and represents a significant portion of our expenses. We have one long-term supply contracts with international suppliers, UPM, for the supply of a fixed amount of newsprint. The remainder of our newsprint requirements are sourced from international suppliers such as Kruger, PanAsia and Bowater, and from India. The price of

newsprint both worldwide and in India has historically been both cyclical and volatile. During the industry cycle, the price of imported newsprint in India may vary from international prices. In addition, we do not hedge the price of our newsprint purchases (save for our foreign exchange exposure which we hedge selectively). For further information on the price of newsprint, see "Our Sources of Newsprint" on page 61 of this Draft Red Herring Prospectus. Any significant increase in the price of newsprint could adversely affect our business and results of operations. Although we have not experienced a disruption in our supply of newsprint in the past, the inadequate supply of newsprint caused either by default of the supplier or by a sudden change in the prices or for any other reason could hamper our operations or thereby adversely affect our business and results of operations.

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

The newspaper industry relies on an extensive network of agents and vendors for the sale and circulation of newspapers. Our distribution network is multi-tiered. We supply newspaper to the circulation agents as per their demands, who in turn distribute newspapers to a network of vendors. Further, our circulation agents and vendors are retained on a non-exclusive basis and also distribute newspapers for our competitors. If our competitors provide better commissions or incentives (or if we reduce our commissions or incentives) to our circulation agents and vendors, it could result in them favouring the products of our competitors instead of our products. Any significant disruption in the supply of our newspapers could lead to a decline in the reach of our newspapers and adversely affect our business and results of operation.

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

All our printing centres and our outsourced printing operations are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In addition, our contracts with our third party outsource partners generally have an initial term of five to seven years and may not be renewed. Our printing facilities use heavy equipment and machinery and whilst the same have been insured, the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements that can require considerable time and expense. We do not believe that there is sufficient available printing capacity in North India (in particular Delhi) to outsource our requirements in the event of the loss or shut down of one of our major facilities. Accordingly, any significant operational problems, the loss of one of our printing facilities or a shutdown of one of our facilities for an extended period of time could adversely affect our business, results of operation and financial condition.

We face significant challenges in entering new media businesses.

Our growth strategy includes entering into new media businesses like radio and periodicals where we have no or limited experience. We will face significant competitive, operational, sales, marketing and management challenges in developing these new media businesses. In addition, our strategic growth plans may place significant demands on our management team as well as demands on our working capital and financial resources. If we are unable to meet these challenges and manage our growth, our business and financial performance could be adversely affected.

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

We have a team of professionals to oversee the operations and growth of our businesses. Our success is substantially dependent on the expertise and services of our management team. The loss of the services of such management personnel or key personnel could have an adverse effect on our business, results of operations and financial condition. Further, our ability to maintain our leadership position in the print media business depends on our ability to attract, train, motivate and retain highly skilled personnel. For further details, see "Our Management" on page 73 of this Draft Red Herring Prospectus.

We may face libel or defamation charges.

We rely on our editors, reporters and freelance journalists (known as *stringers*) as well as news wires and agencies for the news and other content of our newspapers. From time to time, our newspapers may contain information and stories that expose us and our employees to litigation for libel or defamation charges, which could adversely affect our reputation as well as our business, results of operation and financial condition.

After completion of the Issue, our Promoter will own approximately [•]% of the Equity Shares and will continue to control us.

After completion of the Issue, our Promoter, The Hindustan Times Limited, will own approximately [•]% of the Equity Shares (on a fully diluted basis). As a result, our Promoter will have the ability to appoint the majority of the members of our Board, in accordance with the Companies Act and our Articles of Association, and determine the outcome of actions requiring the approval of our shareholders. See "Main Provisions of our Articles of Association" on page 231 of this Draft Red Herring Prospectus for further details. The interests of our Promoter may conflict with the interests of our other investors, and you may not agree with actions it may take.

We may undertake acquisitions or investments in the future which may pose management and integration challenges.

We may make acquisitions and investments in other Indian newspapers or media businesses in the future as part of our growth strategy. These acquisitions and investments may not necessarily contribute to our profitability and may require us to assume high levels of debt or contingent liabilities, as part of such transactions. In addition, we could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

Our business is subject to extensive regulation by the state and central governments, which could have an adverse effect on our business.

The Indian newspaper industry is subject to extensive regulation by state and central governments. To print newspapers, we must obtain licenses, permits and approvals for our printing facilities. We cannot assure you that we will be able to obtain and comply with all necessary licenses, permits and approvals for our printing facilities. Under applicable laws, in the event of default by us, certain adverse consequences such as impostion of penalties, revocation or termination of a license or suspension of a license, may occur. Our business might suffer in case there are adverse changes to the regulatory framework, which could include new regulations that we are unable to comply with or those that allow our competitors an advantage. If we cannot comply with all applicable regulations, our business prospects and results of operations could be adversely affected.

Our contingent liabilities could adversely affect our financial condition.

As of December 31, 2004, our contingent liabilities not provided for comprised the following:

a)	Bank Guarantees given by our Company and the Subsidiary	: Rs. 0.08 million
b)	Claims against our Company and the Subsidiary not acknowledged as debts	
	• We have received a demand of sales tax for the leased assets from the lessor and the same is disputed by us.	: Rs. 0.17 million
	• The Subsidiary has filed a petition before the Patna High Court against an initial claim for additional contribution of Rs. 7.34 million made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Subsidiary has furnished a bank guarantee amounting to Rs. 1.25 million to ESIC and the Patna High Court has stayed the matter.	: Rs. 7.34 million
c)	In respect of various labour cases pending	: Amount not ascertainable

If these contingent liabilities materialise, fully or partly, our financial condition could be adversely affected.

Exchange rate fluctuations may adversely affect our financial performance.

As a large media company, we are exposed to exchange rate risk. Newsprint, which is an essential to printing our papers, is priced in US dollars and many of our capital expenditures for printing presses and other machines are priced in foreign currencies, in particular US dollars and Euros. We

enter foreign exchange forward and derivative contracts from time to time to hedge a portion of our foreign exchange exposure in respect of our imports of newsprint and machines. In addition, we may enter into foreign currency derivative transactions in respect of our borrowings from time to time. Adverse movements in foreign exchange rates may adversely affect our results of operations and financial condition.

Our exposure to interest rates may adversely affect our financial performance

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

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

The Business Purchase Agreements provide that HTL's liabilities arising from litigation, except defamation cases, in relation to the media business, shall be transferred to our Company. The disclosures relating to our Company's litigation, includes such litigation filed against HTL and transferred to our Company pursuant to the Business Purchase Agreement.

There are 52 criminal defamation cases pending against some of our editors, publishers, printers, reporters and correspondents of our various publications, in various courts in India. These cases include cases filed against some of the editors, publishers, printers, reporters and correspondents prior to the transfer of the media business in terms of the Business Purchase Agreements from HTL to us. The same are now being dealt with by us. These cases, being criminal cases, have been filed against individuals who have been or are associated with our publications, at the time of the alleged defamation. Any liability in these matters will accrue to the individuals against whom the cases have been filed. There are six other criminal cases, excluding criminal defamation cases pending before various courts in India. There are five contempt petitions pending before various courts in India.

A notice has been served on HTL by the Employee State Insurance Corporation for approximately Rs.2.6 million. Seven complaints have been filed against us with the Press Council of India, a statutory authority constituted under the Press Council Act, 1978.

There is one public interest litigation pending.

There are 72 cases and claims relating to labour and service matters, which have been filed by trade unions, employees and contract labourers employed by contractors. The total amount of claims in cases where financial claims have been made aggregates to approximately Rs. 3.3 million. In these cases, claims have been raised for *inter alia*, damages, compensation, reinstatement in service with payment of back wages, etc.

There are eight consumer complaints pending in various district, state and national consumer dispute redressal forums in India alleging unfair trade practice and deficiency of service. The total amount of claims aggregates to approximately Rs. 2.0 million.

There are 26 pending civil defamation suits. Some of these were filed against HTL or our editors, publishers, printers, reporters and correspondents prior to the transfer of the media business to us through the Business Purchase Agreements. The aggregate of claims in these cases is Rs. 769.4 million. There are 11 civil suits, other than suits in relation to civil defamation, pending before various Indian courts. The aggregate of claims in these cases is approximately Rs. 32.9 million.

There are five claims pending before the Motor Accident Claims Tribunals for an aggregate amount of Rs. 3.5 million. These cases have been filed in relation to accidents in which our vehicles and employees were involved.

Apart from the cases mentioned above, there are certain other pending cases. An aggregate amount of Rs. 50,000 has been claimed in these cases.

In a suit filed by HTL before the Delhi High Court against the Hindustan Times Employees Union seeking an injunction to, *inter alia*, restrain the office bearers of the trade union from going on strike (CS (OS) 955 of 2004), a counter claim has been filed by the union seeking to restrain HTL from transferring the printing undertaking at Hindustan Times House, Kasturba Gandhi Marg, New Delhi and also to continue to provide work to members of the trade union. The matter is currently pending disposal before the Delhi High Court.

For further details of the cases mentioned above, see section titled "Outstanding Litigation and Material Developments" on page 164 of this Draft Red Herring Prospectus.

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

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of equity or equity-linked securities in our Company may dilute the positions of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. Although our Promoter and significant shareholders are subject to a lock-in, sales of a large number of our Equity Shares by our Promoter and significant shareholders after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. For further details on the lock-in of Equity Shares, see section titled "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus.

We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of the Fresh Issue.

We intend to use the net proceeds of the Fresh Issue for capital expenditure, sales and marketing, radio services and general corporate purposes. For further details, see section titled "Objects of the Issue" on page 25 of this Draft Red Herring Prospectus. We have not entered into any definitive agreements to utilize substantial portion of the net proceeds for radio services, sales and marketing and general corporate purposes. There can be no assurances that we will be able to conclude such definitive agreements on terms acceptable to us. Pending any use of the net proceeds of the Fresh Issue, we intend to invest the funds in high quality, interest and dividend bearing liquid instruments including deposits with banks. These investments will be authorized by our Board or a duly authorized committee thereof. These proposed expenditures have not been appraised by any bank or financial institution.

Our Promoter incurred losses during fiscal 2002.

Our Promoter incurred losses amounting to Rs. 307.4 million during fiscal 2002. For more information on the financial performance of our Promoter, see section titled "Our Promoters, Subsidiary and Group Companies" beginning on page 83 of this Draft Red Herring Prospectus.

Equity shares of our listed group companies are infrequently traded.

During the last five years, the equity shares of our listed group companies have been infrequently traded. For more information on our group companies, see section titled "Our Promoters, Subsidiary and Group Companies" beginning on page 83 of this Draft Red Herring Prospectus.

Our sub contractors are yet to apply for and/ or we and/or our sub contractors are yet to receive consents/renewals of certain statutory approvals required in the ordinary course of our business, and if we and/ or our franchisees are unable to obtain these approvals, our business could be adversely affected.

We have applied for but are yet to receive consents under the Air Act and Water Act in respect of our units at Patna, Jamshedpur, Dhanbad, Lucknow, Greater Noida, Gurgaon and New Delhi and under the Water Act for Ranchi.

Our sub contractors in Muzaffarpur, Bhagalpur, Varanasi have applied but are yet to receive consents under the Air Act and the Water Act and our unit in Bhopal and sub contractor in Jaipur are yet to apply for such consents.

Renewals of licences under the Factories Act, 1948 have been applied for but are yet to be obtained in respect of our units at Dhanbad, Mohali and New Delhi and our sub contracted unit in Muzaffarpur. Our license under the Factories Act, 1948 for our Kolkata unit is in the name of Texmaco Limited, which is the lessor of the factory. Such license has been applied for in the name of the lessor and yet to be received.

Renewals of registrations under the Contract Labour (Regulation and Abolition) Act, 1970 have been applied for but are yet to be obtained in respect of our units at Gurgaon, Lucknow and Mohali. Renewals of registrations under the Central Sales Tax Act, 1956 have been applied for but are yet to be obtained in respect of our units at Jamshedpur and Dhanbad. Renewal of local sales tax registrations have been applied for but are yet to be obtained in respect of our units at Ranchi, Jamshedpur and Dhanbad.

Applications have been made but not received for registration under the Finance Act, 1994 for payment of service tax in respect of our units at Ranchi, Jamshedpur and Dhanbad.

Registrations under local legislations applicable for shops and establishments have not been received in respect of our unit at Kolkata.

We have no control over our sub contractors with respect to their legal obligations to apply for statutory approvals. However, in our franchisee agreements with such sub contractors, the sub contractors indemnify for any losses incurred in this regard. However, failure to obtain any of the foregoing approvals may adversely affect our business.

For details of the same, see section titled “Government Approvals” on page 182 of this Draft Red Herring Prospectus.

Our principal place of business are located in premises in which we do not have rights in immovable property

Our principal business headquarters are located at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001, India. We neither own nor lease the principal business headquarters and we occupy these premises and utilize certain other facilities under an agreement with our Promoter dated March 5, 2004 which expires on March 4, 2009. For further details see section titled “Our Business” on page 41 of this Draft Red Herring Prospectus.

External Risk Factors

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

Foreign investment in the print media industry is regulated by the Government of India through the FIPB and the MIB. The Industrial Policy, 1991 and/ or the MIB Guidelines specify that FDI of up to 26% is permitted with prior permission of the Government of India in entities publishing newspapers and periodicals dealing in news and current affairs. Such investment would be permissible by foreign entities having sound credentials and international standing subject to, *inter alia,* certain conditions such as keeping editorial and management control in the hands of resident Indians. Permission is granted by the MIB, upon application, only where the equity held by the largest Indian shareholder is at least 51% of the total equity shares, excluding the equity held by Public Sector Banks and Public Financial Institutions, in such entity. Further, there is a requirement that 50% of the FDI has to be inducted by the issue of fresh equity shares. The permission of the MIB is incumbent, *inter alia*, upon:

(1) At least 3/ 4th of the directors on the board of directors of such Indian entity and all the key executives and editorial staff being resident Indians.

(2) Complete disclosures to be made by the applicant and such Indian entity at the time of making the application regarding any shareholders’ agreements and/ or loan agreements that are finalized or proposed to be entered into.

(3) The articles and memorandum of association of such Indian entity shall reflect compliance with the above provisions.

It is obligatory on the part of such Indian entity to take prior permission from the MIB before effecting any alteration in the foreign shareholding pattern and the shareholding of the largest Indian shareholder. For further details see section titled "Regulations and Policies" on page 65 of this Draft Red Herring Prospectus.

This regulation limits our ability to seek and obtain additional equity investments from foreign investors, which may adversely affect our ability to raise capital.

In accordance with extant regulations, this Issue is not being made to any other jurisdictions other than India. Consequently, only resident Indians are allowed to participate in the Issue. Non-Residents/ NRIs/ FIIs/ FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in this Issue. For details see "Issue Procedure—Who can Bid" on page 209 of this Draft Red Herring Prospectus. These restrictions prohibit foreign investors to invest and trade in our Equity Shares, which may adversely affect the value of our Equity Shares traded on the Stock Exchanges.

Changes in the foreign exchange regulations resulting in entry of foreign competitors or infusion of additional capital in our competitors may adversely affect our business.

Further, any revisions to the prevalent foreign exchange regulations in the newspaper industry may result in the entry of foreign competitors or the infusion of additional capital into our competitors thereby increasing a possibility of loss of market share and consequent decline in revenue.

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

The Indian economy has shown sustained growth over the last few years with GDP growing at 8.5% in fiscal 2004, 4.0% in fiscal 2003 and 5.8% in fiscal 2002. Industrial growth was 6.6% in fiscal 2004 compared with 6.2% in fiscal 2003 and 3.5% in fiscal 2002. In its mid-term review of annual policy published on October 26, 2004, the RBI reduced its GDP growth forecast for fiscal 2005 from 6.5-7.0% to 6.0-6.5% as a result of a decline in agricultural growth because of insufficient rainfall, and increased its inflation rate forecast from 5.0% to 6.5%. Any slowdown in the Indian economy could adversely affect advertising spend by our customers and could adversely affect our financial performance.

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

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

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

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example, as a result of drought conditions in the country during fiscal 2003, the agricultural sector recorded a negative growth of 5.2%. The erratic progress of the monsoon in 2004 has also adversely affected sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Terrorist attack, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks, such as the ones that occurred in New York and Washington, D.C. on September 11, 2001, New Delhi on December 13, 2001, Gandhinagar in Gujarat on September 24, 2002, Bali on October 12, 2002 and Mumbai on August 25, 2003 and other acts of violence or war may negatively affect the Indian markets and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence and make other services more difficult and ultimately adversely affect our business.

After the December 13, 2001 attack in New Delhi and a terrorist attack on May 14, 2002 in Jammu, India, diplomatic relations between India and Pakistan became strained and there was a risk of intensified tensions between the two countries. The Governments of India and Pakistan have recently been engaged in conciliatory efforts. However, any deterioration in relations between Indian and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or in government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to rise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance our ability to obtain financing for capital expenditures, and the price of our Equity Shares.

Notes:

- The net worth of our Company as of December 31, 2004 is Rs. 3,833.20 million based on consolidated financial statements of our Company.
- Public issue of [•] Equity Shares of Rs. 10 each at a price of Rs. [•] for cash aggregating upto Rs. [•].
- The average cost of acquisition of Equity Shares by our Promoters is Rs.60.58 per Equity Share and the book value per Equity Share as of December 31, 2004 was Rs. 95.97 per Equity Share.
- Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.
- Investors are advised to refer to the section titled "Basis for Issue Price" on page 29 of this Draft Red Herring Prospectus.
- Refer to the notes to our financial statements relating to related party transactions in the section titled "Consolidated Financial Statements - Related Party Transactions" on page 147 of this Draft Red Herring Prospectus for related party transactions.

Investors should note that in case of oversubscription in the Issue, Allotment will be made on a proportionate basis to Retail Individual Bidders and Non-Institutional Bidders. See paragraph titled "Basis of Allocation" on page 226 of this Draft Red Herring Prospectus.

SUMMARY

The following summary is qualified in its entirety by the more detailed information and the financial statements of the Company that appear elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, all financial and other data regarding our business and operations presented in this Draft Red Herring Prospectus are presented on a consolidated basis.

We are India's second largest print media company in terms of circulation of daily newspapers and our brand "Hindustan Times" is one of India's most well recognized media brands. *Hindustan Times* was started in 1924 and it has an 80-year history as one of India's leading newspapers. We have two daily newspapers, *Hindustan Times* in English and *Hindustan* in Hindi. Net paid sales of our two newspapers were approximately 2.17 million copies per day according to ABC certified figures for July-December 2004, with a total readership of approximately 11.47 million readers per day according to IRS 2005 Round 1.

We publish *Hindustan Times* in five editions: New Delhi; Lucknow; Patna; Ranchi; and Kolkata. The New Delhi edition is also printed in Mohali, Bhopal and Jaipur. According to ABC certified figures for July-December 2004, *Hindustan Times* had net paid sales of 1.19 million copies per day and had the largest circulation among English dailies in Delhi, in the areas neighbouring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, Madhya Pradesh (MP) and Bihar.

We publish *Hindustan* in four editions: Patna, Ranchi, Lucknow and Delhi. According to ABC certified figures for July-December 2004, *Hindustan* had net paid sales of 0.98 million copies per day and is the third largest circulated Hindi daily in India.

In addition to our newspapers, we have a leading news Internet site *www.hindustantimes.com*, and we also publish two Hindi magazines, the *Nandan* and *Kadambini*.

We strive to maintain strong journalistic integrity and high editorial standards through our editorial and reporting staff, which consisted of approximately 1100 persons at March 31, 2005, and a sizeable team of freelancers (called stringers).

We print our newspapers from 16 facilities with a total installed capacity of approximately 1.5 million copies per hour. Our state-of-the-art facility printing facility at Greater Noida became fully operational in March 2005. This facility is now our primary printing facility. As of December 31, 2004, we had incurred capital expenditure of Rs. 2,048.3 million on this facility and we expect the total cost of this facility will be approximately Rs. 2,520.0 million. We distribute our newspapers through a multi-tiered network of agents and vendors.

As of December 31, 2004, our total assets were Rs. 6,815.1 million and for the nine months from April 1, 2004 to December 31, 2004, our total revenues were Rs. 4,737.7 million and our net profit after tax was Rs. 182.1 million.

Our advertisement revenue constitutes a substantial portion of our total income. For the nine months ended December 31, 2004, advertisement revenue constituted 79% of our total income.

As part of our strategy to grow our newspapers' national footprint, we plan to launch *Hindustan Times* in the Mumbai market in the middle of 2005. Mumbai is the largest print media market in terms of ad-spend.

Our business operated as a division of Hindustan Times Limited (HTL) until transferred to HTML pursuant to a Business Purchase Agreement effective as of July 1, 2003. For further information, see "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus. Our promoter HTL currently owns 77.11% of our Equity Shares, and HPC and Citicorp each own 15.83% and 7.06% of our Equity Shares, respectively.

Our Competitive Strengths

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

Strong National Brand

Our "Hindustan Times*"* brand is one of the leading media brands in India. We believe that our brand commands respect and creditability and offers us competitive advantages when entering new markets like Mumbai.

Leading Print Media Company

As a leading Indian print media company, we believe that we attract higher ad-spend, better rates and more attractive business arrangements than many of our competitors. According to ABC certified figures for July-December 2004, *Hindustan Times* had the largest circulation among English dailies in Delhi, in the areas neighbouring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, MP and Bihar. We believe that our leadership position in Delhi is particularly important in attracting advertisers, as Delhi and Mumbai are the critical markets for most national advertising campaigns. Delhi also has the second highest ad-spend in India for print media.

Editorial Excellence; Experienced, Analytical and Creative Teams

Our newspapers are recognized for their superior editorial content and for our unbiased and independent reporting. Both *Hindustan Times* and *Hindustan* benefit from an India-wide network of journalists, which are led by distinguished editorial teams.

Professional Management

We have an executive management team that has a blend of media industry experience and professional expertise drawn across different industries

Experience in Launching Our Newspapers in New Markets

We have successfully launched our newspapers in markets such as Bihar, Uttar Pradesh and Mohali and surrounding areas, quickly gaining strong market shares in these areas. As a result of our entry into these markets, we have gained valuable insights into the factors that are critical to developing and executing a strategy to enter new geographies and building newspaper circulation and readership as well as attracting advertising revenue. We believe this experience will be invaluable to the launch of the Mumbai edition of *Hindustan Times*.

Large-Scale Operations

Due to the large size of our print media business, we are able to benefit from economies of scale, which includes the productivity of our large printing facilities, the nation-wide coverage of our editorial and marketing teams, favourable newsprint supply contracts and a scalable IT infrastructure. In addition, we benefit from the ability to leverage our advertising relationships across geographies and to leverage these relationships when expanding into new markets.

Modern and Advanced Printing and Technology Infrastructure

We have printing facilities in 16 locations in India, including a new state-of-the-art facility in Greater Noida. Our pre-press and printing infrastructure employs modern printing technology. In addition, we have invested in our IT infrastructure (hardware and software) to improve our business efficiency, enhance productivity and produce quality newspapers.

Our Strategy

Our goal is to further strengthen our position as one of India's leading print media companies and to grow a national footprint to complement our national brand. In the long-term, we seek to become a leading media company, leveraging our strong newspaper business as a foundation for growth into other media sectors. To achieve these goals our business strategy emphasises the following elements.

Mumbai Market Entry

We plan to launch our *Hindustan Times* Mumbai edition in mid-2005. Entry into the Mumbai market is a key step for us to grow our national footprint and exploit the most lucrative advertising market in India.

The Mumbai market has the largest share of print media advertising expenditure in India, but currently is dominated only by a single newspaper. We believe that our entry into Mumbai will provide advertisers and readers with a compelling alternative. In addition, the combined Delhi and Mumbai advertising markets constitute a very large share of national advertising expenditure. By combining our leading presence in Delhi and other key markets with our Mumbai launch, we believe that we have an opportunity to capture a greater share of national ad-spend.

We intend to offer a premium newspaper in Mumbai with differentiated and superior content tailored to reader groups that are targeted by our advertisers. We are planning a comprehensive marketing campaign to build the circulation of our edition in Mumbai.

Given our existing capabilities, brand recognition, leadership position in Delhi and strong relationships with advertisers, we believe that we are well positioned to succeed in the Mumbai market.

Improving our Leadership Positions

In our traditional strongholds like Delhi and Bihar, we seek to optimise our readership mix and demographics to continue to attract high-quality advertisers. We also are investing in continuous product quality improvements and creating value for our advertisers by expanding our reach to emerging market segments. In newer markets like Mohali, Punjab and Uttar Pradesh, we seek to continuously improve our market share and to convert readership into increased advertising revenues.

Increasing our Share of the Hindi Print Market

We intend to aggressively look for opportunities to expand the footprint of *Hindustan*, especially in high growth regions and locations, which provide synergies to our existing editions. We are also focusing marketing efforts in our existing markets to capture further advertising revenue for our all editions of *Hindustan*.

Entering New Media Businesses

We will selectively consider entering into complementary newspaper and print media businesses where we can either leverage our brand, our existing advertising customer base or both. We are considering a variety of business opportunities including launching a business/financial newspaper and other English editions in key high-growth markets in southern India and periodicals targeted to niche readership markets.

In addition, to further our goal to develop into a leading media business, we will explore other opportunities in the Indian media sector For example, in December 2004, we entered into a memorandum of understanding with Virgin Radio Asia to provide FM radio services in India with the expected change in the regulatory environment.

THE ISSUE

Issue:	
Which comprises a:	
Fresh Issue:	4,640,000 Equity Shares.
Offer for Sale by the Selling Shareholder:	2,355,000 Equity Shares.
Total:	6,995,000 Equity Shares.
Of which:	
Qualified Institutional Buyers Portion:	At least 4,197,000 Equity Shares (allocation on discretionary basis).
Non-Institutional Portion:	Up to 699,500 Equity Shares (allocation on proportionate basis).
Retail Portion:	Up to 2,098,500 Equity Shares (allocation on proportionate basis).
Green Shoe Option Portion[1]	Upto 696,000 Equity Shares
Equity Shares outstanding prior to the Issue:	41,753,900 Equity Shares.
Equity Shares outstanding post the Issue (excluding the Green Shoe Option):	46,393,000 Equity Shares.
Equity Shares outstanding post the Issue (including the Green Shoe Option):	47,089,900 Equity Shares.
Objects of the Issue:	See the section entitled "Objects of the Issue" on page 25 of this Draft Red Herring Prospectus. The Company will not receive any proceeds from the Offer for Sale or from the sale of any Equity Shares pursuant to the exercise of the Green Shoe Option.

(1) The Green Shoe Option will be exercised at the discretion of the BRLM and the Company only with respect to the Loaned Shares, who as the Green Shoe Lender has agreed to lend upto 696,000 Equity Shares to the Stabilising Agent, in the event that the Green Shoe Option is exercised by the Stabilising Agent.

GREEN SHOE OPTION

We propose to avail of an option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the BRLM, in order to operate a post listing price stabilising mechanism, in accordance with the SEBI Guidelines i.e. the Green Shoe Option. Our shareholders at the extraordinary general meeting held on March 15, 2005 have authorized the Green Shoe Option.

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

Our Promoter has agreed to lend the Loaned Shares to the Stabilising Agent for the purposes of effectuating the Green Shoe Option. .

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

On April 21, 2005, we have entered into a stabilisation agreement with the Green Shoe Lender and the Stabilisation Agent for the exercise of the Green Shoe Option on the terms and conditions detailed therein.

The terms of the Stabilisation Agreement provide that:

1. **Stabilisation Period**

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

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

3. Decision regarding Exercise of Green Shoe Option

- **(i)** Post the Bid/ Issue Closing Date, the Company in consultation with the BRLM shall take a decision relating to the exercise of the Green Shoe Option.
- **(ii)** In the event, it is decided that the Green Shoe Option shall be exercised, the Company in consultation with the Stabilising Agent, shall make overallotment of as per the procedure detailed below.

4. Procedure for Over Allotment and Stabilisation

- (i) The allotment of the Over Allotment Shares shall be done pro rata with respect to the proportion of Allotment in the Issue to various categories.
- (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Issue Account and shall be used only for the purpose of buying shares from the

market during the Stabilisation Period for the stabilization of the post listing price of the Equity Shares.

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

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

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

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

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

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

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

5. **GSO Bank Account**

The Stabilising Agent shall remit from the GSO Bank Account to the Green Shoe Lender, an amount, in Rupees, equal to the number of Equity Shares allotted by us to the GSO Demat Account at the Issue Price. The amount left in this account, if any, after this remittance and deduction of expensesand net of taxes, if any, , shall be transferred to the investor protection fund of the Stock Exchanges in equal parts. Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) of clause 4 or the procedure for over allotment and stabilisation or transfer for the Green Shoe Option, the GSO Bank Account shall be closed by the Stabilising Agent.

6. **Reporting**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. **Fees and Expenses**

(i) The Company shall pay to Green Shoe Lender a fee of Re.1.

(ii) The Company will pay the Stabilising Agent a fee of Rs. 10 plus service tax for providing the stabilising services.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary financial statements are based on our consolidated financial statements. For details see section titled "Financial Statements" beginning page 92 of this Draft Red Herring Prospectus.

Summary Statement Of Profit And Loss Account

		Amount (Rs in Million)
Particulars	**Nine months period ended 31-Dec-04**	**Nine months period ended 31-Mar-04**
INCOME		
Turnover		
Advertisement Revenue	3,688.21	3,282.29
Sale of Publications	944.83	836.71
Sale of waste paper and scrap	43.55	45.87
Total	**4,676.59**	**4,164.87**
Other Income	61.16	52.91
Total Income	**4,737.75**	**4,217.78**
EXPENDITURE		
Raw Materials Consumed	2,181.07	1,941.96
Employee Cost	625.63	611.34
Other Manufacturing Costs	505.41	539.05
(Increase)/Decrease in Inventories	(1.64)	0.49
Selling and Distribution Costs	402.10	464.30
Administrative and Other Costs	416.25	464.04
Total Expenditure	**4,128.82**	**4,021.18**
Profit (EBITDA)	**608.93**	**196.60**
Interest Charges	45.53	53.24
Profit before Depreciation, Exceptional Item and Tax	**563.40**	**143.36**
Depreciation/amortization	162.97	159.50
Profit/(Loss) before Exceptional Item and Tax	**400.43**	**(16.14)**
Exceptional Item (Separation scheme compensation)	105.79	19.71
Profit/(Loss) before Tax	**294.64**	**(35.85)**
Current Tax Expense	14.95	0.06
Taxes for earlier years	0.58	(0.38)
Deferred Tax charge/(credit)	97.01	(9.87)
Net Profit/(Loss) for the period	**182.10**	**(25.65)**
Add: Pre-Acquisition losses adjusted against goodwill	-	0.67
Less: Share of minority interest in profits	(0.01)	(0.01)
Brought Forward (Loss) from Previous Period	(24.99)	-
Profit/(Loss) carried to Balance Sheet	**157.10**	**(24.99)**

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Amount (Rs in Million)

As at	December 31, 2004	March 31, 2004
APPLICATION OF FUNDS		
Fixed Assets:		
Gross Block	1,885.37	1,681.68
Less: Depreciation	293.88	161.31
Net Block	1,591.49	1,520.37
Capital work in progress including capital advances	1,938.49	1,390.81
Expenditure during construction period (Pending Allocation)	106.95	29.16
	3,636.93	2,940.34
Goodwill (net of amortisation)	17.95	21.79
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	159.14	168.92
Total	**3,814.02**	**3,131.05**
Investments:	**1,013.67**	**350.23**
Current Assets, Loans and Advances:		
Inventories	587.37	568.60
Sundry Debtors	963.81	1,037.16
Cash & Bank Balances	337.77	617.52
Loans and Advances	98.52	122.74
Total (A)	**1,987.47**	**2,346.02**
Current Liabilities and Provisions:		
Current Liabilities	1,111.20	1,080.44
Provisions	32.58	26.39
Total (B)	**1,143.78**	**1,106.83**
Net Current Assets (A-B)	**843.69**	**1,239.19**
Miscellaneous Expenditure	**-**	**-**
Total	**5,671.38**	**4,720.47**
SOURCES OF FUNDS		
Deferred Tax Liabilities/(Assets)	86.53	(10.48)
Minority Interest	0.12	0.10
Loan Funds	**-**	**-**
Secured Loans	1,751.53	1,875.41
Total	**1,838.18**	**1,865.03**
Net worth	**3,833.20**	**2,855.44**
Represented by		
Equity Share Capital	407.81	371.43
Preference Share Capital	200.00	100.00
Share Premium Account	3,068.29	2,409.00
Profit & Loss Account	157.10	(24.99)
Net worth	**3,833.20**	**2,855.44**

GENERAL INFORMATION

Registered Office of our Company

HT Media Limited,
Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi, India.
Registration number: 55117874.

Our Company is registered at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana, located at Pariyavaran Bhawan, CGO Complex, New Delhi 110 003.

Board of Directors

The following persons constitute our Board of Directors:

1. Dr. K. K. Birla.
2. Mrs. Shobhana Bhartia.
3. Mr. Y. C. Deveshwar.
4. Mr. K. N. Memani.
5. Mr. Sanjiv Kapur.
6. Mr. Ajay Relan.
7. Mr. N. K. Singh.
8. Mr. S. M. Agarwal.
9. Mr. Shamit Bhartia.

For further details of our Chairman, the Vice-Chairperson and Editorial Director and whole-time director, see to the section titled “Our Management” on page 73 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. V. K. Charoria,
General Manager (Corporate Affairs & Taxation)
& Company Secretary,
Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi, 110 001.
Tel: +91 11 5556 1206.
Fax: +91 11 2373 8887.
E-mail: ipo@hindustantimes.com

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

Book Running Lead Manager

Kotak Mahindra Capital Company Limited,
Bakhtawar, 3rd Floor,
229, Nariman Point,
Mumbai 400 021, India.
Tel. : +91 22 5634 1100.
Fax. : +91 22 2284 0492.
Contact person: [•]
E-mail: ht.ipo@kotak.com
Website: www.kotak.com

Syndicate Member

Kotak Securities Limited,
Bakhtawar, 1st Floor,
229, Nariman Point,
Mumbai 400 021, India.
Tel. : +91 22 5634 1100.
Fax. : +91 22 5630 3927.
Contact person: [•]
E-mail: [•]
Website: www.kotak.com

Legal Advisors

Domestic Legal Counsel to the Company

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

International Legal Counsel to the Issue

Coudert Brothers,
39th Floor, Gloucester Tower,
The Landmark,
11, Pedder Street, Central,
Hong Kong.
Tel: + 852 2218 9100.
Fax: + 852 2218 9200.
E-mail: chrismanj@coudert.com

Registrar to the Issue

Karvy Computershare Private Limited,
Karvy House, 46, Avenue 4,
Street no.1,
Banjara Hills,
Hyderabad, 500 034.
Tel: +91 40 2343 1546/ 49.
Fax: +91 40 2343 1551.
Contact Person: Mr. M. Murlikrishna.
E-mail: htmedia.ipo@karvy.com
Website: www.karvy.com

Banker to the Issue and Escrow Collection Banks

[•]

Auditors

S.R. Batliboi & Co.,
B-26, Qutab Institutional Area,
New Delhi, 110 016.

Tel: +91 11 2661 1004.
Fax: +91 11 2661 1012.
E-mail: ey.ind@in.ey.com
Website: www.ey.com/ india

Bankers to the Company

Punjab National Bank,
A-9 Connaught Circus,
Inner Circle,
New Delhi 110 001.
Tel: [●].
Fax: [●].
E-mail: manoj_1608@rediffmail.com

Central Bank of India,
Jeevan Tara Building,
Parliament Street,
New Delhi 110 001.
Tel: [●].
Fax: [●].
E-mail: agmdela@centralbank.co.in

State Bank of Patiala,
Chandralok Building,
II Floor, 36, Janpath,
New Delhi 110 001.
Tel: [●].
Fax: [●].
E-mail: scdhavan@yahoo.com

Jammu and Kashmir Bank Limited,
8, Local Shopping Centre,
H Block Market,
Sarita Vihar,
New Delhi 110 044.
Tel: [●].
Fax: [●].
E-mail: sarita@jkmail.com

Corporation Bank,
HT House, 10th Floor,
18-20, Kasturba Gandhi Marg,
New Delhi 110 001.
Tel: [●].
Fax: [●].
E-mail: cb447@corpban.co.in

ABN AMRO Bank,
DLF Centre,
Sansad Marg,
New Delhi 110 001.
Tel: [●].
Fax: [●].
E-mail: abhishek.jain@in.abnamro.com

Statement of responsibilities for the Issue

No	Activities	Responsibility & Coordinator
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	KMCC
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and of statutory advertisement including memorandum containing salient features of the Red Herring Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Red Herring Prospectus and Prospectus and RoC filing.	KMCC
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	KMCC
4.	Appointment of other intermediaries viz., Registrar(s), printers, advertising agency and Escrow Bankers to the Issue	KMCC
5.	Marketing Strategy: Institutional marketing strategy: Finalise the list of investors for one to one meetings and conduct management road shows. Retail/ Non-Institutional marketing strategy: Finalise centres for holding conference for brokers etc. and follow up on distribution of publicity and issue materials including form, prospectus and deciding on the quantum of the Issue material	KMCC
6.	Pricing and QIB allocation, in consultation with the Company.	KMCC
7.	The post bidding activities, including management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc.	KMCC
8.	The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of trading and dealing of instruments and dispatch of certificates and demat of delivery of shares, with the various agencies connected with the work such as the Registrar(s) to the Issue and Escrow Bankers to the Issue. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholder.	KMCC

Credit Rating

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

Trustees

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

Book Building Process

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

The principal parties involved in the Book Building Process are:

1. The Company;

2. The Selling Shareholder;
3. The Book Running Lead Manager;
4. The Syndicate Member, who is an intermediary registered with SEBI or registered as a broker with NSE/ BSE and eligible to act as underwriters. The Syndicate Member is appointed by the BRLM; and
5. The Registrar to the Issue.

This being an Issue for less than 25% of the post–Issue capital, the securities are being offered to the public through the 100% Book Building Process in accordance with the SEBI Guidelines read with Rule 19 (2)(b) of the SCRR, wherein: (i) at least 60% of the Issue to the public shall be allocated on a discretionary basis to QIBs (ii) not more than 10% of the Issue to the public shall be available for allocation on a proportionate basis to the Non-Institutional Bidders, and (iii) not more than 30% of the Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price in accordance with the Red Herring Prospectus.

In accordance with the provisions of the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. For further details see section titled “Terms of the Issue” on page 207 of this Draft Red Herring Prospectus.

Our Company shall comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed Kotak Mahindra Capital Company Limited as the Book Running Lead Manager to manage the Issue and to procure the subscriptions to the Issue.

The process of Book Building is relatively new and the investors are advised to make their own judgment about investment through this process of Book Building prior to making a Bid.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	27.77%
1000	23	1500	83.33%
1500	22	3000	166.67%
2000	21	5000	277.78%
2500	20	7500	416.67%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off i.e., Rs. 22 in the above example. The issuer, in consultation with the book running lead manager(s), will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken for Bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" on page 209 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN to the Bid cum Application Form (see section titled "Issue Procedure —'PAN' or 'GIR' Number" on page 222 of this Draft Red Herring Prospectus).
4. If you are a body corporate making a Bid, please ensure that you provide your UIN in the Bid cum Application Form. (see section titled "Issue Procedure — Unique Identification Number" on page 223 of this Draft Red Herring Prospectus).
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Underwriting Agreement

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

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

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Kotak Mahindra Capital Company Limited Bakhtawar, 3rd Floor, 229, Nariman Point, Mumbai 400 021, India	[•]	[•]
Kotak Securities Limited Bakhtawar, 1st Floor, 229, Nariman Point, Mumbai 400 021, India	[•]	[•]

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

In the opinion of the Board of Directors (based on certificates dated [•] given to them by the BRLM and the Syndicate Member), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to the extent of the defaulted

amount. Allocation to QIBs is discretionary as per the terms of this Draft Red Herring Prospectus and may not be proportionate in any way and the patterns of allocation to the QIBs could be different for the various Underwriters.

CAPITAL STRUCTURE

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

(Rs. in million, except share data)

		Aggregate nominal value	Aggregate Value at Issue Price
A.	**Authorised Capital**[1]		
	52,500,000 Equity Shares of Rs.10 each	525.00	
	2,000,000 Preference Shares of Rs.100 each	200.00	
B.	**Issued, Subscribed and Paid-Up Capital before the Issue**		
	41,753,900 Equity Shares of Rs.10 each	417.54	
	2,000,000 Preference Shares of Rs.100 each	200.00	
C.	**Present Issue in terms of this Draft Red Herring Prospectus**		
	(a) Fresh Issue of:		
	4,640,000 Equity Shares of Rs.10 each	46.40	[•]
	(b) Offer for Sale of:		
	2,355,000 Equity Shares of Rs.10 each	23.55	[•]
D.	**Green Shoe Option in terms of this Draft Red Herring Prospectus**		
	Upto 696,000 Equity Shares of Rs.10 each fully paid-up	6.96	[•]
E.	**Equity Capital after the Issue**		
	Exluding Green Shoe option		
	46,393,000 Equity Shares of Rs.10 each fully paid-up	463.93	[•]
	Inluding Green Shoe option		
	47,089,900 Equity Shares of Rs.10 each fully paid-up	470.90	[•]
F.	**Share Premium Account**		
	Before the Issue	3282.90[2]	[•]
	After the Issue	[•]	[•]

[1]*The authorized share capital of our Company was increased from Rs. 10 million divided into 1 million Equity Shares of Rs. 10 each to Rs. 375 million divided into 37.5 million Equity Shares of Rs. 10 each through a special resolution passed by the shareholders of the Company at a general meeting held on January 3, 2004. The authorised capital of the Company was then increased to Rs. 575 million divided into 37.5 million Equity Shares of Rs. 10 each and 2 million Preference Shares of Rs. 100 each through a resolution of the shareholders passed at an extraordinary general meeting held on February 25, 2004. The authorised share capital of the Company was further increased to Rs. 650 million divided into 45 million Equity Shares of Rs. 10 each and 2 million Preference Shares of Rs. 100 each through a resolution of the shareholders passed at an extraordinary general meeting held on October 25, 2004. The authorised share capital of the*

Company was further increased to Rs.725 million divided into 525 million Equity Shares of Rs.10 each and 2 million Preference Shares of Rs.100 each through a resolution of the shareholders passed at an extraordinary general meeting held on March 15, 2005.

[2] *This amount is not inclusive of the adjustments for the expenses pertaining to issue of Equity Shares and Preference Shares and preliminary expenses aggregating to Rs. 34.38 million as of December 31, 2004. The share premium account in the audited accounts dated March 31, 2005 of our Company is Rs. [●].*

The Selling Shareholder has offered 2,355,000 Equity Shares as part of the Issue. This amounts to approximately 5.6% of the pre-Issue equity capital of the Company.

The Green Shoe Option will be exercised at the discretion of the BRLM and the Company. The Green Shoe Lender has agreed to lend upto 696,000 Equity Shares to the Stabilising Agent, in the event that the Green Shoe Option is exercised by the Stabilising Agent.

Notes to the Capital Structure

1. Share Capital History of our Company:

Equity Share Capital:

Date of Allotment	Number of Equity Shares (of face value of Rs. 10)	Issue Price per share (Rs.)	Face Value per Equity Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
December 3, 2002*	6	10	10	Cash	Subscription on signing of Memorandum of Association	NIL	60
December 3, 2002	49,994	10	10	Cash	Subscription on signing of Memorandum of Association	NIL	500,000
March 9, 2004	29,949,999	51.75	10	Other than cash	In consideration for the transfer of the business undertakings pursuant to the terms of business purchase agreements dated August 15, 2003**.	1,250,412,458	299,999,990
March 9, 2004	1,428,571	175	10	Cash	Allotment to HTL.	1,486,126,673	314,285,700
March 9, 2004	5,714,286	175	10	Cash	Allotment to Henderson[#].	2,428,983,863	371,428,560
November 8, 2004	768,482	195.19	10	Cash	Allotment to HTL.	2,571,299,045	379,113,380
November 8, 2004	511,108	195.19	10	Cash	Allotment to HPC.	2,665,951,135	384,224,460
November 8, 2004	2,357,000	195.19	10	Cash	Allotment to Citicorp.	3,102,443,965	407,794,460
December 9, 2004	1,213	195.19	10	Cash	Allotment to HPC.	3,102,668,600	407,806,590
March 30, 2005	384,241	195.19	10	Cash	Allotment of to HPC.	3,173,826,190	411,649,000

March 30, 2005	589,000	195.19	10	Cash	Allotment to Citicorp.	3,282,903,100	417,539,000

** These Equity Shares were later transferred in the joint names of HTL and Dr. K.K. Birla, HTL and Mr. S.S. Bhartia, HTL and Mrs. Shobhana Bhartia, HTL and Mr. Priyavrat Bhartia, HTL and Mr. S.M. Agarwal and HTL and Mr. Shamit Bhartia on January 14, 2003.*

***We acquired the media business of HTL, our Promoter, through a slump sale on a going concern basis, pursuant to two business purchase agreements, both dated August 15, 2003. The media business comprising the entire printing and publishing undertakings of HTL in all locations except at New Delhi, and the publishing undertaking of HTL at New Delhi, respectively, were acquired by us at a consideration comprising cash and issuance of Equity Shares as stated in therein. For further details, see section titled "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus.*
 # These Equity Shares have been transferred to HPC, which is a wholly owned subsidiary of Henderson.

Preference Share Capital

Date of allotment and date on which fully paid-up.	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Reason for allotment	Cumulative Premium (in Rs.)	Cumulative Preference Share Capital (in Rs. million)
March 9, 2004	1,000,000	100	100	Cash	Allotment to HTL	Nil	100.00
August 4, 2004	1,000,000	100	100	Cash	Allotment to HTL	Nil	200.00

2. **Promoter's Contribution and Lock-in**

(a) Details of Promoter's contribution locked-in for three years is as follows:

Name	No. of Equity Shares (Face Value Rs. 10/ -)	% of Post-Issue paid-up Capital
HTL, if the Green Shoe Option is not exercised.	9,278,780	20%
HTL, if the Green Shoe Option is exercised.	9,417,980	20%

(b) Details of Promoter's contribution locked-in for one year is as follows:

In addition to the lock-in of the Promoter's contribution specified above, the entire pre-Issue issued Equity Share capital of the Company less the number of Equity Shares which are transferred under the Offer for Sale, will be locked-in for a period of one year from the date of Allotment. The total number of Equity Shares, which are locked-in for one year, is [•].

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

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

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

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

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

3. **Shareholding Pattern of our Company**

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

	Pre-Issue		**Post-Issue**	
Name of Shareholders	**Number of Equity Shares**	**Percentage of equity share capital (%)**	**Number of Equity Shares**	**Percentage of equity share capital (%)**
Promoter				
HTL	32,197,052	77.11	[•]	[•]
Other Shareholders				
HPC	6,610,848	15.83	[•]	[•]
Citicorp	2,946,000	7.06	[•]	[•]
Public	Nil	Nil	[•]	[•]
Total	**41,753,900**	**100.00**	**[•]**	**[•]**

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

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

   (a) The top shareholders of our Company as of the date of RoC filing i.e. [•] and ten days prior i.e. [•] are as follows:

Sr. No.	**Name of Shareholders**	**Number of Equity Shares**
1.	HTL	32,197,046
2.	HPC	6,610,848
3.	Citicorp	2,946,000
4.	HTL and Dr. K. K. Birla (joint holders)	1
5.	HTL and Mr. S. S. Bhartia (joint holders)	1
6.	HTL and Mrs. Shobhana Bhartia (joint holders)	1
7.	HTL and Mr. Priyavrat Bhartia (joint holders)	1
8.	HTL and Mr. S. M. Agarwal (joint holders)	1
9.	HTL and Mr. Shamit Bhartia (joint holders)	1

(b) The top shareholders of our Company as of April 21, 2003, i.e. two years prior to RoC filing are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	HTL	49,994
2.	HTL and Dr. K. K. Birla (joint holders)	1
3.	HTL and Mr. S. S. Bhartia (joint holders)	1
4.	HTL and Mrs. Shobhana Bhartia (joint holders)	1
5.	HTL and Mr. Priyavrat Bhartia (joint holders)	1
6.	HTL and Mr. S. M. Agarwal (joint holders)	1
7.	HTL and Mr. Shamit Bhartia (joint holder)	1

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

7. Our Promoter group, or the directors of our Promoter companies or our Directors have not purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI, except that HTL was allotted 768,482 Equity Shares for cash at a price of Rs.195.19 per Equity Share on November 8, 2004 by us.

8. We have not granted any options or issued any shares under any employee stock option or employee stock purchase scheme.

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

10. At least 60% of the Issue shall be available for allocation on a discretionary basis to QIB Bidders, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our sole discretion in consultation with the BRLM.

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

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

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

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

15. As of April 21, 2005, the total number of holders of Equity Shares are 9.

16. We have not raised any bridge loans against the proceeds of the Issue.

17. Except as disclosed in this Draft Red Herring Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

18. An oversubscription to the extent of 10% of the Issue can be retained for purposes of rounding off to the nearest multiple of [●] while finalizing the basis of Allotment.

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

Maximum number of Equity Shares	Upto 696,000 Equity Shares at a price of Rs. [●] per Equity Share aggregating Rs. [●] million representing [●]% of the Issue.
The maximum increase in our equity share capital if we are required to utilise the full over-allotment in the Issue	[●]%
Green Shoe Option Portion	Not more than 15% of the Issue.
Maximum number of Equity Shares that may be borrowed	Upto 696,000 Equity Shares.
Pre-Issue holding of the Green Shoe Lender as of March 31, 2005	32,197,052 Equity Shares representing 77.11% of the pre-Issue share capital of our Company.
Maximum number of Equity Shares that can be lent by the Green Shoe Lender	Upto 696,000 Equity Shares representing [●]% of the pre-Issue share capital of our Company.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the NSE and the BSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.
Rights and obligations of the Stabilising Agent	Open a special bank account under the name of "Special Account for GSO proceeds of HT Media Limited" or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. Open a special account for securities under the name of "Special Account for GSO shares of HT Media Limited" or GSO Demat Account and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account. As per SEBI Guidelines, stabilise the market price of the Equity Shares only in the event of the market price falling below the Issue Price, including determining the price at which Equity Shares to be bought, the timing etc. On exercise of the Green Shoe Option, to request us to issue fresh Equity Shares and to transfer funds from the GSO Bank Account to us for such fresh issue of Equity Shares, within a period of two working days of the close of the Stabilisation Period. On expiry of the Stabilisation Period, to return such number of Equity Shares to the Green Shoe Lender either through

	market purchases as part of stabilising process or through the issue of fresh Equity Shares by us. To submit daily reports to the Stock Exchanges during the Stabilisation Period and final report to SEBI. To maintain a register of its activities and retain for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of BSE and NSE.
Our rights and obligations	On expiry of the Stabilisation Period if Stabilising Agent has not bought the entire number of Equity Shares, which have been over allotted, then such balance number of Equity Shares shall be issued by us to the credit of the GSO Demat Account. If no Equity Shares are bought, then to issue the Equity Shares to the entire extent of over-allotment.
Rights and obligations of the Green Shoe Lender	The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilising Agent/ GSO Demat Account free from all liens, charges and encumbrances. Before the Bid/ Issue Opening Date, to transfer Loaned Shares to GSO Demat account. The Green Shoe Lender will not recall or create lien or encumbrance on the Loaned Shares till the completion of the formalities during the Stabilisation Period.

OBJECTS OF THE ISSUE

Objects of the Fresh Issue

The objects of the Issue are to achieve the benefits of listing and raising capital. We believe that listing our Equity Shares will enhance our visibility and brand name. The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholder.

The main objects clause and objects incidental or ancillary to the main objects in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Fresh Issue.

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

Sr. No.	Proposed Expenditure Program	Estimated Amount (Rs. million)	Estimated Issue Proceeds Utilisation as of March 31 (In Rs. million)	
			2006	2007
1.	Capital expenditure	764.8	764.8	NIL
2.	Sales and marketing	760.0	530.0	230.0
3.	Radio services	100.0	100.0	NIL
4.	General corporate purposes	[•]	[•]	NIL
5.	Issue expenses	[•]	[•]	NIL
	Total	**[•]**	[•]	230.0

The net proceeds of the Issue after deducting underwriting and management fees, selling commissions, and all other Issue expenses payable by us are estimated at approximately Rs. [•] million.

I. Capital Expenditure:

We intend to use the net proceeds for the following capital expenditures relating to our existing operations and for establishing our Mumbai operations:

A. **Our Mumbai operations:** As discussed in the section titled "Our Business" on page 41 of this Draft Red Herring Prospectus, we are launching the Mumbai edition of *Hindustan Times* in mid 2005. The same will entail a capital expenditure amounting to Rs. 500 million including the expenditure incurred amounting to Rs. 126.2 million as of March 31, 2005 (as certified by M/ s. Anil Ajay & Co). This expenditure is proposed to be financed through the net proceeds of the Fresh Issue, the details of which are as follows:

Sl. No.	Expenditure on	Capital expenditure (Rs. in million)	
		Already incurred upto Fiscal 2005	Anticipated in Fiscal 2006
1.	Land	53.3	NIL
2.	Machines including stackers, registration system, CTP.	4.3	166.3
3.	Press Building.	68.6	97.4
4.	Office renovation.	Nil	25.0

Sl. No.	Expenditure on	Capital expenditure (Rs. in million) Already incurred upto Fiscal 2005	Anticipated in Fiscal 2006
5.	Infrastructure for Information technology.	Nil	75.1
6.	Contingency for capital expenditure	Nil	10.0
	Total	**126.2**	**373.8**

B. **Our Greater NOIDA printing operations:** We operationalised our Greater Noida printing facility in March 2005. Our Greater Noida facility caters significantly to the printing of our editions in Delhi. This facility houses our recently acquired state-of-the-art and high speed printing machines imported from Germany. Our new printing facility at Greater Noida allows us to print newspapers with a higher number of colour pages at a faster speed and of a higher quality.

As of March 31, 2005, we have invested Rs. 2,129.02 million in setting-up our Greater Noida printing facility. We expect an additional investment of Rs. 150 million in this facility.

The details of the anticipated capital expenditure in Greater Noida are as follows:

Sl. No.	Expenditure on	Anticipated capital expenditure in Rs. million. Up to Fiscal 2005	Fiscal 2006
1.	Land	69.4	Nil
2.	Office equipment	1.4	0.1
3.	Plant and Machinery	1,646.9	337.0
4.	Building	296.9	44.7
5.	Tube well	0.3	Nil
6.	AC plant	49.2	4.8
7.	Electric sub station	59.6	0.2
8.	Fire fighting equipment	4.9	0.9
9.	Furniture and fixtures	0.6	Nil
10.	Contingency	Nil	3.3
	Total	**2,129.0**	**391.0**

II. **Sales and marketing:**

We undertake sales and marketing activities to promote our brands, on a continuous basis, for all our editions. These activities are integral to maintaining and enhancing brand visibility and market shares of our editions.

We intend to invest a substantial portion of the sales and marketing expenditure for the launch and sustained visibility of our brand in Mumbai. We are in the process of developing an effective marketing strategy for our Mumbai edition. Our marketing efforts will include brand-building activities through mass communications using various media including television, press, hoardings, radio, cinema and the internet. We also intend to apply on advertsing expenditure on reader promotion related activities to build engagement and affinity of our readers with our newspapers.

We expect sales and marketing expenditure of approximately Rs. 760 million towards promoting all our brands, editions and products in Fiscal 2006 and 2007. We expect to spend Rs. 530 million and Rs. 230 million of our sales and marketing expenditure in the Fiscal 2006 and 2007, respectively.

III. Radio Services:

Subject to regulatory approvals under applicable law and our ability to procure licenses for the same, we plan to enter the business of providing FM radio services. We have entered into a memorandum of understanding with Virgin Radio (Asia) Limited dated December 27, 2004.

IV. General corporate purposes:

We seek to further enhance our position as a leading player in the print media industry in India. In addition to continued investments in strengthening our brand, we intend to enhance our capabilities and our national presence. We intend to use Rs. [•] million for these purposes. The management, in accordance with the policies of the Board, will have the flexibility in utilising these proceeds.

V. Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. millions)
Lead Management, underwriting and selling commissions	[•]
Advertising and marketing expenses	[•]
Printing and Stationary expenses	[•]
Others (Registrar fees, legal fees etc.)	[•]
Total estimated Issue expenses	[•]

Other than the listing fees, which will be paid by our Company, all expenses with respect to the Issue will be divided between us and the Selling Shareholder in the proportion of the number of Equity Shares issued in the Fresh Issue and the Equity Shares transferred in the Offer for Sale.

Interim Use of Proceeds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in high quality interest or dividend bearing liquid instruments including deposits with banks, for the necessary duration or for reducing overdraft. Such investments would be in accordance with investment policies approved by our Board of Directors from time to time.

Funds utilized as of March 31, 2005.

M/ s. Anil Ajay & Co, Chartered Accountants, vide letter dated April 16, 2005 have certified that the following capital expenditure has been incurred by the Company till March 31, 2005 with respect to the projects, which have been earmarked for utilization of the proceeds of the Fresh Issue:

Sl. No.	Expenditure incurred with respect to	Fiscal 2005 (in Rs. million)
1.	Capital expenditure for launch of editions in Mumbai	126.2

Sl. No.	Expenditure incurred with respect to	Fiscal 2005 (in Rs. million)
2.	Capital expenditure for printing facility at Greater Noida	2,129.0

The objects of the Offer for Sale:

The object of the Offer for Sale is to carry out disinvestment of up to [•] Equity Shares by HPC. The Company will not receive any of the proceeds from the Offer for Sale.

Monitoring of Utilisation of Funds

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our Balance Sheet for fiscal 2006 clearly specifying the purposes for which such proceeds have been utilized. We will also, in our balance sheet for fiscal 2006, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. No part of the proceeds of the Fresh Issue will be paid by us as consideration to our Promoters, our Directors, key management employees or companies promoted by our Promoters except in the course of normal business.

BASIS FOR ISSUE PRICE

The Price Band for the Issue Price will be decided prior to filing of the Red Herring Prospectus with the RoC. The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band.

Qualitative factors

For detailed discussion on the above factors, see "Our Business - Competitive Strengths" on page 41 of this Draft Red Herring Prospectus.

Quantitative Factors

1. a) Adjusted Earnings per Share (EPS) before adjusting exceptional item

Period Ended	EPS (Annualized) (Rs.)	Weight
Nine-month period ending March 31, 2004	(7.47)	1
Nine-month period ending December 31, 2004	8.87	2
Weighted Average	3.42	

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

(Net Profit attributable to equity shareholders before exceptional item)/ (Total No of equity shares outstanding during the year/ period)

ii) Net profit/ loss before exceptional item, as in the summary statement of profits and loss account (after reducing dividend on preference shares), has been considered for the purpose of computing the above ratio. The net profit is based on the summary financial statements of the Company.

iii) EPS calculations have been done in accordance with the Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.

b) Adjusted Earnings per Share (EPS) after adjusting exceptional item

Period Ended	EPS (Annualized) (Rs.)	Weight
Nine-month period ending March 31, 2004	(13.32)	1
Nine-month period ending December 31, 2004	6.35	2
Weighted Average	(0.21)	

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

(Net Profit attributable to equity shareholders after exceptional item) / (Total No of equity shares outstanding during the year/ period)

ii) Net profit/loss after exceptional item, as in the summary statement of profits and loss account (after reducing dividend on preference shares), has been considered for the purpose of computing the above ratio. The net profit is based on the summary financial statements of the Company.

iii) EPS calculations have been done in accordance with the Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.

2. Price Earning Multiple (P/E) in relation to the Issue Price of Rs. [•] per share of Rs. 10 each

i) a) Based on Weighted Average EPS before adjusting exceptional item of Rs. 3.42 is [•]

b) Based on Weighted Average EPS after adjusting exceptional item of Rs. (0.21) is [•]

ii) We believe there are no listed companies of the comparable size in the Indian Print Media Industry, hence there is no industry P/E.

3. a) Average Return on Net Worth (RONW) before adjusting exceptional item

Period Ended	RONW (Annualized) (%)	Weight
Nine-month period ending March 31, 2004	(0.64%)	1
Nine-month period ending December 31, 2004	9.24%	2
Weighted Average	5.95%	

i) Average RONW has been calculated as per the following formula:

(Net Profit after tax and before exceptional item) / (Average Net Worth excluding revaluation reserve during the year / period)

ii) Net worth computations in the above workings exclude Non Cumulative Redeemable Preference Shares

b) **Average Return on Net Worth (RONW) after adjusting exceptional item**

Period Ended	RONW (Annualized) (%)	Weight
Nine-month period ending March 31, 2004	(1.15%)	1
Nine-month period ending December 31, 2004	6.61%	2
Weighted Average	4.03%	

i) Average RONW has been calculated as per the following formula:

(Net Profit after tax and after exceptional item) / (Average Net Worth excluding revaluation reserve during the year / period)

ii) Net worth computations in the above workings exclude Non Cumulative Redeemable Preference Shares

4. Minimum Return on Total Net Worth after Offer needed to maintain Pre-Offer EPS of Rs. [•] is [•]%

5. Net Asset Value (NAV)

NAV as at December 31, 2004 (Rs.) : Rs. 95.99
NAV after the Issue (Rs.) : Rs. [•]
Issue Price

NAV has been calculated as per the following formula:

(Net worth excluding revaluation reserve, preference share capital) / (Weighted average number of Equity Shares outstanding during the year/period)

The Issue Price of Rs. [•] has been determined on the basis of the demand from investors through the Book-Building Process and is justified based on the above accounting ratios.

6. Comparison with other listed companies

We believe there are no listed companies of the comparable size in the Indian Print Media Industry, hence this comparison is not possible.

STATEMENT OF TAX BENEFITS

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

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax. The statement also takes into account the direct tax proposals contained in the Finance Bill, 2005.

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

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

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

2.1.1 **Resident Members**

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

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

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

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

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

   (i) National Bank for Agriculture and Rural Development established under Section 3 of the National Bank for Agriculture and Rural Development Act, 1981;
   (ii) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
   (iii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;
   (iv) National Housing Bank established under Section 3(1) of the National Housing Bank Act, 1987; and
   (v) Small Industries Development Bank of India established under Section 3(1) of the Small Industries Development Bank of India Act, 1989.

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

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

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

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

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

2.1.2 **Venture Capital Companies/ Funds**

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

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

2.1.3 **Infrastructure Capital Companies / Funds or Co-operative Bank**

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

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

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

3. Wealth Tax Act, 1957

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

4. *Under The Gift Tax Act, 1957*

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

Notes

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

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

INDUSTRY

Unless otherwise indicated, all financial and statistical data relating to the media industry in India in the following discussion is derived from the Audit Bureau of Circulation ("ABC"), [Indian Readership Survey] ("IRS"), Zenith Optimedia December 2003 report, the PricewaterhouseCoopers Global Entertainment and Media Outlook 2004-08 ("PWC Report"), TAM AdEx India data and other industry reports. The data may have been re-classified by us for the purpose of presentation.

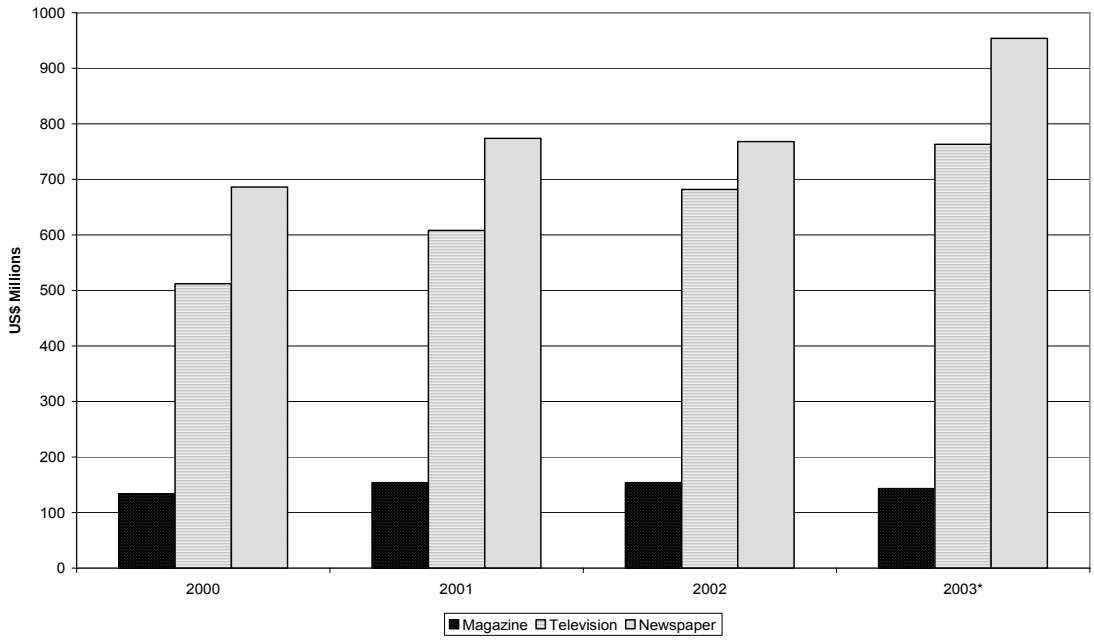
Media Advertising Industry

The media advertising industry is comprised of newspaper, television, outdoor, magazine, radio, internet and cinema advertising.

Total media advertising (ad-spend) in India in 2004 was estimated by TAM AdEx India at Rs. 118 billion. Print advertising accounted for the largest share with 46%, followed by television with 41%, outdoor advertising with 7%, radio with 2.0%, internet with 0.5% and cinema advertising with 3%.

Although print media (newspapers, magazines and niche publications) dominates ad-spend in India, newspapers' share of the ad-spend fell as television gained rising from approximately 40% in 2001 to 41% in 2004 (source: TAM AdEx India). Television's erosion of the print media's share of the ad-spend in India may have ended. In 2004, print media ad-spend grew by 15% and television ad-spend grew by 13%, respectively, compared with 2003 (source: TAM AdEx India). Except for internet advertising, which was almost non-existent back in 1998, the share of other media has been stable, or has been declining over the same period.

Set forth below is a chart showing the ad-spend on magazines, television and newspapers in India in 2000 through 2003.



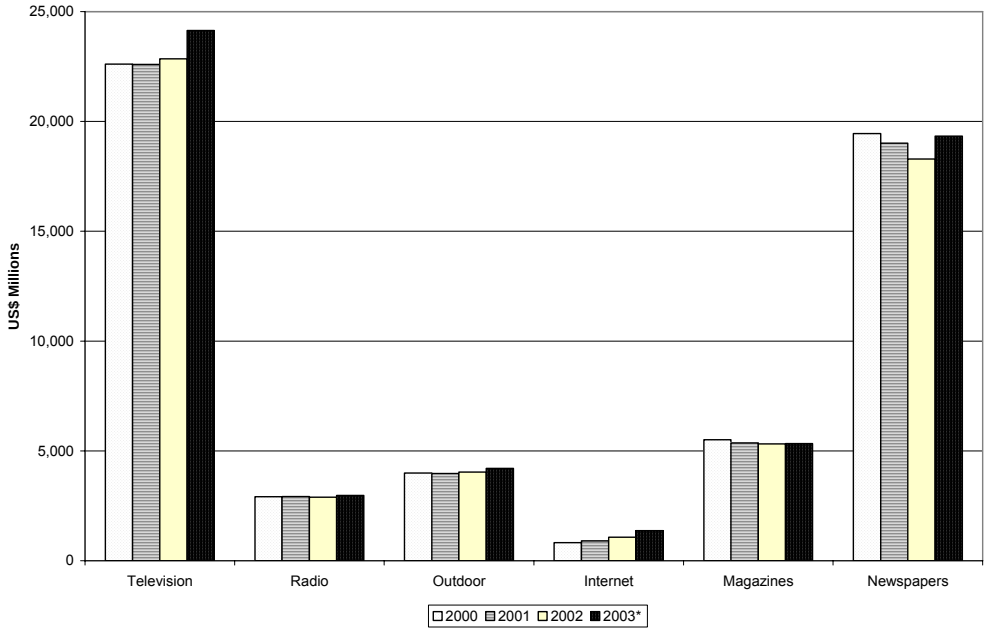
** At average 2003 exchange rates.*
Source: PWC Report.

Print media accounted for approximately 43.4% of the total global ad-spend in 2004 compared with 49.7% in 1999 (source: PWC Report).

Globally, television has grown its share of the ad-spend to 38. 9% in 2004 from approximately 34.8% in 1999 (source: PWC Report).

The apprehensions about the print media being adversely affected by the advent of the Internet as a medium of sharing information seems to have been settled. While print newspapers and

magazines may have experienced some cannibalization by their digital equivalents, ad-spend in the print media has stabilised over the past few years. Set forth below is a chart that shows the ad-spend by media category in Asia/Pacific in 2000 through 2003.



* At average 2003 exchange rates
Source: PWC Report.

Set forth below is a summary of media penetration in India across media categories based on Socio-economic Classification ("SEC") as per IRS 2005 Round 1.

	Media Reach				
SEC Classification	**Print**	**Television**	**Satellite Television**	**Radio**	**Cinema**
A1	90.0	96.0	83.4	34.8	7.8
A2	81.7	93.8	76.9	28.7	6.3
B1/B2	66.4	90.5	67.1	24.0	5.4
C	50.4	85.0	58.8	22.4	4.8
D	33.1	76.0	47.9	20.0	4.9
E	16.9	64.0	37.8	15.0	4.6

Eight socio economic classes have been labelled as A1, A2, B1, B2, C, D, E1 and E2. A1 denotes the uppermost socio-economic class, and E2 stands for the lowest class.

As shown in the table, print media penetration in India is higher among people in upper socio-economic classes than lower socio-economic classes. People in upper economic classes are also more likely to be able to afford to purchase more expensive goods and services making them attractive targets for advertisers.

Indian Print Media

The structure of the Indian print media industry is highly fragmented, with around 1,907 daily newspapers as on March 2003 (Source Office of Registrar of newspapapers for India:). Readership, which consists of respondents who have read or looked at a publication in its periodicity (i.e. yesterday for a daily, in the last 7 days for a weekly, in the last 2 weeks for a a fortnightly and in the last month for a monthly) is another useful benchmark for advertisers as it shows how many people may potentially read an advertisement.

Set forth below is a table showing a breakdown of the media industry by number of readers and the percentage of persons 12 years or older in India who read the particular publication as per IRS 2005 Round 1.

Particulars	Urban + Rural		Urban		Rural	
	Million	%	Million	%	Million	%
Base Population(1)	739.6		220.7		519.0	
Any Publication	173.9	23.5	94.4	42.6	79.8	15.4
Any Daily	160.4	21.7	88.6	40.2	71.8	13.8
Any English Daily	16.8	2.3	15.2	6.9	1.6	0.3
Any Hindi Daily	59.2	8.0	33.5	15.2	25.7	4.9
Any Magazine	57.0	7.7	35.6	16.1	28.0	5.4

(1) Number of persons 12 years or older.

As per IRS, magazine readership in 2005 Round 1 was 57.0 million, down from 74.9 million in 2000 and newspaper readership 160.4 million in 2005 Round 1 up from 141.3 miilion in 2000 We believe that daily newspapers are increasingly being bought for their analysis of the news and current affairs and in this context, newspapers are gradually taking on the role of a magazine, thereby adversely impacting the magazine segment.

The Indian Newspaper Industry

The Indian newspaper industry can be primarily segmented across three categories: English Hindi and vernacular newspapers. There are approximately 1,907 daily newspapers published in India of which newspapers in the vernacular language comprise 49.0% of the total newspapers, followed by Hindi (42.1%) and English (8.9%). (Source: Office of RNI:).

Most of the vernacular and Hindi newspapers have a regional focus. Historically, the English newspaper industry in India has been fragmented with each newspaper having a regional focus such as the *Deccan Chronicle* in Hyderabad, *Hindustan Times* in Delhi, *The Times of India* in Mumbai, *Hindu* in Chennai, *Telegraph* and *Statesman* in Kolkata, *Deccan Herald* in Bangalore, *Gujarat Samachar* in Ahmedabad. In recent times, however, the larger English language newspapers have been expanding their geographical reach, and we believe the English language segment is moving towards consolidation.

According to IRS 2005 Round 1, five of the top ten newspapers by readership are Hindi, four are Vernacular and one is English. Vernacular newspapers have a multiple of circulation to readership of 7-8 times compared with English newspapers of 1-2 times. This is primarily due to the higher cover price of non-English newspapers compared with English newspapers and the fact that the readers of non-English newspapers are generally from a lower socio-economic segment than that of English newspapers.

Set forth below is the top 10 newspapers across all languages as per IRS 2005 as compared with IRS 2004.

Newspaper	Rank	IRS 2005 Round1 ('000)	Rank	IRS 2003-04 Round 2 ('000)
Dainik Jagran (All editions)	1	17,474	1	16,403
Dainik Bhaskar	2	13,810	2	13,422
Daily Thanthi (All editions)	3	9,386	4	9,148
Amar Ujala (All editions)	4	9,276	5	8,851
Malayala Manorama Dailies (All editions)	5	8,862	3	9,207
Eenadu (All editions)	6	8,272	6	8,111
Lokmat (All editions)	7	8,223	9	7,284
Hindustan (All editions)	**8**	**8,195**	**7**	**7,940**

Mathrubhumi (All editions)	9	7,616	8	7,365
The Times of India (All editions)	10	7,051	10	7,098

As per IRS 2005 Round 1, all Hindi dailies had a readership of 59.24 million compared with 57.45 million as per IRS 2003-04 Round 2. Set forth below is the top 10 Hindi newspapers ranked as per IRS 2005 and their circulation as per ABC July-December 2004, their readership as per IRS 2003-04 Round 2 and their circulation as per ABC July-December 2004.

Newspaper	Rank	IRS 2005 Round 1 ('000)	ABC July-Dec. 2004 ('000)*	Rank	IRS 2003-04 R 2 ('000)	ABC July-Dec. 2003 ('000)*
Dainik Jagran (All editions)	1	17,474	1,687	1	16,403	1,369
Dainik Bhaskar (All editions)	2	13,810	1,357	2	13,422	1,300
Amar Ujala (All editions)	3	9,276	463	3	8,851	540
Hindustan (All editions)	**4**	**8,195**	**985**	**4**	**7,940**	**651**
Rajashtan Patrika (All editions)	5	5,996	878	5	5,912	658
Punjab Kesari (All editions)	6	4,673	864	6	4,261	298
Aj (All editions)	7	2,606	707	8	2,742	717
Navabharat Times (All editions)	8	2,574	522	7	2,748	121**
Navabharat (Mah/Chh) - (All editions)	9	2,168	203	9	2,221	191
Navabharat (MP) - (All editions)	10	1,786	32	10	1,828	30

- *Rounded to the nearest '000*
- ***Delhi certificate not received*

As per IRS 2005 Round 1, all English dailies had a readership of 16.78 million compared with 16.76 million as per IRS 2003-04 Round 2 and 16.77 million as per IRS 2003-04 Round 2. Set forth below are the top 10 English newspapers ranked as per IRS 2005 Round 1 and their circulation as per ABC July-December 2004, their readership as per IRS 2003-04 Round 2 and their circulation as per ABC July-December 2004.

Newspaper	Rank	IRS 2005 R1 ('000)	ABC July-Dec. 2004 ('000)*	Rank	IRS 2003-04 R2 ('000)	ABC July-Dec. 2003 ('000)*
The Times of India (All editions)	1	7,051	483**	1	7,098	1405
Hindustan Times - (All editions)	**2**	**3,277**	**1188**	**2**	**3,154**	**1153**
The Hindu	3	2,669	1047	3	2,743	982
The Telegraph	4	1,048	376	•(1)	•	325
Deccan Chronicle (All editions)	5	1,029	402	4	1105	342
The Economic Times (All editions)	6	957	283	5	1044	458
New Indian Express (All editions)	7	820	UC	7	750	197
Midday (Eng)	8	748	140	6	779	136
The Indian Express (All editions)	9	705	NF***	8	750	NF
Deccan Herald (All editions)	10	688	161	9	692	155

**Rounded to the nearest '000*
***Certificate for Delhi Not Received*
****Not Filed*

(1) The *Telegraph* was not in the top 10 based on IRS in 2004. In 2004, the *Statesman* was ranked number 10.

The sources of revenue for newspaper companies include the sale of advertising space in their publications and the sale of their publications. The PWC Report estimated the size of the Indian newspaper market was approximately US$1.7 billion in 2003. The table below sets forth the Indian newspaper industry advertising market and circulation spending for 2000-2003.

(in US$ million)

Particulars	**2000**	**2001**	**2002**	**2003***
Advertising Market	686	774	768	954
Circulation Spending	585	590	625	767
Total	1,271	1,364	1,393	1,721

* At average 2003 exchange rates
Source: PricewaterhouseCoopers Global Entertainment and Media Outlook 2004-08.

Advertising revenues are extremely important to profitability in the industry. English editions attract the highest advertising revenues with approximately 50% of ad-spend, followed by vernacular and Hindi newspapers with 25% of ad-spend each (source: TAM AdEx India). Most of the large budget advertisers channel their advertisements through English newspapers because the readers of English newspapers are generally in a higher socio-economic bracket than the readers of Hindi and vernacular newspapers. The purchasing power of the typical vernacular newspaper reader is low.

The cost of production of English newspapers is higher than the cost of production of Hindi and vernacular newspapers due to greater page numbers and better quality newsprint used in English newspapers. Due to competition for advertising revenue, the cover prices for English newspapers are generally less than the cost of production. The cover prices for Hindi and vernacular newspapers are generally around the cost of production because unlike English newspapers, the advertising revenue is not large enough to justify selling newspapers for less than the cost of production.

Readership and Circulation Drivers

The following are drivers of readership and circulation:

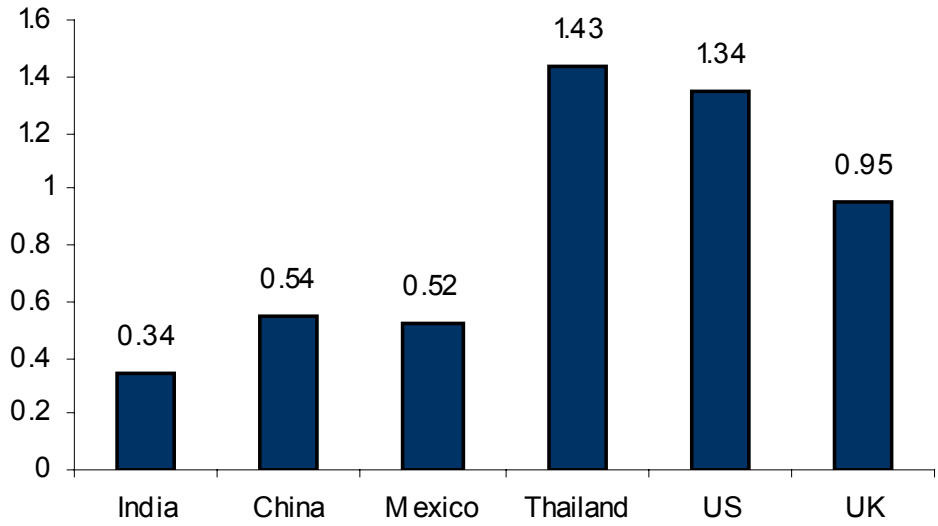
- Quality of content – this covers the width and depth of coverage and the belief of the reader in the independence and integrity of reporting and analysis;
- Quality of product – this covers the design, layout and quality of newsprint and printing;
- Level of advertising, particularly classified, tenders and local advertising;
- Pricing and incentives – circulation can be influenced by the price of a newspaper and incentive and promotional campaigns including corporate brand building;
- Relationship with distribution network; and
- Literacy levels.

Industry Outlook

Overall Economic Growth Leading to Growth in the Media Advertising Industry
The Indian economy has shown sustained growth over the last several years with real GDP growing at 8.2% in fiscal 2004, 4.0% in fiscal 2003 and 5.6% in fiscal 2002. According to industry estimates compiled by TAM AdEx India, media has been one of the fastest-growing sectors in India, expanding by 13.4%, 9.5% and 8.1% in fiscal 2004, 2003 and 2002, respectively. If the historical rates of growth of GDP continue, we expect the media advertising industry to continue to grow.

Potential for Increased Ad-spend as a Percentage of GDP
Although the media industry is one of the fastest growing sectors in India, in terms of ad-spend as a percentage of GDP, India lags behind other countries. The chart below shows ad-spend as

percentage of GDP for 2004 in a selection of countries across the world and suggests that ad-spend in India as a percentage of GDP has the capacity to grow from its current level.



Source: Industry estimates, Zenith Optimedia July 2004

Increasing Readership Levels

Low literacy levels in India have placed a limit on the growth in the percentage of persons reading print media compared with the percentage of the population that is exposed to other media such as television and radio. However, the literacy levels in India increased from 57.9% in 1999 to 65.4% in 2002. We believe that the low literacy levels provide the print media industry in India with enormous opportunities to enhance readership numbers as the literacy levels increase and poverty levels decline.

OUR BUSINESS

Overview

We are India's second largest print media company in terms of circulation of daily newspapers and our brand "Hindustan Times" is one of India's most well recognized media brands. *Hindustan Times* was started in 1924 and it has an 80-year history as one of India's leading newspapers. We have two daily newspapers, *Hindustan Times* in English and *Hindustan* in Hindi. Net paid sales of our two newspapers were approximately 2.17 million copies per day according to ABC certified figures for July-December 2004, with a total readership of approximately 11.47 million readers per day according to IRS 2005 Round 1.

We publish *Hindustan Times* in five editions: New Delhi; Lucknow; Patna; Ranchi; and Kolkata. The New Delhi edition is also printed in Mohali, Bhopal and Jaipur. According to ABC certified figures for July-December 2004, *Hindustan Times* had net paid sales of 1.19 million copies per day and had the largest circulation among English dailies in Delhi, in the areas neighbouring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, Madhya Pradesh (MP) and Bihar.

We publish *Hindustan* in four editions: Patna; Ranchi, Lucknow and Delhi. According to ABC certified figures for July-December 2004, *Hindustan* had net paid sales of 0.98 million copies per day and is the third largest circulated Hindi daily in India.

In addition to our newspapers, we have a leading news Internet site, www.hindustantimes.com, and we also publish two Hindi magazines, the *Nandan* and *Kadambini*.

As part of our strategy to grow our newspapers' national presence, we plan to launch *Hindustan Times* in the Mumbai market in the middle of 2005. Mumbai is the largest print media market in terms of ad-spend. We expect to incur capital expenditure of Rs. 500 million by the end of fiscal 2006 to establish our Mumbai edition of which we had incurred Rs. 77.1 million as of December 31, 2004. For further information, see "Objects of the Issue" on page 25 of this Draft Red Herring Prospectus.

To further our goal to develop into a leading media business, we will explore other opportunities in the Indian media sector, such as FM radio.

We strive to maintain strong journalistic integrity and high editorial standards through our editorial and reporting staff, which consisted of approximately 1,100 persons at March 31, 2005, and a sizeable team of freelancers (called stringers).

We print our newspapers from 16 facilities with a total installed capacity of approximately 1.5 million copies per hour. Our state-of-the-art printing facility at Greater Noida became fully operational in March 2005. This facility is now our primary printing facility. As of December 31, 2004, we had incurred capital expenditure of Rs. 2,048.3 million on this facility and we expect the total cost of this facility will be approximately Rs. 2,520.0 million. We distribute our newspapers through a multi-tiered network of agents and vendors.

As of December 31, 2004, our total assets were Rs. 5,671.4 million and for the nine months from April 1, 2004 to December 31, 2004, our total revenues were Rs. 4,737.7 million and our net profit after tax was Rs. 182.1 million.

Our business operated as a division of Hindustan Times Limited (HTL) until transferred to HTML pursuant to a Business Purchase Agreement effective as of July 1, 2003. For further information, see "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus. Our promoter HTL currently owns 77.11% of our Equity Shares, and HPC and Citicorp each own 15.83% and 7.06% of our Equity Shares, respectively.

Our Competitive Strengths

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

Strong National Brand

Our "Hindustan Times" brand is one of the leading media brands in India. We believe that our brand commands respect and creditability and offers us competitive advantages when entering new markets like Mumbai. We continue to invest in building our brand by promoting our corporate identity and reinforcing our key strengths.

Leading Print Media Company

As a leading Indian print media company, we believe that we attract higher ad-spend, better rates and more attractive business arrangements than many of our competitors. According to ABC certified figures for July-December 2004, *Hindustan Times* had the largest circulation among English dailies in Delhi, in the areas neighbouring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, MP and Bihar. We believe that our leadership position in Delhi is particularly important in attracting advertisers, as Delhi and Mumbai are the critical markets for most national advertising campaigns. Delhi also has the second highest ad-spend in India for print media.

Editorial Excellence; Experienced, Analytical and Creative Teams

Our newspapers are recognized for their superior editorial content and for our unbiased and independent reporting. Both *Hindustan Times* and *Hindustan* benefit from an India-wide network of journalists, which are led by distinguished editorial teams. Our journalists and editorial teams have won numerous media industry awards and are well recognized for their excellence. We believe that our emphasis on journalistic integrity and values and our experienced analytical and creative teams gives us a distinct competitive advantage in both existing and new markets.

Professional Management

We have an executive management team that has a blend of media industry experience and professional expertise drawn across different industries. We have attracted individuals who previously held senior management positions in other leading Indian and international companies. We believe that our management team distinguishes us from many of our family-run newspaper competitors. Our board of directors consists of eminent personalities with diverse backgrounds, who take a leadership role in driving our business growth strategy.

Experience in Launching Our Newspapers in New Markets

We have successfully launched our newspapers in markets such as Bihar, Uttar Pradesh and Mohali and surrounding areas, quickly gaining strong market shares in these areas. As a result of our entry into these markets, we have gained valuable insights into the factors that are critical to developing and executing a strategy to enter new geographies and building newspaper circulation and readership as well as attracting advertising revenue. We believe this experience will be invaluable to the launch of the Mumbai edition of *Hindustan Times*.

Large-Scale Operations

Due to the large size of our print media business, we are able to benefit from economies of scale, which includes the productivity of our large printing facilities, the nation-wide coverage of our editorial and marketing teams, favourable newsprint supply contracts and a scalable IT infrastructure. In addition, we benefit from the ability to leverage our advertising relationships across geographies and to leverage these relationships when expanding into new markets.

Modern and Advanced Printing and Technology Infrastructure

We have printing facilities in 16 locations in India, including a new state-of-the-art facility in Greater Noida. Our pre-press and printing infrastructure employs modern printing technology. In addition, we have invested in our IT infrastructure (hardware and software) to improve our business efficiency, enhance productivity and produce quality newspapers.

Our Strategy

Our goal is to further strengthen our position as one of India's leading print media companies and to grow a national footprint to complement our national brand. In the long-term, we seek to become a leading media company, leveraging our strong newspaper business as a foundation for growth into

other media sectors. To achieve these goals our business strategy emphasises the following elements.

Mumbai Market Entry

We plan to launch our *Hindustan Times* Mumbai edition in mid-2005. Entry into the Mumbai market is a key step for us to grow our national footprint and exploit the most lucrative advertising market in India.

The Mumbai market has the largest share of print media advertising expenditure in India, but currently is dominated only by a single newspaper. We believe that our entry into Mumbai will provide advertisers and readers with a compelling alternative. In addition, the combined Delhi and Mumbai advertising markets constitute a very large share of national advertising expenditure. By combining our leading presence in Delhi and other key markets with our Mumbai launch, we believe that we have an opportunity to capture a greater share of national ad-spend.

We intend to offer a premium newspaper in Mumbai with differentiated and superior content tailored to reader groups that are targeted by our advertisers. We are planning a comprehensive marketing campaign to build the circulation of our edition in Mumbai.

Given our existing capabilities, brand recognition, leadership position in Delhi and strong relationships with advertisers, we believe that we are well positioned to succeed in the Mumbai market.

Improving our Leadership Positions

In our newspapers' traditional strongholds like Delhi and Bihar, we seek to optimise our readership mix and demographics to continue to attract high-quality advertisers. We also are investing in continuous product quality improvements and creating value for our advertisers by expanding our reach to emerging market segments. In newer markets like Mohali, Punjab and Uttar Pradesh, we seek to continuously improve our market share and to convert readership into increased advertising revenues.

Increasing our Share of the Hindi Print Market

We believe that the Hindi print market offers substantial opportunities as the Indian economy grows. We intend to aggressively look for opportunities to expand the footprint of *Hindustan*, especially in high growth regions and locations, which provide synergies to our existing editions. We are also focusing marketing efforts in our existing markets to capture further advertising revenue for our all editions of *Hindustan*.

Entering New Media Businesses

We will selectively consider entering into complementary newspaper and print media businesses where we can either leverage our brand, our existing advertising customer base or both. We are considering a variety of business opportunities including launching a business/ financial newspaper and other English editions in key high-growth markets in southern India and periodicals targeted to niche readership markets.

In addition, to further our goal to develop into a leading media business, we will explore other opportunities in the Indian media sector. As part of this strategy, we may enter joint ventures with, and make acquisitions and investments in, Indian newspapers or media businesses. For example, in December 2004, we entered into a memorandum of understanding with Virgin Radio Asia to provide FM radio services in India with the expected change in the regulatory environment.

Improving our Efficiencies

We will look to improve our cost and revenue efficiencies to improve our profitability. We currently have programmes in place to improve our print capacity utilisation (including generating additional income by printing for others), to identify printing efficiencies, to reduce newsprint and consumables waste and to improve our productivity. In addition, we are exploring alternative sources of newsprint and other consumables in India and overseas to reduce our costs. We are also looking generally to improve our systems and processes across our business to improve revenue side efficiencies including the mix of advertising business.

Improving our Customer Focus

We are striving to improve our customer focus across our business. We seek to leverage technology to provide our advertising clients with a more customer-friendly service interface and a tailored product offering. For our readers, we intend to focus our research and our product development on better addressing their changing tastes. In addition, we are training our staff to improve our customer service orientation.

Our Products

Overview

We publish five editions of *Hindustan Times* and four editions of *Hindustan*. *Hindustan Times* is printed in English, while *Hindustan* is printed in Hindi. For the nine months ended December 31, 2004, we derived approximately 75% of our revenue from English print and 25% from Hindi print. *Hindustan Times* is the second largest read English daily newspaper in India and *Hindustan* is the third most widely read Hindi daily newspaper in India. The New Delhi edition of *Hindustan Times* is the largest circulated single edition English daily. *Hindustan Times* and *Hindustan* is the only English-Hindi newspaper combination run by the same company to rank among the top five in their respective categories. The English and Hindi markets are the largest and second largest markets for advertising, respectively.

Hindustan Times

Hindustan Times covers international, national and local news, politics, business, sports, and an editorial page that presents the newspaper's views on various issues and opinion pieces by eminent columnists. The main paper captures most of the national advertisement revenues. We also have a variant of *Hindustan Times*, New Delhi edition, *HT Next*, which has content and design targeted to young readers.

We publish supplements to the main paper. Supplements form an integral part of our product base as they address specific reader needs, while offering advertisers a focused reach to a target audience. Supplements largely capture local advertisement revenues.

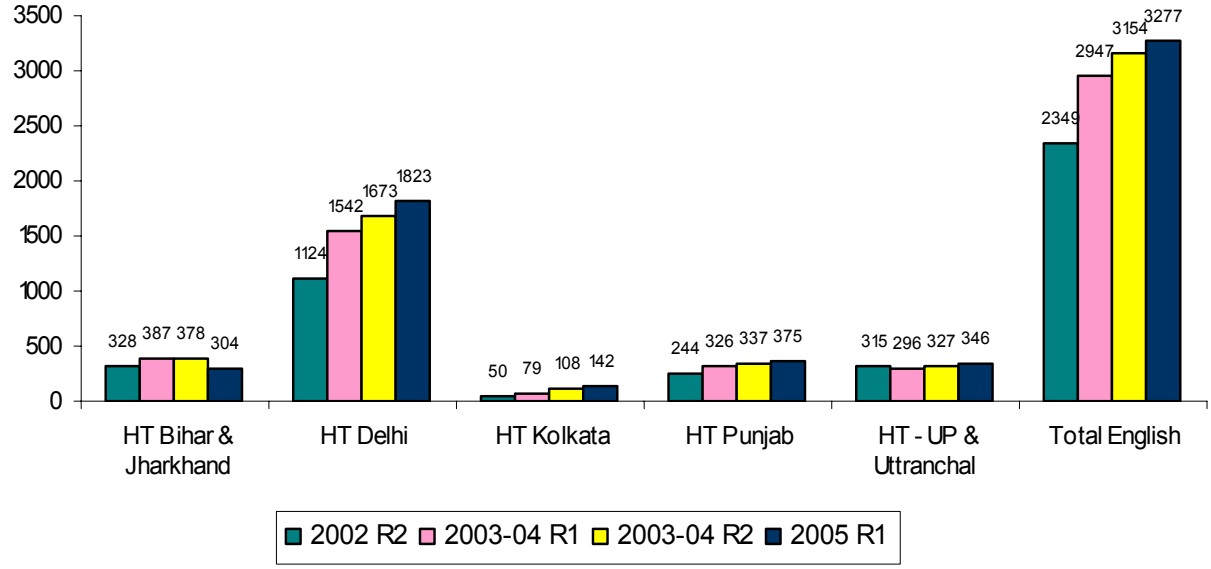
Set out below is a summary of our supplements to *Hindustan Times*:

Supplement	Frequency	Positioning
HT City	Daily	• Positioned on the "Fun & Entertainment" platform • Targeted at the younger generation • Content revolves around cinema, music, fashion, shopping and eating out.
HT Horizons	Every Wednesday	• Positioned on the Education platform • Targeted at students
HT Power Jobs	Every Tuesday	• Positioned on the Careers platform • Targeted at working professionals

Supplement	Frequency	Positioning
HT Estates	Every Saturday	• India's first property supplement • Complete guide on property and related matters
Brunch	Every Sunday	• Content revolves around personalities, food, travel and contemporary issues • Approximately 24 pages in magazine format
HT Classifieds	Every Sunday	• Complete weekly classifieds for: o Matrimonials o Situations vacant o Motor Vehicles o Real Estate and 'for sale'
HT Local Lives	Various	• Community Newspaper • Focusing on local news and issues • Specific geographic coverage • Vehicle for tactical advertisers, more suitable to local advertisers

Editions

We publish *Hindustan Times* in five editions: New Delhi; Lucknow; Patna; Ranchi; and Kolkata. Readership, in thousands, for *Hindustan Times* as per the four most recent IRS reports is set forth below:



Hindustan Times – New Delhi

The New Delhi edition of *Hindustan Times* is the largest circulating single edition English daily newspaper in India. The edition was launched in September 1924 and it has, since its inception, led the market in terms of circulation as well as advertising market share and has consistently commanded premium rates from advertisers.

The reach of the New Delhi Edition has significantly expanded over the last five years. Other than New Delhi city, the New Delhi edition is also circulated in the NCR and parts of Rajasthan, MP,

Haryana, Punjab, Jammu and Kashmir. In order to expand its circulation and offer its readers timely and localised news, three new printing locations were lauched in 2000: Mohali, Jaipur, and Bhopal.

The Delhi market has traditionally experienced intense competition between *Hindustan Times* and *The Times of India* on the price of their newspapers. Over the last 10 years, the cover price has been generally Rs. 1.50 per copy. In addition, both newspapers have offered subscription schemes at a significant discount to this cover price, which increased circulation and readership substantially. Both newspapers, however, raised their cover price to Rs. 2.00 per copy in March 2005.

The New Delhi edition's circulation for the last five years is set forth below:

	2000		2001		2002		2003		2004	
	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.
Circulation - New Delhi Edition[1] ('000)	778	857	829	920	955	1,135	972	960	1067	1083
Circulation - New Delhi City ('000)	458	499	494	550	559	673	610	618	712	714

Source: ABC
(1) Includes New Delhi edition printed at Mohali, Jaipur, and Bhopal

The New Delhi edition's readership as per the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-04 R2	2005 R1
Readership[1] ('000)	1,124	1,542	1,673	1,823

(1) Readership is based on circulation for Delhi State

Hindustan Times is the market leader in Delhi and has this position despite intense competition from *The Times of India*. Set forth below are circulation figures for the period of July-December 2004 and readership figures as per IRS Round 1 2005 for the top two English newspapers in the Delhi market.

Newspaper	Circulation	Readership
Hindustan Times	**1,083**	**1,823**
The Times of India	925*	1,793

* ABC January-June 2004. No circulation figures are available for July-December 2004.

Hindustan Times – New Delhi Edition printed in Mohali

The printing of New Delhi Edition commenced from Mohali in April 2000. Punjab and neighbouring areas were perceived to be an attractive growth market and combined with its proximity to Delhi, it was a logical location for expansion. Mohali along with Chandigarh and Punchkula are the commercial hub for the states of Punjab and Haryana, which are amongst the most affluent in India.

The New Delhi edition is printed in Mohali and is distributed in Punjab, Chandigarh, Upper Haryana, Himachal Pradesh, Jammu and Kashmir.

The circulation of the New Delhi edition printed at Mohali for the last five years is set forth below:

	2000		2001		2002		2003		2004	
	Jan. – Jun.	Jul. - Dec.	Jan.- Jun.	Jul. - Dec.	Jan. – Jun.	Jul. - Dec	Jan. – Jun	Jul. - Dec.	Jan. -Jun.	Jul. - Dec.
Circulation ('000)	88	88	83	90	95	160	170	183	192	209

Source: ABC

The readership of *Hindustan Times* in Punjab/ Haryana/ Chandigarh/ Himachal Pradesh as per the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-04 R2	2005 R1
Readership ('000)	244	326	337	375

Prior to printing the New Delhi edition in Mohali, the market was dominated by *The Tribune*, followed by *The Indian Express*. As per ABC July-December 2002, *Hindustan Times* achieved leadership in terms of circulation in 2002 in Chandigarh, Mohali and Panchkula. The edition printed at Mohali has grown its readership by over 50 % in the past two years and is now in a position to significantly increase its advertisement revenue. To date, our advertising rates have not reflected our market position, as we chose to build up relationships with our advertising customers in what was a relatively new market for us.

Set forth below are circulation figures as per ABC July-December 2004 for *Hindustan Times* and circulation figures and readership figures as per IRS 2004-2005 Round 1 for the top three English newspapers in Punjab/ Haryana/ Chandigarh/ Himachal Pradesh market, which is the main market for the edition printed in Mohali:

Newspaper	Circulation[(1)]	Readership
The Tribune	216	456
Hindustan Times	**209**	**375**
The Times of India	76*	271

(1) Includes circulation for the states of Punjab, Haryana, Chandigarh, Himachal Pradesh, Jammu and Kashmir.
* ABC January-June 2004. No circulation figures are available for July-December 2004.

Hindustan Times – Lucknow

The Lucknow edition of Hindustan Times was launched in June 1997 to supplement the footprint of *Hindustan Times* in the English newspaper market and to provide a Hindi-English combination to advertisers.

The newspaper is published from Lucknow and is distributed in Lucknow and in its neighbouring areas.

The Lucknow edition's circulation for the last five years is set forth below:

	2000		2001		2002		2003		2004	
	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. –Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.
Circulation ('000)	-	25	25	26	23	31	39	43	41	46

Source: ABC

The Lucknow edition's readership in UP & Uttranchal as per the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-04 R2	2005-R1
Readership ('000)	315	296	327	346

Hindustan Times has a strong presence in Lucknow and was ranked second in circulation and readership. Set forth below is the circulation figures as per ABC July-December 2004 and the readership figures as per IRS 2005 for the top two English newspapers in Lucknow:

Newspaper	Circulation ('000)	Readership ('000)
The Times of India	75*	518
Hindustan Times	**46**	**346**

* ABC January-June 2004. No circulation figures are available for July-December 2004.

Hindustan Times – Patna and Ranchi

Hindustan Times was launched as a separate local edition in Patna, the capital of Bihar in August 1986. In February 2000, *Hindustan Times* was launched in Ranchi, which became the capital of Jharkhand.

The newspaper is published from Patna and Ranchi and is primarily distributed in those two cities and adjoining areas

The combined circulation of the Patna edition and Ranchi edition for the last five years is set forth below:

	2000		2001		2002		2003		2004	
	Jan. – Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.
Circulation [(1)] ('000)	25	24	23	23	-	NC	NC	32	41	59

Source: ABC

The combined readership of the Patna edition and the Ranchi edition for the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-04 R2	2005 R1
Readership ('000)	328	387	378	305

Hindustan Times is the number one English language newspaper in the Bihar and Jharkhand region. Its only competition of any significance is *The Times of India*. The following table sets forth *Hindustan Times*' and *The Times of India's* circulation, in thousands, as per ABC July-December 2004 and readership, in thousands, as per IRS 2005 Round 1 in Bihar:

Newspaper	Circulation ('000)	Readership ('000)
Hindustan Times	59	305
The Times of India	32*	244

* ABC January-June 2004. No circulation figures are available for July-December 2004.

Hindustan Times - Kolkata

The Kolkata edition was launched in February 2001 in recognition of the strategic importance of this large market and as part of a strategy to enlarge the newspaper's national footprint. During the period till 2004 the edition's circulation increased rapidly and established a strong foothold in that market. Due to certain strategic imperatives, we have decided to redirect our resources to other initiatives. We continue to maintain a presence in this market and will reassess our future Kolkata strategy at an appropriate time.

Hindustan

Hindustan, our Hindi daily, is the third largest Hindi newpaper in India. It is published in four editions, namely Patna, Ranchi, Lucknow, and New Delhi, and is printed at nine locations. *Hindustan* has a dedicated editorial team, which operates independently of *Hindustan Times*. In terms of the quality of editorial content, values and width and depth of coverage, *Hindustan* is similar to *Hindustan Times* except that is more focussed on local news and targets a wider cross-section of readers. Readership for Hindi is higher than English as a multiple of circulation.

We publish supplements to the main paper. Supplements form an integral part of our product base as they address specific reader needs, while offering advertisers a focused reach to a target audience. Supplements largely capture local advertisement revenues.

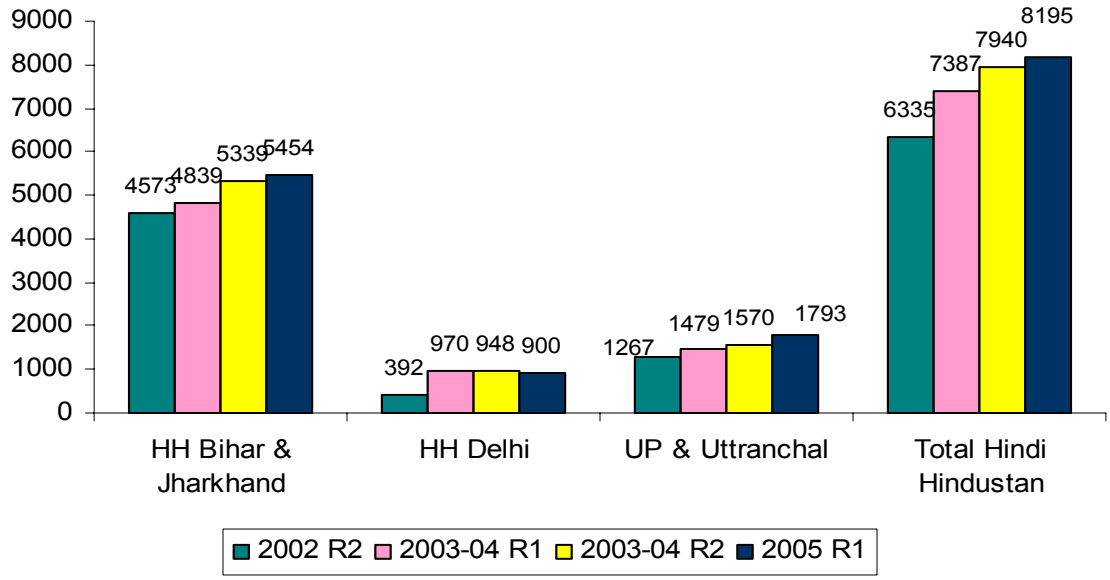
Set out below is a summary of our supplements to *Hindustan*:

Supplement	Location	Frequency	Positioning
Hindustan City	New Delhi,	Thursday,Friday,Saturday Sunday	• Focused on films, entertainment, fashion, beauty and health
	Lucknow,	Monday, Friday	
	Patna and Ranchi	Friday	
Nai Dishayen	Patna, Ranchi & Lucknow	Thursday	• Education and Careers
	Varanasi	Wednesday	
Ravi Utsav	All HH editions	Sunday	• Leisure reading on Sundays with content revolving around children and women
Rangoli	New Delhi	Wednesday,	• Films, music and entertainment
	All HH editions	Saturday	
Angna	Patna, Ranchi and Lucknow	Wednesday	• Local Supplement
Pratibimb	Patna	Thursday	• Local Supplement
Aadab	Lucknow	Thursday	• Local Supplement

Supplement	Location	Frequency	Positioning
Lucknow			
Subeh Banaras	Varanasi	Friday	• Local Supplement

Editions

The readership of *Hindustan*, in thousands, as per the last four IRS surveys is set forth below:



Hindustan - Patna and Ranchi

Hindustan, Patna edition was launched in Bihar in August 1986 and it enjoys a dominant position. Starting with printing in Patna, Muzaffarpur was added in March 2001 and Bhagalpur in August 2001.

Hindustan, Ranchi edition was launched in February 2000. With the creation of the new state of Jharkhand, which was carved out of South Bihar, printing locations were added in Dhanbad in November 2002 and in Jamshedpur in February 2003.

Set forth below is the combined circulation of the Patna edition and Ranchi edition for the last five years:

	2000		2001		2002		2003		2004	
	Jan. - Jun.	Jul. – Dec.	Jan. -Jun.	Jul. – Dec.	Jan. -Jun.	Jul. - Dec.	Jan. -Jun.	Jul. - Dec.	Jan. – Jun.	Jul. - Dec.
Circulation ('000)	317	329	350	385	396	410	437	469	531	568

Source: ABC

Set forth below is the combined readership of the Patna edition and Ranchi edition as per the past four IRS surveys:

	2002 R2	2003-04 R1	2003-04 R2	2005 R1
Readership ('000)	4,573	4,839	5,339	5,454

Despite continued competition from three established newspapers, *Hindustan* has maintained dominance in the Bihar and Jharkhand markets. The following table provides a comparison of the top four Hindi newspapers in Bihar by circulation as per ABC July-December 2004 and readership as per IRS 2005.

Newspaper	Circulation ('000)	Readership ('000)
Hindustan	**568**	**5,454**
Dainik Jagran	201	2,603
Aaj	190	856
Prabhat Khabar	218	1,133

Due to its large readership, *Hindustan* is able to deliver cost-effective advertising space to its advertisers. We believe our ability to provide an advertiser with a common platform to address both the English and the Hindi readers in the area is a particular advantage that will continue to strengthen our position.

Hindustan - Lucknow

Hindustan's Lucknow edition was launched in October 1996 and its printing in Varanasi began in June 2001. The edition is distributed in Lucknow, Varanasi, Allahabad and neighbouring areas.

We entered into an alliance with Amar Ujala in August 2001 for jointly selling advertising. Amar Ujala is the market leader in West Uttar Pradesh and Uttaranchal regions and a strong player in the Kanpur market. We believe this makes it an ideal alliance partner, as these markets, together with our strongholds, cover the Hindi-speaking belt spanning across Delhi, Uttaranchal, Uttar Pradesh, Bihar and Jharkhand. Under the terms of the agreement with Amar Ujala, we sell packaged advertising space in both newspapers and the revenue is shared on a pre-determined basis. The term of the current agreement expired on March 31, 2004 but we continue to operate under the terms of that agreement whilst we negotiate a new agreement.

The Lucknow edition's circulation for the last five years is set forth below:

	2000		2001		2002		2003		2004	
	Jan. - Jun.	Jul. - Dec.	Jan. –Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.
Circulation ('000)	86	-	97	127	140	153	170	182	200	195

Source: ABC

The Readership of *Hindustan*, UP & Uttranchal as per the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-04 R 2	2005 R1
Readership ('000)	1,267	1,479	1,570	1,793

Hindustan is ranked second in Lucknow in terms of circulation. Lucknow is a key market in Eastern Uttar Pradesh.

Hindustan - New Delhi

The New Delhi edition of *Hindustan* has been circulated since 1936. In March 2002, the edition was relaunched with substantial changes in terms of content, design and new supplements. These changes,supported by a new editor, resulted in dramatic rise in readership, which increased from 392,000 as per IRS 2002-03 Round 1 to 900,000 as per IRS 2005 Round 1.

The newspaper is published from New Delhi and is distributed in Delhi and neighbouring areas.

The New Delhi edition's circulation for the last five years and readership for the past four IRS surveys is set forth below:

Circulation of *Hindustan*, New Delhi Edition

	2000		2001		2002		2003		2004	
	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.	Jan. - Jun.	Jul. - Dec.
Circulation ('000)	92	NR-	119	147	136	153	147	NC	226	222

Source: ABC

The Readership of *Hindustan*, New Delhi Edition as per the last four IRS surveys is set forth below:

	2002 R2	2003-04 R1	2003-0R 2	2005-R1
Readership Delhi State ('000)	392	970	948	900

Source: IRS

The following table provides a comparison of the top four Hindi newspapers in New Delhi by circulation as per ABC July-December 2004 and readership of Delhi state as per IRS 2005 Round 1:

Newspaper	Circulation('000)	Readership('000)
Hindustan	**206**	**900**
Punjab Kesari	175	964
Navbharat Times	NR/ UC*	1,615
Dainik Jagran	121	514

* UC- JD-04, NR JJ-04, JD-03,

We believe our ability to provide advertisers with a common platform to address both the English and the Hindi readers and advertisers in a Hindustan Times/ Hindustan bundled offering, will continue to work in our favour.

Internet Site

Our Internet site has expanded exponentially over the past four years. We have committed significant resources to this area, as we believe the Internet is one of our future growth engines.

Over time, our website hindustantimes.com has become one of the most popular websites for Indian news and content on the Internet.

In March 2005, the website clocked in excess of 88 million page views and got close to two million unique visitors. In addition, internet surfers spent over 25 minutes on the site per average user session.

The site primarily focuses on delivering news and analysis. The website is updated round the clock with breaking news and exclusive coverage by its independent editorial staff.

hindustantimes.com includes the following:

HindustanDainik.com

The group's Hindi daily *Hindustan* went online – www.HindustanDainik.com – on March 1, 2004. Besides the daily print editions, the website provides the latest news from all over the world, round the clock. It also enables surfers to post their opinions and vote daily on issues of national importance through the opinion polls conducted on the website – all in Hindi.

HTCricket.com

It is one of the largest websites on cricket. Along with a ball-by-ball commentary on cricket matches, the website regularly generates a lot of exclusive content and features to keep readers up to speed with the event both on and off the cricket field.

HTTabloid.com

It is an e-Tabloid focussing on celebrity lives, style and news.

HTClassifieds.biz

It is a comprehensive feature on jobs, matrimonials, automobiles and real estate classifieds. With an extensive database and a reverse search feature that is a first-of-its kind in India, this also offers the facility to book print classified ads online.

UK Edition

An online United Kingdom edition was launched in January 2003. This was the first step towards a larger plan to provide value-added, localised and customised news to the Indian community worldwide. The UK Edition provides news and information in an interactive environment for Asians in the United Kingdom.

HTPace.com

This feature is our initiative to induce reading habits among the youth. The website of PACE – Partnerships for Action in Education – integrates the daily newspaper with high-tech avenues of learning.

HTNext.in

It is youth oriented feature with sport news, celebrity news, world news and a political digest. The website has two sections – Trendy Teens and Juniors – that are designed to cater for the young reader.

Localised News

Through our various print editions, we make localised news available on our website. We have the editions from Bhopal, Chandigarh and Lucknow available online.

ePaper

The latest addition to our offering is this virtual clone of the daily edition of Hindustan Times. The ePaper combines the look of the printed version with the interactivity of the web. In order to access the ePaper, users need to pay a subscription fee. Our research shows there is a significant market for premium content on the web and readers are willing to pay for unique products and services.

Online advertising constitutes the bulk of hindustantimes.com's revenues. The other avenues include sponsorships and content syndication. Some of the key advertisers on the website include British Telecom, Microsoft, Allen Solly, Citibank, Yahoo!, LG, ICICI, Nike, ING and Adidas.

Our sophisticated IT network offers advertisers a variety of options, allowing them to target their audience by country, city, time of day, day of week and specific section of the website. The advertisers and sponsors are provided with guaranteed exposure on the website and campaigns can be tracked on a dynamic basis. Advertising on *hindustantimes.com* includes banner and spot advertising, sponsorship of exclusive sections and promotional activities and contests.

Periodicals

We publish two Hindi monthly magazines, *Nandan*, which is targeted at women and children, and *Kadambini*, which is targeted at Hindi literary readers.

Our Editorial Team

Our editorial teams have vast experience in providing quality content and expertise in journalism and have numerous awards. We believe that editorial content is a critical driver of our business.

Our editorial team at *Hindustan Times* is headed by Vir Sanghvi as its editorial director supported by Shekhar Bhatia for all editions. They are assisted by resident editors for each edition.

The editorial team at *Hindustan* is headed by Mrinal Pande for all editions. She is supported by resident editors for each edition.

The resident editors for both newspapers are assisted by their respective teams of sub-editors, reporters and freelance journalists, known as stringers. The editorial content for each newspaper comes from their respective reporters in the field across offices throughout India and outside India. We also receive content from various news bureaus and news wires.

The volume of information received by us is very high compared with the information used. The priority of using the information depends on the judgement of editorial staff.

Our editorial teams develop their respective newspapers by reviewing and prioritising information by importance and type of content.

Our Sales and Circulation

We earn revenues from selling our newspapers (circulation revenue) and from advertising. For the nine months ended December 31, 2004, our circulation revenue constituted 19.9% of our total revenues.

According to ABC July-December 2004, the circulation of *Hindustan Times* was approximately 1.19 million copies and of *Hindustan* was approximately 0.98 million copies. Detailed information on the circulation of each edition is given above in the section entitled “Our Product—Our Editions”.

The sale of our newspapers can be classified as follows:

- Regular sales through trade;
- Subscription sales through trade;
- Cash sales through stalls;
- Institutional sales such as to airlines and hotels; and
- Sales to young readers through schools.

Pricing of Editions

The cover prices we charge for our editions depend on location and on point of sale. Customers often pay prices below the cover price when purchasing by subscription. Generally, cover prices are lower in metro markets such as Delhi on account of both price competition and higher advertising revenue. Regional and vernacular editions generally have much higher cover prices and lower numbers of pages. These regional and Hindi editions have higher readership than English editions due to both to custom and their higher prices.

The following table provides the average cover prices of each of our newspaper editions, weekdays and Sunday, during the calendar year ended 2004.

Editions	Average Number of Pages (Metro Edition)	Average Weekday Cover Price (Rs.)	Average Sunday Cover Price (Rs.)
Hindustan Times, New Delhi[(1)]	46.85	1.50	4.50
Hindustan Times, Patna	18.60	3.00	4.00
Hindustan Times, Ranchi	18.60	2.50	4.00
Hindustan Times, Kolkata	22.57	1.75	4.00
Hindustan Times, Lucknow	22.57	2.50	3.50
Hindustan, Patna	20.89	3.50	3.50
Hindustan, Ranchi	21.20	3.50	3.50
Hindustan, New Delhi	18.28	2.33	3.00
Hindustan, Lucknow	20.00	3.00	3.00

(1) We raised our HT New Delhi edition cover price to Rs. 2.00 in March 2005.

For every newspaper sold, we receive the price paid by the customer net of commissions of approximately 30-35%, which is withheld by our agents and vendors.

Distribution

The Circulation department is responsible for managing and monitoring our distribution activities by maintaining relationships in the distribution chain. In each major metropolitan centre we organize our distribution network into four or five regions and each region into zones under which we have distribution centres. The vendors are controlled and organized by our agents, who operate from distribution centres. From the distribution centre, individual vendors take the newspapers to be delivered to households, offices and institutions. A distribution centre allows early morning distribution (between 4 a.m. and 7 a.m). Changes in the number of newspapers sold are reported by vendors up the distribution chain. For example, in New Delhi,newspapers are lifted from approximately 70 distribution centres and sold through approximately 6,000 vendors across the city. Our agents generally collect cash from the vendors on a daily basis, although in smaller markets billing and collection occurs on a monthly basis.

Set out below is our distribution network in some of our markets

	Delhi	Mohali	Bihar
Agencies	519	390	282
Distribution centres	70	9	1,440
Distribution (hawkers)	6,000	700	13,800

Distribution centres are usually common to various newspapers being circulated in a particular area. In order to promote circulation, we organize various trade related activities (including incentive schemes) from time to time.

Our Circulation department also works closely with our Marketing department on various reader promotion activities, such as sampling of newspapers and co-ordinating reader promotion contests.

Our Media Marketing

Overview

Our advertisement revenue constitutes a substantial portion of our total income. For the nine months ended December 31, 2004, advertisement revenue constituted 77.9% of our total income.

Spending on advertising (ad-spend) in India is growing rapidly with a compound annual growth rate of 10% over the last five years (source: TAM AdEx India). Ad-spend in the print media has been an important part of this overall growth and has grown at a compound annual growth rate of 8% over the last five years (source: TAM AdEx India). According, TAM-Adex, ad-spend in 2004 for English dailies and Hindi dailies represented 50% and 25%, respectively, of total newspaper print media ad-spend.

Advertising is done on a national, regional and local level. National campaigns generally focus on Mumbai and Delhi, in particular, and other metropolitan cities.

We believe that the top five markets for advertisements in English newspapers are Mumbai, Delhi, Chennai, Bangalore and Kolkata, which together account for approximately 80% of the English newspaper advertising revenue and the top five markets for advertisements in Hindi newspapers are UP, Rajasthan, MP, Bihar and Delhi, which also together account for approximately 80% of the Hindi newspaper advertising revenue.

Advertising

In order to maintain readership and the quality of our newspaper, we constantly maintain the balance between advertisement and editorial content.

There are four broad categories of advertisements in the main section of our newspapers.

- **Display Advertisements –** These advertisements usually relate to product/ corporate promotional campaigns. For the purpose of revenue segmentation, display advertisements are further divided into:
    - Colour display ads: and
    - Black and white display ads.
- **Government –** These are advertisements for publicizing (i) schemes and achievements of various Government departments, (ii) contracts and (iii) tenders that various government and public sector enterprises publish for their procurements and sales. These are routed through the DAVP (Department of Audio & Visual Publications) in respect of the Government of India and the departments of public relations with most state Governments.
- **Tenders and obituaries –** These are tenders by non-government entities and obituaries in display format.
- **Classifieds –** These are classified advertisements published by individuals and companies in respect of matrimonials, obituaries, real estate, automobiles and situations vacant.

In addition to advertisements in the main section of the newspaper, we also have advertisements in various supplements, which are targeted at different segments of readers and advertisers. The advertisements in supplements are mostly placed by retail and local advertisers.

The following table sets forth the volume of advertising per category of *Hindustan Times*, New Delhi edition over the past two years.

Volume of Advertising by Category

Advertising Caregory	Nine months ended December 31, 2004	Nine months ended March 31, 2004
	(% of total volume of ads published)	
Display Advertisements colour	19%	16%
Display Advertisements b&w	20%	17%
Government	22%	21%
Classifieds	17%	20%
Supplements	22%	26%

Advertising Sales

Selling of display ad-space is generally undertaken through advertising agencies. For the Government, the selling of advertising is done through DAVP (Department of Audio and Visual Publications). For State Governments, the selling of advertising is done through DIPR (Directorate of Information and Public Relations). Individuals and companies often place ads in our supplements and classified sections directly with us or through quick booking centres without going through advertising agencies.

We have a long relationship with most of the leading advertising agencies in India. These agencies are split into two categories namely accredited agencies with INS and non-accredited agencies. At March 31, 2005, we had approximately 1,568 accredited agencies including all branches and approximately 5,647 non-accredited agencies including quick booking centres as customers.

We enter into rate contracts with most of our large advertisers or advertising agencies on a campaign by campaign basis, volume basis and on market share basis. The advertising agencies place advertisement orders for their clients with us either for a particular day or for a comprehensive advertising campaign. The basic document received by us for the publication of an advertisement in the newspaper is the release order issued by the agency/ client. The release order contains all the information in relation to the advertisement including the size of the advertisement, placement, rate to be charged, date of publication, type and category of advertisement. The release orders received are captured on the system, which takes care of the scheduling of the ad and the billing of the customer.

Under the INS rules, we are required to allow two calendar months credit after the month in which the advertisement is published. If agencies accredited with INS default in their payment obligations to us, INS supports our credit collection efforts by placing them in the suspended/ disaccredited category. Those agencies placed on the suspended/ disaccredited category experience difficulties in placing advertisements. In addition, INS can use the security deposit paid by the agency at the time of its accreditation to help to satisfy an outstanding amounts owed to us. In the case of the non-accredited advertisers, we generally follow a policy of cash and carry or a security-backed credit period not exceeding the amount deposited unless replenished. The above minimizes the credit default. Government departments that advertise with usually take at least six months to pay us.

Advertising Rates

Our advertising rates are revised at regular intervals. Our rates are generally denominated in square centimetres although column centimetre based rates are still common in the industry.

Rates are generally set based on:

- the category of the advertisement, i.e., display, government, tenders, obituaries, classifieds and supplements;
- the size and positioning of the ad (for example, front page, back page) in the newspaper and, in some cases, the positioning of the ad on the page;
- the frequency the ad is to be placed; and
- whether the ad is in colour or black and white.

In addition:

- Volume incentives may be allowed to certain agencies/ clients, based on the assured commitment of volume of business.
- Special rates may be considered in case clients who agree to publish in all editions.
- Special rates may be considered for certain upcountry advertisers.
- Special rates may be considered in case of full/ half page releases.

As per INS rules and industry practice, our advertisement rates are subject to a commission of 15% payable to advertisement agents.

Customers

Although most of our display advertising customers are advertising agencies and Government departments, we sometimes have a contract with the underlying customer.

During the period from April 1, 2004 to December 31, 2004, we derived approximately 78.9% of our total income from advertisements of which our top 10 advertisers contributed approximately 8% of our total ad revenue and our top twenty advertisers contributed approximately 14% of our total ad revenue. No single customer contributed more than 2% of our total advertising revenue.

Media Marketing Department and Initiatives

As of March 31, 2005, we had approximately 540 employees in our Media Marketing department. These executives liaise with advertising agencies and, in some cases, directly with underlyng customers. We are undertaking new initiatives in our Media Marketing department, including:

- Introduction of incentive based commissions to our sales executives.
- Developing product and industry sector focussed teams.
- Focusing on margins in addition to revenues and yields.
- Leveraging our technology infrastructure.

Marketing

We actively market our brands and undertake a variety of programs to increase the readership of our newspapers. Our Marketing department is responsible for developing brand strategy, managing the brand and communicating our brand positioning to target readers. They are also responsible for developing reader involvement programs such as competition for readers.

To improve our brand images, we use a wide range of marketing tools, including advertising, public relations and consumer involvement promotions. Our Marketing department is involved in the development of television, radio, press and outdoor campaigns for strategic and tactical campaigns

for all our brands. Our Marketing department also tracks the health of our brands through regular surveys.

The needs of newspapers readers are constantly evolving. Our Marketing department is responsible for identifying these needs on a regular basis and working with the editorial and other teams in meeting these needs.

Partnership for Action in Education (PACE)

A fundamental part of our marketing strategy is to appeal to young people in order to instil brand loyalty. *Hindustan Times'* PACE program complements this aim and demonstrates our commitment to community development. PACE was launched in July 1998 and is a programme based on forging partnerships between schools and the broader community.

The PACE program is currently running in over 1,500 schools in Delhi, Lucknow, Mohali, Bhopal, Indore and Jaipur. All students participating in the program receive subsidized copies of HT Next through their schools. In addition students have access to specialised supplements that carry news and features of interest to the student community.

Under the PACE program banner we organise and sponsor inter-school events such as painting, essay writing, dance, photography, and music competitions as well as national level quizzes, debates and cricket tournaments. PACE also organises and sponsors regular activities in schools such as drama, creative writing, personality development, stress management and creative arts.

Our Infrastructure

Printing Infrastructure

We print our newspapers from 16 facilities with a total installed capacity of approximately 1.5 million copies per hour.

Our primary printing facility is our state-of-the-art Greater Noida facility, which became fully operational in March 2005. As of December 31, 2004, we had incurred capital expenditure of Rs. 2,048.3 million on this facility and we expect the total cost of this facility will be approximately Rs. 2,520.0 million. We believe the Greater Nodia facility provides us with the following long-term benefits:

- Ability to offer higher page levels and higher printing speed;
- Improvements in the quality of printing and folding paper; and
- Ability to offer more colour pages.

We have owned printing centres at Gurgaon, Noida, Greater Noida, Chandigarh, Ranchi, Patna, and Lucknow, where we own all the press, pre-press, post-press facilities and related equipment.

In New Delhi, Dhanbad, Jamshedpur, Kolkata and Bhopal, we operate from leased premises. In these cases, the partner owns the building, which was built to our specifications, and all other investment was provided by us (except Kolkata and Bhopal where the printing machine also belongs to our business partner). In New Delhi, we occupy the premises and utilize certain other facilities under an agreement with our promoter dated March 5, 2005 which expires on March 4, 2009.

In Jaipur, Bhagalpur, Muzzafarpur and Varanasi, we have outsourced our printing operations. Under this arrangement, we provide the content and newsprint and the printer prints the newspaper. Except for Jaipur, the printers work on 'cost plus' contracts with semi-annual reviews derived from a fixed formula. In Jaipur, the printer has a fixed priced contract.

The details of our printing infrastructure at various locations is provided below:

Location	Number of Machines	Total Installed Capacity (Copies per Hour)	Arrangement (in Relation to machines)
New Delhi	5[1]	265,000	Owned
Gurgaon	4[2]	160,000	Owned
Noida	8[3]	255,000	Owned
Greater Noida	3	255,000	Owned
Chandigarh	2	60,000	Owned
Ranchi	2	75,000	Owned
Patna	3	115,000	Owned
Lucknow	2	75,000	Owned
Dhanbad	1	30,000	Owned
Muzzafarpur*	1	45,000	Owned
Kolkata	1[4]	45,000	Owned
Sub-total	**32**	**1,365,000**	
Kolkata	1	30,000	Leased
Bhopal	1	30,000	Leased
Sub-total	**2**	**60,000**	
Jaipur	1	30,000	Subcontractor
Bhagalpur	1[5]	30,000	Subcontractor
Jamshedpur*	1	30,000	Subcontractor
Varanasi	1	30,000	Subcontractor
Sub-total	**4**	**120,000**	
Total	**38**	**1,545,000**	

* Printing machine installed in Muzzafarpur is owned by us but is installed in a sub-contractor's premises.The machine installed in Jamshedpur is owned by the sub-contractor in Muzzafarpur.

The Newspaper Publication Process

Our newspaper publication process involves the following steps:

- The editorial staff, along with a network of reporters, stringers and journalists analyse the data compiled from the domestic and international news agencies, as well as newswires and create the news story.
- The advertisement team, in liaison with the marketing department, procures advertisements.
- The Advertising department, in co-ordination with the Editorial department, creates newspaper pages and converts them into postscript files.
- The files are sent to the PDF server for converting postscript files to portable document format.
- The PDF files are converted into compatible files format using the conversion software. These files are then aligned with the plates using 'Computer to Plate' technology.

- These plates are then punched and bent according to the specification of the printing machines. The punched and bent plates are mounted on the printing machines for the printing.
- The printed newspapers are stacked, wrapped and loaded into delivery vehicles using automated stackers, packers, wrapping and bundling equipment.
- Our Circulation department distributes and sells our newspapers.

Our IT Infrastructure

Our IT infrastructure comprises computers at over 110 locations connected via a robust wide area network. The central data centre is housed at Hindustan Times House in New Delhi and runs enterprise class Sun and Intel-based servers. We use a host of software applications for day-to-day business operations including SAP and PPI enterprise application packages. Due to extensive usage of IT, we are able to print more than 2,000 pages per day across locations with reduced manpower and in very rigid timelines.

Our IT department is responsible for establishing and maintaining our IT infrastructure and applications. The key roles of our IT department include:

- Managing the infrastructure - architecture, technology, uptime and costs;
- Providing support to end users - help desk, point of contact for problems;
- Performing operational activities - back-up, administration;
- Maintaining applications - problems, changes, enhancements, reports;
- Implementing projects - processes, applications, infrastructure; and
- Monitoring IT trends - technology, usage, investment and potential benefits.

In addition to in-house resources, our IT department relies on outsourced services to manage project execution and service delivery. Our outsourced services are provided by Accel ICIM, Siemens, PPI, SAP and 4Cplus

Key IT Initiatives

Some of our IT department's recent initiatives include:

- SAP deployment to manage business transactions and business intelligence
- Customized content management and workflow management applications for editorial;
- Web services to advertisers for booking advertisements and account inquiries;
- Filing of stories over the internet by reporters; and
- E-payment gateway for online payments.
- Enhanced measures on infrastructure and information security

Our Sources of Newsprint

Newsprint is the paper on which we print our newspapers. Newsprint is the most significant cost to our business. For the nine months ended December 31, 2004 newsprint costs totalled Rs. 2,053.5 million or 43.3% of our total revenues and for the nine months ended March 31, 2004 newsprint costs totalled Rs. 1,838.7 million or 43.6% of our total revenues.

Global Newsprint Industry

The global newsprint industry is a cyclical commodity segment. Newsprint demand has been extremely sensitive to economic cycles and in the short-term, it is not uncommon to observe differences between demand and supply levels. The short-term volatility has a significant bearing on the financial performance of the worldwide newsprint industry, and thereby results in alternating periods of financial gains and losses.

Except for North America, which is the biggest exporter of newsprint globally, most countries/ regions are importers of newsprint. There has been a recent sharp increase in Indian imports, reaching nearly 800,000 tonnes in 2004. India's imports have grown rapidly (more than 20% per year in 2002–2004) in response to healthy demand growth, which has been difficult to meet from domestic sources due to rising quality requirements.

Pricing

Although spot purchases of newsprint are available, quantities are also contracted through term contracts, which may be medium-term or long-term. Newsprint prices in various global markets have not followed a freight-equalisation based pricing. Different prices prevail in markets like Europe and United States and these prices are usually not accounted solely by the difference in freight rates.

Prices of imported newsprint in India (CFI Mumbai) averaged US$501 per metric tonne over the last five years and US$528 per metric tonne over the last seven years. Prices in India have been more volatile than prices in Europe and the United States. Usually, in periods of low pricing, Indian prices are lower than international prices as newsprint producers prefer shipping their surplus stock to countries such as India to maintain pricing in their home markets and avoid an over-supply situation. Likewise, in a high-pricing scenario, prices in India firm up faster than international prices due to the relatively low bargaining power of Indian newsprint consumers and the preference of the international manufacturers to first meet the demand of their larger clients in the West.

Sourcing Newsprint

Our materials division handles the procurement of newsprint. The division monitors international price movements in newsprint costs and closely interacts with main suppliers and endeavours to extract the best terms and prices.

We enter into pricing arrangements with certain suppliers on a short to medium-term basis and vary procurement quantities between suppliers within the overall sourcing framework. These suppliers include:

- ***UPM-Kymmene Corporation***. UPM is based in Finland and was the world's fourth largest producer of newsprint in 2003. For the nine months ended December 31, 2004, UPM meet approximately 25% of our newsprint requirements. We have a supply contract with UPM that expires on December 31, 2006. In the event that we do not purchase the agreed upon volume of newsprint from UPM, UPM has the right to sell such newsprint in the market and to recover the difference, if any, between the price it received in the market and the contract price.

- ***Kruger, Inc***. Kruger is based in Canada was the world's seventh largest producer of newsprint in 2003 We have been sourcing newsprint from Kruger since 1992. For the nine months ended December 31, 2004, we sourced approximately 30% of our newsprint requirements from Kruger. We do not currently have a long-term contract with Kruger but have entered into long-term contracts with them in the past.

- ***Indian Suppliers***. Indian suppliers do not generally produce high quality newsprint. We use newsprint from Indian producers for editions of Hindustan and for the inside pages of certain editions of Hindustan Times. Currently we source approximately 40-50% of our annual newsprint requirements from these producers.

- ***Other International Producers***. We source newsprint from other international producers such as Russian and Indonesian newsprint manufacturers according to our needs and often take

advantage of any price differential that may exist between the markets. We are also developing new international sources from which to procure newsprint.

Our Newsprint Sourcing Mix

Paper costs vary as a percentage of revenues primarily as the result of mix in quality of paper used. Our newsprint sourcing strategy is based on optimising the total newsprint cost by using different combinations of newsprint for different editions based on the overall importance of the editions from the perspective of circulation and revenues.

Our Competition

The Indian newspaper industry is intensely competitive. In each of our major markets, including our largest market, Delhi, we face competition from other newspapers for circulation, readership and advertising. In addition, we face competition from other forms of media including, but not limited to, television broadcasters, magazines, radio broadcasters, and websites. These other forms of media compete with newspapers for advertisers and also for the time and attention of our readers.

We have described the competition for each of our editions above, see "Our Products—Our Editions" for further information.

Our Employees

The following table sets forth details on our employee numbers, including employees seconded to us and other subcontractors, as of March 31, 2005:

Editorial Staff and Reporters	1,102
Production Staff	861
Other employees	1,801
Total	**3,764**

Pursuant to the transfer of the media business to us, HTL outsourced some of their employees to us. 96 of these employees availed the option to retire under a voluntary retirement scheme of HTL. The cost of such voluntary retirement by these 96 persons amounting to Rs. 48.1 million was borne by us. In addition, we have borne the cost of separating 303 persons whose services came to an automatic end under section 25FF of the Industrial Disputes Act, 1947 aggregating to Rs.47.0 million.

In addition to employees seconded to us by HTL, we also employ other subcontractors from a number of companies. We consider employee relations to be good.

Properties occupied, owned and/or leased by us

Our principal business headquarters are located at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001, India. We occupy these premises and utilize certain other facilities including newsgathering, administrative and accounting, under an agreement dated from our Promoter dated March 5, 2004 which expires on March 4, 2009. The consideration payable by our Company to HTL in the agreement is Rs. 122.6 million.

We have the following printing facilites, which has been taken by us on long term lease:

Location	Description
Plot at Gomti Nagar, Lucknow	Commercial plot together with building thereon, on Khasra No. 697 measuring 5532.12 square meter situated at Vibhuti Khand, Gomti Nagar, Lucknow, was allotted by the Lucknow Development Authority vide a lease deed dated October 6, 1988 for a period of 90 years and transferred to HT Media Ltd., vide Conveyance Deed dated October 15, 2003.

Plot at Greater Noida	Industrial Plot admeasuring 93268.97 square metres bearing No. 08, situated at Udyog Vihar, Greater Noida Industrial Development Area, District Gautam Budh Nagar, Uttar Pradesh, allotted by the Greater Noida Industrial Development Authority and original lease deed was executed between HT and the Greater Noida Industrial Development Authority on August 9, 2001 for a period of 90 years which has been transferred to HT Media Limited vide Lease Deed dated December 30, 2003.
Plot at Noida .	Industrial plot admeasuring 19,100 square meters, bearing No. 2, situated at Block-B, Sector – 63, New Okhla Industrial Development Area, District Gautam Budh Nagar, Uttar Pradesh was allotted by the New Okhla Industrial Development Authority ("**NOIDA**") and original lease was executed between HT and New Okhla Industrial Development Authority ("**NOIDA**") on August 14, 2000 for a term of 90 years with effect from November 22, 1999 which has been transferred to HT Media Limited vide Lease Deed executed on November 1, 2003 and signed on December 1, 2003.
Plot at Mohali	Plot no. C-164-165, Phase VIII-B at Industrial Focal Point Mohali measuring 10,000 square yards. The said plots of land have been allotted for a period of 99 years, further renewable for a period 99 years, by the Punjab Small Industries and Export Corporation Limited, Udyog Bhawan, Sector 17, Post Box No. 11, Chandigarh ("**Corporation**") vide Lease Deed dated January 28, 2005.
Plot at Mumbai	Leasehold land bearing plot no. GEN-6, admeasuring 35, 310 sq. mtrs. in Kalwa Block in TTC Industrial Area within the village limits of Dighe Taluka, Thane District Thane, Mumbai. Deed of Assignment was executed between Century Textile & Industries Ltd. and HT Media Ltd. on July 20, 2004. The Conveyance Deed was signed on July 20, 2004.

In addition, we have taken on lease 54 premises for our sales and marketing and editorial and administration offices across the country. For information on our printing infrastructure, see the section above entitled "Our Business—Our Infrastructure" on page 59 of this Draft Red Herring Prospectus.

We also lease a number of residential properties for use by our employees.

REGULATIONS AND POLICIES

The Government of India has over the years formulated various regulations and policies for the development of the newspaper industry in India.

Foreign Investment Regulations:

Foreign investment in the print media sector is regulated by the Government of India through both the Foreign Investment Promotion Board and the MIB. The Industrial Policy, 1991 of the Government of India ("Industrial Policy") specifies that FDI up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity.

The MIB Guidelines have also laid down regulations governing FDI in the Indian entities publishing newspapers/ periodicals dealing with news and current affairs. Such FDI is allowed only towards the subscription of upto 26% of paid-up equity of such entity. Such permission is granted by the MIB, upon application, only where the equity held by the largest Indian shareholder is at least 51% of the total equity shares, excluding the equity held by Public Sector Banks and Public Financial Institutions, in such entity. Further, there is a requirement that 50% of the FDI has to be inducted by the issue of fresh equity shares. The permission of the MIB is incumbent, *inter alia*, upon:

1. At least 3/ 4th of the directors on the board of directors of the Indian entity and all the key executives and editorial staff being resident Indians.
2. Complete disclosures to be made by the applicant and the Indian entity at the time of making the application regarding any shareholders' agreements and/ or loan agreements that are finalized or proposed to be entered into.
3. The articles of association and memorandum of association of the Indian entity shall reflect compliance with the above provisions.

It is obligatory on the part of the Indian entity to take prior permission from the MIB before effecting any alteration in the foreign shareholding pattern and the shareholding of the largest Indian shareholder.

Under Regulation 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, FIIs, NRIs and FVCIs cannot purchase shares or convertible debentures of an Indian company, which is engaged in the print media sector.

In accordance with extant regulations, the Issue is not being made to any other jurisdictions other than India. Consequently, only resident Indians are allowed to participate in the Issue. Non-Residents/ NRIs/ FIIs/ FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Newspaper Industry Regulations

Every person publishing, or intending to publish, a newspaper or a periodical, in India has to be registered under Press and Registration of Books Act, 1867. The authority under the Press and Registration of Books Act, 1867 is the Office of the RNI, which performs the functions of issue of certificate of registration to newspapers, compilation and maintenance of a register of newspapers containing particulars about all the newspapers published in India and certain other functions as specified below. The chief objective of the RNI is to regulate the newspaper industry and ensure compliance with the provisions of the Press and Registration of Books Act, 1867.

Registration of Newspapers

The Registration of Newspapers (Central) Rules, 1956 stipulates certain conditions in relation to the newspapers registered under Press and Registration of Books Act, 1867. The authority under the Registration of Newspapers (Central) Rules, 1956 is the Press Registrar who seeks to ensure the governance of the working of the newspapers. Newspapers are obliged to furnish annual statements to the Press Registrar. Further, the publisher of a newspaper is also required to publish in every issue of his newspaper the retail-selling price of each copy and in case of any change, the same has to be intimated to the Press Registrar within 48 hours. Every copy of every newspaper is

also required to print legibly on it the names of the printer, publisher, owner and editor and the place of its printing and publication.

Newsprint Allocation Regulation

Newsprint is an important raw material for printing of the newspaper. Till 1994-95, newsprint allocation was regulated by the Newsprint Control Order, 1962 and the Newsprint Import Policy was announced by the Government every year. Newspapers were issued Entitlement Certificates for import and purchase from the scheduled indigenous newsprint suppliers. The Newsprint Policy is modified every year depending upon the import policy of the Government. Newsprint has been placed under 'Open General Licence' with effect from May 1, 1995 whereby all types of newsprint have become eligible for import by actual users without any restriction. Under the latest newsprint policy/ guidelines for the import of newsprint issued by the MIB, authentication of certificate of registration is done by the RNI for import of newsprint, on submission of a formal application and necessary documentary evidence.

Import of Newsprint

RNI is the sponsoring authority for the import of newsprint at the concessional rate of custom duty available to the newspapers.

Regulation of the Press

The Press Council Act, 1978 establishes a Press Council for the purpose of preserving the freedom of the press and of maintaining and improving the standards of newspapers and news agencies in India. Under the Press Council Act, 1978, the Council by the name of Press Council of India has been established with effect from March 1, 1979. The functions of the Council include prescribing a code of conduct for newspapers, news agencies and journalists, and to concern itself with the developments such as concentration of or other aspects of ownership of newspapers and news agencies that may affect the independence of the press. The Press Council Act empowers the Press Council to warn, admonish or censure the newspaper, the news agency, the editor or the journalist or disapprove the conduct of the editor or the journalist if it finds that a newspaper or a news agency has offended against the standards of journalistic ethics or public taste or that an editor or a working journalist has committed any professional misconduct.

Press Accreditation Regulations

The Central Press Accreditation Rules, 1985 deal with the grant of accreditation to the representatives of news media organizations with the Government of India. Certain eligibility criteria for grant of accreditation to various categories viz., news agencies, cameraman or journalists, etc. as well as the procedure for grant of accreditation, occasions when accreditation could be suspended or withdrawn and the mechanism for review of accreditation have been provided for under the Central Press Accreditation Rules, 1985. Accreditation is granted only to those media representatives who reside within a radius of 25 kilometers from Delhi/ New Delhi.

Guidelines for Syndication Arrangement by Newspapers

All newspapers registered in India are authorised to make syndication arrangements for procuring material including photographs, cartoons, crossword puzzles, articles and features from foreign publications under the automatic approval route provided that the total material procured and printed in one issue of the Indian publication does not exceed 7.5% of the total printed area, due credit is provided to the content provider as a by-line in the Indian publication and compliance to certain other conditions.

Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955

The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 regulates the conditions of service of working journalists, non-journalists newspaper and news-agency employees. The Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 also deals with the fixing or revising rates of wages in respect of working journalists. In this regard, the Central Government is empowered to constitute a Wage Board who recommends wages for such working

journalists, non-journalists newspaper and news-agency employees. The recommendations of the Wage Board are then forwarded to the States and the Central Government monitors implementation of the same.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated under the Companies Act, 1956 on December 3, 2002 as HT Media Limited with its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi, India.

Transfer of the Media Business

We acquired the media business of HTL, our Promoter, through a slump sale on a going concern basis, pursuant to two business purchase agreements, both dated August 15, 2003, the media business comprising of the entire printing and publishing undertakings of HTL in all locations except at New Delhi, and the publishing undertaking of HTL at New Delhi, respectively, were acquired by us at a consideration comprising cash and issuance of Equity Shares as stated in therein.

For the details of the Equity Shares issued to HTL pursuant to the said business purchase agreements, see section titled "Capital Structure-Share Capital History of Our Company" on page 19 of this Draft Red Herring Prospectus.

The printing undertaking of HTL at New Delhi was subsequently acquired by us through a separate agreement dated October 1, 2004 at a cash consideration detailed therein.

Business Purchase Agreements dated August 15, 2003 and Status

1. Our Company and HTL executed two business purchase agreements dated August 15, 2003, transferring through a slump sale on a going concern basis:

   i. the entire printing and publishing undertakings of HTL in all locations except at New Delhi at a consideration aggregating to Rs. 1,022.34 million approximately comprising issuance of 19,755,327 Equity Shares at Rs. 51.75 each.

   ii. the publishing undertaking of HTL at New Delhi at a consideration comprising of cash amounting to Rs. 99.98 million approximately and issuance of 10,194,672 Equity Shares at a price of Rs. 51.75 each aggregating Rs. 527.58 million approximately.

2. The undertakings, transferred pursuant to the above mentioned business purchase agreements, comprised of the intellectual property rights and all other intangible assets related to the media business, the movable properties and the receivables related to the media business, the contracts, the financial books, records, ledgers, bill, cash books or registers and other records of every kind which contain information pertaining to the accounts and finances of media business, the consents, identified insurance policies and the investment made by the HTL in Searchlight Publishing House Limited, the liabilities and obligations whether absolute, accrued, contingent, fixed or otherwise which (i) pertain to the media business as of July 1, 2003 and arise in relation to the media business post July 1, 2003, including the liabilities arising from the litigation, except defamation cases and undisclosed liabilities.

3. The above mentioned agreements stated that the transfers were with effect from July 1, 2003.

4. As per the terms of these agreements, the sale was subject to the fulfillment of certain conditions prior to the formal takeover of the business by our Company from HTL. These conditions include, *inter alia*, the transfer of all contracts in favour of the Company, obtaining of all operating consents required for undertaking the media business, obtaining all third party consents, HTL obtaining the consent of its shareholders in accordance with the Companies Act and the right title and interest in movable properties being transferred from HTL to the Company. The Company agreed that if any defamation cases pertaining to the media business, are filed against HTL post July 1, 2003, the Company shall reimburse

to HTL all costs, legal expenses, damages or other compensation required paid/ incurred by HTL in defending such defamation cases.

There have been no issues raised by either HTL or us on any of the conditions stated above.

5. It was agreed that all the employees of HTL are due to be transferred to the Company on the same terms and conditions of employment as were offered by HTL, on the basis of continuity in service.

   All the employees of HTL were transferred except 986 employees who did not accept the transfer to our Company and such employees were seconded to our Company.

6. HTL has agreed to indemnify and hold the Company harmless from and against any and all losses, claims, damages, liabilities and fees, expenses and disbursements (including the fees, expenses and disbursements of counsel), occurring as a result of a breach of its warranties and such indemnification is the sole remedy available to the Company. The said parties have agreed that HTL shall not be liable to pay the Company until the cumulative aggregate amount of the claim exceeds Rs. 10 million.

7. The agreements are governed by the laws of India and the courts at Delhi have exclusive jurisdiction with respect to any dispute in this regard.

Business purchase agreement dated October 1, 2004

1. We executed an agreement dated October 1, 2004 with HTL by which we have acquired the printing undertaking of HTL other than the employees, situated at Press Block, 18-20, Kasturba Gandhi Marg, New Delhi, 110 001 at a cash consideration of Rs. 50 million.

   However, such transfer is subject to the decision of the Delhi High Court in a counter claim filed by the Hindustan Times Employees Union in CS (OS) 955 of 2004 against the transfer of the printing undertaking of HTL at Hindustan Times House, Kasturba Gandhi Marg, New Delhi to our Company. For details of this case, see the section titled "Outstanding Litigation and Material Developments" on page 164 of this Draft Red Herring Prospectus.

2. The proposed transfer in the said agreement is with effect from October 2, 2004.

3. We and HTL have agreed to indemnified each other against any losses, claims, etc incurred as a result of the breach of any covenant or undertaking by either party under the agreement. The agreement is governed by the laws of India.

Major events for the media business:

Year	Event
1924	*Hindustan Times*, an English daily was launched.
1927	The Hindustan Times Limited was incorporated.
1936	*Hindustan*, a Hindi daily was launched.
1960	A Hindi monthly magazine, *Kadambini* was launched.
1964	A children's monthly magazine, *Nandan* was launched.
1997	News website "hindustantimes.com" was launched.
1997-2003	The number of printing locations was increased from three to fifteen.
2003	The media business of the HTL was transferred to our Company.
2004	Installation of a modern printing press in Greater NOIDA in the state of Uttar Pradesh, India.

Our Main Objects

Our main objects as contained in our Memorandum of Association are as follows:

- To print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any other language, anywhere in India, either daily or otherwise.

- To manufacture, produce, exhibit, distribute, buy and sell, assign, licence, telecast, broadcast news and current affairs, television films, commercial films, video films, video magazines and to engage in other similar activities related thereto.

- To engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the internet or e-mail, networking and communication environments.

- To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendment
January 3, 2004	The authorised share capital of the Company was increased from Rs.10 million to Rs. 375 million.
February 25, 2004	The authorised share capital of the Company was increased from Rs. 375 million to Rs. 575 million**.**
October 25, 2004	The authorised share capital of the Company was increased from Rs.575 million to Rs. 650 million.
March 15, 2005	The authorised share capital of the Company was increased from Rs.650 million to Rs. 725 million.

Subsidiary

Searchlight Publishing House Limited ("**Searchlight**") is our only subsidiary.

Searchlight Publishing House Limited.

Searchlight was incorporated on May 22, 1918. It is primarily in the business of printing of newspapers for our Company.

Shareholding Pattern

Our Company holds 99.71% of the issued share capital of Searchlight. The remaining shares are held by some employees and others, who are not related to us.

Board of Directors

The board of directors of Searchlight comprises Mr. S.M. Agarwal (whole time director), Mr. H.L. Baheti, Mr. V.K. Charoria and Mr. R.K. Agrawal.

Financial Performance

The financial information of Searchlight presented below is based on audited and restated accounts, which have been presented in pages 120 to 131 of this Draft Red Herring Prospectus.

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	39.86	31.36	31.36
Share Application Money	-	33.50	4.40
Reserves and Surplus	31.71	5.84	5.71
Total income	140.96	136.71	129.31
Profit after tax	0.37	0.82	9.97
Earnings per share (face value of Rs. 10 each) (Rs.)*	0.09	0.26	3.18
Net Asset Value per share (Rs.)*	17.96	22.54	13.22

* on the basis of share capital only i.e. excluding share application money

Shareholders Agreements

Background

HTL, Henderson, our Company and others had entered into a shareholders agreement (the "Original Shareholders Agreement") on August 15, 2003 for recording their understanding as shareholders of the Company pursuant to a contemplated subscription in Equity Shares. The Original Shareholders Agreement was amended by two subsequent deeds of amendment. The first deed of amendment dated March 1, 2004 was executed to record the changed understanding of the parties pursuant to the subscription of 5,714,286 Equity Shares. Citicorp entered into a shareholders agreement ("Citicorp SHA") with us on September 17, 2004 pursuant to the subscription of Citicorp of the Equity Shares as stated in the terms therein. A second deed of amendment to the Original Shareholders Agreement, dated October 19, 2004, was executed by Henderson, HPC with us and others, for further subscription to Equity Shares by HPC.

Shareholders Agreement

A shareholders' agreement dated April 21, 2005 has been executed between HTL, Henderson, HPC (Henderson and HPC are collectively referred to as "the Investors"), Citicorp, our Company and others.

This agreement is to come into effect (the "Effective Date") on the listing of the Equity Shares and on and from the Effective Date, the Original Shareholders Agreement and the Citicorp SHA shall stand terminated. It has been agreed between the said parties that from April 21, 2005 to the Effective Date, or August 31, 2005, whichever is earlier, the Original Shareholders Agreement (as amended) and the Citicorp SHA shall remain in abeyance and inoperative. On the Effective Date, the Shareholders Agreement shall supercede all earlier arrangements, understandings and agreements in this regard, including the Original Shareholders Agreement, the Citicorp SHA and the two deeds of amendment.

The principal terms of the Shareholders Agreement are as follows:

1. The Investors and Citicorp each have the right to nominate one non-retiring director on the Board of Directors. The Promoter shall support the Investors and Citicorp in such appointment, removal and/or replacement of such nominee directors. The Promoters shall control at least 51% of the issued equity share capital of HTL.

2. In the event that the shareholding of either the Investors or Citicorp, as the case may be, falls below 5% of the issued and subscribed share capital of the Comapny, then the agreement shall terminate with respect to that particular investor.

3. None of the parties can acquire any Equity Shares consequent to the SHA during the term of the agreement other than through bonus issues, rights issues, mergers and amalgamations and stock splits.

4. The Investors or Citicorp may sell Equity Shares held by them to a strategic foreign investor, provided that such strategic investor does not have any material business interest or investment in any competitor of ours, whether directly or indirectly. Further, the Investors or Citicorp cannot sell any Equity Shares held by them to any competitor of ours, without obtaining the prior written consent of at least the Promoter. These restrictions continue till March 8, 2008 and thereafter the Promoter have been given a right of first refusal prior to any transfer of the shares upon the terms stated in the SHA. However affiliate transfers are permitted.

5. Any party to the agreement, other than our Company, who defaults on its obligations, covenants and undertakings, as detailed in therein, shall indemnify the other parties to the agreement against all losses, costs, charges, damages, liabilities, suits, claims, counterclaims, actions, penalties, expenses suffered as a result of a breach. However, the Shareholders Agreement clarifies that our Company shall have no liability under the terms of the Shareholders Agreement.

6. The Investors and Citicorp have severally agreed that if the Company reasonably requires their cooperation for the Company to comply with the provisions of applicable law in relation to any information pertaining to Citicorp and the transfer and holding of Equity Shares by Citicorp and/or pertaining to the Investors and the transfer and holding of Equity Shares by the Investors as the case may be subject to the Investors and/or Citicorp being able to render such cooperation, the Investors and/or Citicorp shall cooperate with the Company.

7. The parties to the Shareholders Agreement have undertaken that they shall at all times use their best endeavors to keep confidential, (and to procure that its respective employees and agents keep confidential) any confidential information which is in their possession or which they may acquire in relation to our Company or in relation to the clients, business or affairs of any other party hereto and shall not use or disclose such information except with the consent of every other party to this Agreement.

8. The Shareholders Agreement is governed by the laws of India and any disputes thereon are subject to arbitration in Singapore in accordance with the procedure and in the manner prescribed therein.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we cannot have fewer than four directors or more than twelve directors. We currently have nine directors.

The following table sets forth current details regarding our Board of Directors as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
Dr. K.K. Birla, Chairman. **S/ o.** (Late) Mr. G. D. Birla. **Industrialist.** **Term:** Liable to retire by rotation.	86	17, Gurusaday Road, Kolkata, 700 019.	• Birla Brothers Pvt. Limited • Chambal Fertlisers and Chemicals Limited. • Zuari Industries Limited. • Pilani Investments and Industries Corporation Limited. • Ronson Traders Limited. • Uttam Commercial Limited. • Texmaco Limited. • Sutlej Industries Limited. • The Hindustan Times Limited. • India Steamship Company Limited. • Yashovardhan Investment and Trading Company Limited. • Zuari Cements Limited.
Mrs. Shobhana Bhartia, Vice-Chairperson and Editorial Director. **D/ o.** Dr. K.K. Birla. **Industrialist.** **Term:** Tenure ends on June 30, 2008.	48	46, Friends Colony (East), New Delhi, 110 065.	• The Hindustan Times Limited. • Hero Honda Motors Limited. • H.T. Vision Limited. • The Press Trust of India Limited. • Shobhana Commercial Pvt. Limited. • Air Travel Bureau Limited. • Nilgiri Plantations Limited. • Goldmerry Investment and Trading Company Limited. • Britex (India) Limited. • Ronson Traders Limited. • Usha Flowell Limited. • Shradhanjali Investment and Trading Company Limited.

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
			• HTL Investment and Trading Company Limited. • Udit (India) Limited. • Yashovardhan Investment and Trading Company Limited. • HTBC Limited (Bermuda)
Mr. Y. C. Deveshwar, Independent Director. **S/ o.** Mr. K.C. Deveshwar. **Business Executive.** **Term:** Liable to retire by rotation.	58	Fountain Court, Flat No. 10, 7/ 1, Little Russel Street, Kolkata, 700 071.	• ITC Limited. • International Travel House Limited. • Surya Nepal (Pvt.) Limited, Nepal. • Woodlands Medical Centre Limited. • West Bengal Industrial Development Corporation Limited.
Mr. K.N. Memani, Director. **S/ o.** (Late) Mr. B.D. Memani. **Consultant.** **Term:** Liable to retire by rotation.	66	177 C Western Avenue Lane, W-7, Sainik Farms, New Delhi, 110 062.	• National Engineering Industries Limited. • HEG Limited. • Aegon India Business Services (Pvt.) Limited. • Kaleidoscope Entertainment (Pvt.) Limited. • Indo Rama Synthetics (India) Limited. • YES Bank Limited. • KNM Advisory (Pvt.) Limited. • Great Eastern Energy Corporation Limited. • Impact Advisory Services (Pvt.) Limited. • HT Consultancy Services (Pvt.) Limited. • Shree Cement Limited. • Global Educational Management Systems Private Limited (GEMS India).
Mr. Sanjiv Kapur, Director. **S/ o.** Mr. Tilak Raj Kapur.	47	11, Armdore Park, # 13-01, Singapore, 259 957.	• HPC (Mauritius) Limited. • Henderson Private Capital (India) Pvt. Ltd, India

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
Business Executive. **Term:** Non-retiring Director.			(India) Pvt. Ltd, India • Jubilant Organosys, India (Alternate director) • Henderson Global Investors (Singapore) Ltd, Singapore
Mr. Ajay Relan, Director. **S/ o.** Mr. Ramdhan Relan. **Business Executive.** **Term:** Non-retiring Director.	52	C-121, Defence Colony, New Delhi, 110 024.	• Orbitech Limited. • Micro Abrasives Limited. • YES Bank Limited. • Suzlon Energy Limited. • Citicorp Finance (India) Limited. • i-flex Solutions Limited. (Alternate director)
Mr. N.K. Singh, Director. **S/ o.** Mr. T.P. Singh. **Former Bureaucrat.** **Term:** Liable to retire by rotation.	63	11, Teen Murti Lane, New Delhi, 110 011.	None
Mr. S.M. Agarwal, Director. **S/ o.** (Late) Mr. T.R. Agarwal. **Business Executive.** **Term:** Liable to retire by rotation.	84	152, Golf Links, New Delhi, 110 003.	• Searchlight Publishing House Limited (whole time director) • The Hindustan Times Limited. • India Steamship Company Limited. • Shree Services and Trading Company Limited. • Sutlej Industries Limited. • TVM Limited (Mauritius). • Intelecom Limited. • HTL Investments and Trading Company Limited. • Usha Flowell Limited. • Britex (India) Limited. • Oudh Sugar Mills Limited. • H.T Interactive Media Properties Limited. • H.T. Vision Limited.

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
Mr. Shamit Bhartia, Wholetime Director. **S/ o.** Mr. Shyam Sunder Bhartia. **Industrialist.** **Term:** Tenure ends on August 31, 2008.	26	46, Friends Colony (East), New Delhi, 110 065.	• The Birla Cotton Spinning and Weaving Mills Limited. • Usha Flowell Limited. • Jubiliant Enpro Pvt. Limited. • Food Express Stores India Limited. • B&M Hotbread (Pvt.) Limited. • VOCL Investments Limited.

Brief Profile of the Directors

Dr. K. K. Birla, (86 years), our Chairman, is a renowned industrialist and has a career spanning more than six decades as a business leader. Dr. Birla has established one of India's well-known business conglomerates, spanning a wide spectrum of key industries like sugar, fertilizers, chemicals, heavy engineering, textiles, shipping and media. He has a Bachelors of Arts (Hons.) in Hindi and holds a *Honoris Causa* Doctorate in Literature. He has been educated at Calcutta University, Delhi University and Punjab University. He was a member of the Rajya Sabha, the Upper House of the Indian Parliament from April 1984 until March 2002. He has been a member of a number of consultative committees of the Government of India. He has headed Chambers of Commerce such as Indian Sugar Mills Association, Federation of Indian Chamber of Commerce and Industry, Indian Chamber of Commerce and many other prominent organisations. He joined our Board of Directors in August 2003.

Mrs. Shobhana Bhartia, (48 years), our Vice-Chairperson and Editorial Director, is responsible for our long-term vision and strategy. As Editorial Director, she is in charge of formulating and directing the editorial policies of the Company. She has more than 20 years of experience in the newspaper industry. She is a graduate from Calcutta University. She has been honoured by the Government of India with the title of "Padma Shree" in 2005, for her contribution in the field of journalism. She has received several awards including Outstanding Business Woman of the Year, 2001, by PHD Chamber of Commerce & Industry, Global Leader for Tomorrow, 1996, by the World Economic Forum, National Press India Award, 1992. She was on the board of Indian Airlines Limited and on the North Regional Board of the Reserve Bank of India. She has been associated with us since our incorporation.

Mr. Y. C. Deveshwar, (58 years), is a Director. He has a career spanning 36 years with experience across general management, strategic management and business leadership. He graduated from the Indian Institute of Technology, Delhi, with a B.Tech degree and joined ITC Limited, a public listed company in India, in 1968 as a Management Trainee. He was appointed to the board of directors of ITC Limited in 1984 and has led various businesses of ITC Limited apart from leading Air India as Chairman and Managing Director from 1991 to 1994. He is a recipient of various awards and recognitions, including the Manager Entrepreneur of the Year Award 2001, by Ernst & Young. He is currently the Chairman of ITC Limited. He joined our Board in May 2004.

Mr. K. N. Memani, (66 years), is a Director. He holds a Bachelor of Commerce from Calcutta University and is a qualified Chartered Accountant. He has recently retired as Chairman and Country Managing Partner of Ernst & Young, India. He specializes in business/ corporate advisory and financial consultancy. He has been the Chairman of the External Audit Committee of the International Monetary Fund. He is also a member of the National Advisory Committee on Accounting Standards, a statutory authority for specifying mandatory accounting standards. He joined our Board of Directors in May 2004.

Mr. Sanjiv Kapur, (47 years), is a Director. He is a Senior Partner of the British fund manager, Henderson Global Investors: Private Capital business and has 20 years experience in investments, including as the Head of Private Equity for the International Finance Corporation, Washington D.C., U.S.A. He holds a Bachelors of Economics (Hons) from St. Stephens College, Delhi University and a Masters in Business Administration in International Management from American Graduate School of International Management (Thunderbird), USA. He joined our Board in March 2004.

Mr. Ajay Relan, (52 years), is a Director. He is a noted banker. He holds a Bachelor of Arts (Hons.) in Economics from St. Stephens College, Delhi University and Masters in Business Administration from the Indian Institute of Management, Ahmedabad, India. A noted banker, Mr. Relan was the Chief Executive Officer of Citibank Securities & Investments Limited, Mumbai from 1993 to 1995, and Senior Consultant with Swicorp Consultant, Geneva from 1991 till 1993. He is presently the Managing Director-India, Citigroup Venture Capital International. He joined our Board of Directors in November 2004.

Mr. N.K. Singh, (63 years), is a Director. He is a noted economist and retired bureaucrat. Mr. Singh has a Masters of Arts in Economics from the Delhi School of Economics. He joined the Indian Administrative Service in 1964 and held a number of important positions with the Government of India, including Expenditure Secretary, Revenue Secretary and later as Secretary to the Prime Minister of India from August 1998 to April 2001. He was also a member of the Planning Commmission of India from May 2001 to June 2004. Presently, Mr. Singh is a member of the United Nations Global Commission on International Migration and a Senior Short Term Visiting Fellow, University of Stanford and chairman of the Management Development Institute, India. He joined our Board of Directors in December 2004.

Mr. S. M. Agarwal, (84 years), is a Director. He is a retired bureaucrat. He holds a Bachelor of Science degree from Allahabad University and is a graduate of the Institution of Electrical Engineers, London. A retired bureacrat, Mr. Agarwal has served as the Secretary Communications & Director General, Posts and Telegraphs, Government of India. He has advised the governments of various countries in telecommunications. He was awarded the “Padma Shree” in 1975 for his contributions in the field of telecommunications. He joined our Board of Directors in August 2003.

Mr. Shamit Bhartia, (26 years), is a whole time Director. He holds a Degree in Economics from Dartmouth College, USA. He has worked in the Corporate Finance and M&A Group, *Lazard Frere*, New York from July 2001 till August 2002. He has been associated with our Company from its incorporation.

Borrowing Powers of the Directors in our Company

Pursuant to a resolution passed by our shareholders in accordance with provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 5,000 million.

Details of Appointment and Compensation of our Directors

Name of Directors	Contract/ Appointment Letter/ Resolution	Details of Remuneration	Term
Dr. K.K. Birla	Resolution of the Board of Directors dated August 16, 2003.	No remuneration except sitting fees.	Liable to retire by rotation.
Mrs. Shobhana Bhartia	Resolution of the Board of Directors dated December 26, 2002.	Up to Rs. 7.64 million per annum.	July 1, 2003 to June 30, 2008.
Mr. Shamit Bhartia	Resolution of the Board of Directors dated	Up to Rs.0.63 million per annum.	September 1, 2003 to August 31,

Name of Directors	Contract/ Appointment Letter/ Resolution	Details of Remuneration	Term
	December 26, 2002.		2008.
Mr. S.M. Agarwal	Resolution of the Board of Directors dated August 16, 2003.	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Sanjiv Kapur	Resolution of the Board of Directors dated March 9, 2004.	No remuneration except sitting fees.	Non-retiring.
Mr. Y.C. Deveshwar	Resolution of the Board of Directors dated May 5, 2004.	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. K.N. Memani	Resolution of the Board of Directors dated May 5, 2004.	No remuneration except sitting fees.	Liable to retire by rotation.
Mr. Ajay Relan	Resolution of the Board of Directors dated November 8, 2004.	No remuneration except sitting fees.	Non-retiring.
Mr. N.K. Singh	Resolution of the Board of Directors dated December 9, 2004.	No remuneration except sitting fees.	Liable to retire by rotation.

Except the whole time director who is entitled to statutory benefits upon termination of their employment in our Company, no other director is entitled to any benefit upon termination of their employment in our Company.

Corporate Governance

The Company is in compliance with the applicable guidelines issued by SEBI in respect of corporate governance at the time of seeking in-principle listing approval from the Stock Exchanges.

SEBI, through circular number SEBI/ CFD/ DIL/ CG/ 1/ 2005/ 29 dated March 29, 2005 revised the date for ensuring compliance with Clause 49 of the listing agreement as per circular no. SEBI/ CFD/ DIL/ CG/ 1/ 2004/ 12/ 10 dated October 29, 2004 from April 1, 2005 to December 31, 2005. The Company undertakes to take all steps as may be necessary to comply with the further requirements for corporate governance, within the time frame allowed by SEBI.

Committees of the Board of Directors

Audit Committee:

The members of the Audit Committee of the Board are Mr. K. N. Memani (Chairman), Mr. Sanjiv Kapur, Mr. Ajay Relan and Mr. Shamit Bhartia.

The Audit Committee oversees the Company's financial reporting process and disclosure of its financial information. The Audit Committee further reviews the internal control systems with the auditors, half yearly and annual financial results, considers and discusses observations of the statutory and internal auditors, investigates any matter referred to it by the Board and reports to the Board on their recommendations on areas for attention.

Remuneration Committee:

The members of the Remuneration Committee of the Board are Mr. Y.C. Deveshwar, Mr. K.N. Memani, Mr. Sanjiv Kapur, Mr. Ajay Relan and Mr. N.K. Singh.

The remuneration committee determines the Company's compensation policy and other benefits for Executive Directors.

Investors' Grievance Committee

The Investors' Grievance Committee has been constituted to address *inter alia,* shareholder and investor complaints, issue of duplicate share certificates, non receipt of declared dividend, non receipt of annual reports and other shareholder issues. The Committee currently comprises of Mr. Ajay Relan, Mr. S.M. Agarwal and Mr. Shamit Bhartia.

Shareholding of Directors in our Company

Dr. K.K. Birla, Mrs. Shobhana Bhartia, Mr. S.M. Agarwal and Mr. Shamit Bhartia, hold one Equity Share jointly with HTL. None of our other Directors hold any Equity Shares of our Company.

Interest of our Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses payable to them under our Articles of Association. Mrs. Shobhana Bhartia, the Vice-Chairperson and Editorial Director and Mr. Shamit Bhartia, the whole time Director are interested to the extent of remuneration paid to them for services rendered as executives of our Company.

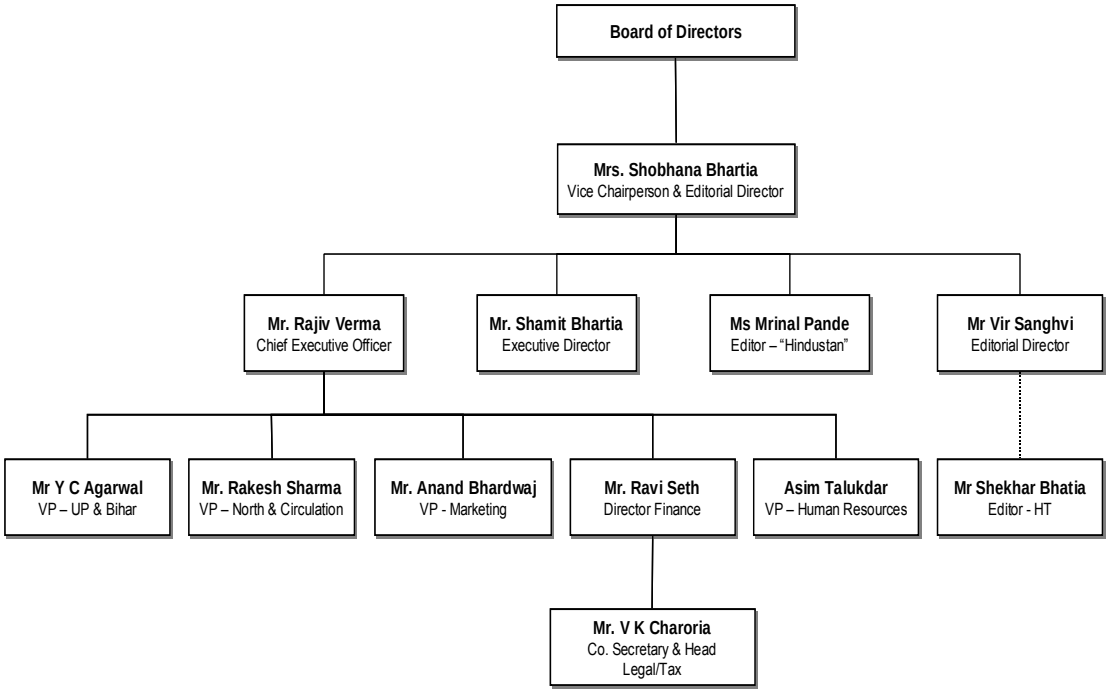
All our Directors may be interested in the Equity Shares already held by them or that may be Allotted to them pursuant to the Issue and/ or that may be Allotted to companies, firms and trusts in which they are directors, members, partners or trustees, as the case may be.

The Directors may have further interest to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Changes in our Board of Directors during the last three years

Sl. No.	Name of Director	Date of appointment	Date of cessation	Reason for change
1.	Mr. Priyavrat Bhartia.	December 26, 2002.	August 16, 2003.	Resignation.
2.	Dr. K.K. Birla.	August 16, 2003.	Continuing.	Appointment as a Director.
3.	Mr. S.M. Agarwal.	August 16, 2003.	Continuing.	Appointment as a Director.
4.	Mr. Sanjiv Kapur.	March 9, 2004.	Continuing.	Appointment as a Director.
5.	Mr. Y.C. Deveshwar.	May 5, 2004.	Continuing.	Appointment as a Director.
6.	Mr. K.N. Memani.	May 5, 2004.	Continuing.	Appointment as a Director.
7.	Mr. Ajay Relan.	November 8, 2004.	Continuing.	Appointment as a Director.
8.	Mr. N.K. Singh.	December 9, 2004.	Continuing.	Appointment as a Director.

Management Organisation Structure



Key Managerial Employees

Mr. Rajiv Verma, **Chief Executive Officer**, (46 years), holds a degree in Mechanical Engineer from Delhi College of Engineering. Prior to joining us in September 2004, he was the Managing Director for Whirlpool, South East Asia for a period of 3 years. He started his career with Hindustan Lever Limited and has worked for Nestle for 12 years in various roles involving project mangement. The compensation for fiscal 2005, including all benefits is [●].

Mr. Vir Sanghvi, Editorial Director – *Hindustan Times*, (49 years) began his career as a journalist in 1976 while he was still a student at Oxford University. In 1978, he became the editor of a Mumbai magazine. In 1983, he became Editor of *Imprint*. In December 1986, he was appointed Editor of *Sunday*. In 1997, he moved to become consulting editor of the Ananda Bazar Patrika group. In November 1999, he was appointed editor of the *Hindustan Times*. He is also a television anchor and has won several awards for his television programmes including a commendation as the Best Anchor at Asian Television Awards. In 1983, Mr. Sanghvi was named 'Global Leader of Tomorrow' by the World Economic Forum in Davos, Switzerland. The compensation for fiscal 2005, including all benefits is [●].

Mr. Shekhar Bhatia, Editor- *Hindustan Times*, (59 years), holds a degree in Science from Punjab University. He started his career in journalism with the *Financial Express* in Mumbai in the year 1969. In 1977, he joined *Business Standard* as deputy news editor. In 1982 he was a member of the core team to design and launch the *Telegraph*. He has also worked with Asian Age at Delhi. Before joining Hindustan Times in December 2003, he was the executive editor of *The Times of India,* Delhi from February 2001 to December 2003 and prior to that the editor of *The Indian Express,* Delhi from January 2000 to January 2001. Mr. Bhatia joined our Company in December 8, 2003 as editor of *Hindustan Times*. The compensation for fiscal 2005, including all benefits is [●].

Ms. Mrinal Pande, Editor – *Hindustan,* (59 years)**,** has a masters in English literature from Allahabad University. She started her career as a lecturer in English at Allahabad University in 1966 and later taught at the University of Delhi and University of Bhopal. She also taught the History of Art and Architecture to students of Architecture from 1978–80 in Corcoran School of Arts. Subsequently she became the editor of a women's magazine, *Vama* and between 1988 and 1994, she was the editor of a Hindi weekly magazine, *Saptahik Hindustan* brought out by HTL before taking over as executive editor of *Hindustan*, till 1997. Between 1997 and 2001, she worked in the

electronic media. She is also a writer and has written several novels and a number of plays and essays in Hindi and English. The compensation for fiscal 2005, including all benefits is [•].

Mr. Ravi Seth, Director (Finance), (43 years) qualified as a Chartered Accountant in 1985 after completing his Bachelors in Mathematics and Economics from Kanpur University. He started his career with ITC Limited where he worked till mid 2000 prior to taking up the assignment with the HTL and our Company. During his fifteen-year stint with ITC Limited, he worked in internal audit department, tobacco division, hotels division and real estate finance and development business. He is head of finance and information technology in our Company. The compensation for fiscal 2005, including all benefits is [•].

Mr. Anand Bharadwaj, Vice President – Marketing (48 years), holds a degree in Economics from St. Stephens College, Delhi University, a post graduate degree in Economics from the Delhi School of Economics and a post graduate Diploma in Management from Indian Institute of Management, Kolkata. He began his career with Lintas India where he worked for seven years. Thereafter he served Krishna Advertising for 3 years and Godfrey Philips India for another four years following which he joined Electrolux India as Executive Vice President - Marketing. Before joining our Company in September 2003 he has also worked in the capacity of Senior Associate Director Lowe worldwide. The compensation for fiscal 2005, including all benefits is [•].

Mr. Y. C. Agarwal, Vice President, Uttar Pradesh & Bihar (54 years)**,** is a law graduate from Lucknow University and holds a Masters in Business Administration from Allahabad University. He started his career in 1972 with the Pioneer group. He joined HTL in May 1999 when he was assigned with the task of starting the Patna editions of *Hindustan* and *Hindustan Times*. After having established the Company's presence in Bihar and Jharkhand, he was given the responsibility of launching our newspapers in Lucknow and Varanasi. The compensation for fiscal 2005, including all benefits is [•].

Mr. Rakesh Sharma, Vice President – North, (52 years) is a graduate in Commerce from Delhi University and a Post Graduate in Marketing and Sales from YMCA, Delhi. He has been working in the print media since 1971 and started his career in the sales department of The Eastern Economist and moved to the Times of India in 1976. He joined HTL in 1986 and became the head of circulation in 1991. Subsequently he was given the responsibility of expansion of *Hindustan Times* into north India where he setup the Mohali, Jaipur and Bhopal production facilities. He was also closely associated with the launch of the Lucknow and Kolkata printing facilities. The compensation for fiscal 2005, including all benefits is [•].

Mr. Asim Talukdar, Vice President – Human Resources and Administration, (52 years), holds a degree with honors in Chemistry from Calcutta University and a Post Graduate Diploma in Management from Indian Institute of Management, Kolkata. He has worked as Chief General Manager - Human Resources of Maruti Udyog Limited. He has also worked in Whirlpool India, Pepsi Foods Pvt Ltd, Britannia Industries Ltd, BOC (India) Limited and Indian Aluminum Company Limited. He joined our Company in August 2003. The compensation for fiscal 2005, including all benefits is [•].

Mr. V.K. Charoria, Company Secretary, (52 years), holds a degree in Commerce (Hons.) from Calcutta University. He is also a member of The Institite of Company Secretaries of India and The Institute of Cost and Works Accountant. He started his career in 1979 with JK Corp and joined HTL in 1991 and became company secretary in 1994. The compensation for fiscal 2005, including all benefits is [•].

Mr. Vir Sanghvi, Ms. Mrinal Pande, Mr. Ravi Seth, Mr. Y. C. Agarwal, Mr. Rakesh Sharma and Mr. V.K. Charoria were managerial personnel of HTL and have been transferred to our Company as key managerial employees, pursuant to Business Purchase Agreements.

All our key managerial employees are permanent employees of our Company and none of them are related to each other or to any Director of our Company.

Shareholding of the Key Managerial Employees

None of our Key Managerial Employees hold any Equity Shares or Preference Shares in our Company.

Bonus or Profit Sharing Plan for our Key Managerial Employees

There are no bonus or profit sharing plan for our Key Managerial Employees.

Changes In Our Key Managerial Employees Within One Year Prior To Date Of Filing

Name, Designation	Date of Appointment as Key Managerial Employees	Date of Cessation	Reason
Mr. Rajiv Verma, Chief Executive Officer.	September 20, 2004	Continuing	Appointment.
Mr. Shekhar Bhatia, Editor, *Hindustan Times*.	December 8, 2003	Continuing	Appointment.
Mr. Anand Bharadwaj, Vice President - Marketing	September 15, 2003	Continuing	Appointment.
Mr. Asim Talukdar, Vice President HRD and Administration.	August 22, 2003	Continuing	Appointment.
Ms. Mrinal Pande, Editor, *Hindustan.*	April 1, 2002	Continuing	Appointment.
Mr. Y.S. Yadav, Vice President HRD and Administration.	August 31, 2001	May 31, 2003	Resignation.
Ms. Mrinalini Gupta, Vice President - Marketing.	May 7, 2001	December 4, 2003	Resignation.
Mr. Ajay Upadhyay Editor - *Hindustan*	February 23, 2000	August 31, 2002	Resignation.
Mr. Rajan Kohli, Chief Executive Officer.	January 3, 2000	December 31, 2004	Resignation.

Employees Share Purchase Scheme/ Employee Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation and except [•], no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

OUR PROMOTER, SUBSIDIARY AND GROUP COMPANIES

Our Promoter

The Hindustan Times Limited is our Promoter. The registered office of HTL is located at Hindustan Times House, 18-20 Kasturba Gandhi Marg, New Delhi, 110 001.

HTL was incorporated on February 8, 1927 and was the publisher of *Hindustan Times*, an English newspaper, *Hindustan*, a Hindi newspaper, *Kadambini*, a monthly women's magazine in Hindi and *Nandan*, a monthly children's magazine in Hindi. The media business of HTL was transferred to us by the Business Purchase Agreements. HTL's income is derived largely from its real estate holdings and dividend from its investments. For further details of our Promoter see the sections titled "History And Certain Corporate Matters" on page 68 and "Our Business" on page 41 of this Draft Red Herring Prospectus.

Shareholding Pattern:

The equity shares of HTL are not listed on any stock exchange. The shareholding pattern of HTL, as of April 21, 2005, is as given below:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Britex (India) Limited	1,351,680	25.43
2.	Udit (India) Limited	865,600	16.28
3.	Usha Flowell Limited	700,800	13.18
4.	The Birla Cotton Spinning and Weaving Mills Limited	532,800	10.02
5.	Lok Kalyan Trust held by Mr. S.S. Jajodiya and Mr. C.L. Mohta	339,000	6.38
6.	Eastern Indian Education Society	200,000	3.76
7.	Hindustan Medical Institution	200,000	3.76
8.	Pilani Investments and Industries Corporation Limited	192,000	3.61
9.	Others	934,280	17.58
	Total	**5,316,160**	**100.00**

Board of Directors:

The board of directors of HTL comprises Dr. K.K. Birla (Chairman), Mrs. Shobhana Bhartia (Vice-Chairperson), Mr. Priyavrat Bhartia (Whole-time Director), Mr. M.D. Dalmia, Mr. D.N. Patodia and Mr. S.M. Agarwal.

Financial Performance:

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	53.16	53.16	53.16
Reserves and surplus*	3203.95	3093.90	3081.54
Total income	1500.00	5017.76	4595.48
Profit after tax	116.06	18.36	(307.42)

	As of March 31,		
	2004	**2003**	**2002**
Earnings per share (face value Rs. 10) ** (Rs.)	21.83	3.45	-
Net Asset Value per share (Rs.)	940.89	924.13	928.76

** Excludes revaluation reserves*
*** Computed on the basis of earnings including extraordinary items*

Our Promoter's PAN, Bank Account Details, Promoters Registration Number and Address of RoC

Our Promoter has confirmed the following details:

Promoter's PAN	AAACT 4962F
Bank Account Details	Central Bank of India, CC 33
Promoters Registration Number	155
Address of RoC	Pariyavaran Bhawan, CGO Complex, New Delhi 110 003

Our Promoter has further confirmed the above have been submitted to the Stock Exchanges.

Our Group Companies

We have five listed companies as part of our group. These are: (i) Britex (India) Limited, (ii) Udit (India) Limited, (iii) Usha Flowell Limited (iv) The Birla Cotton Spinning and Weaving Mills Limited and (v) Duke Commerce Limited.

The details of the same are as follows:

Britex (India) Limited ("Britex")

Britex was incorporated on September 13, 1983. It is an investment company. The registered office of Britex is located at Hindustan Times House (10th Floor), 18-20 Kasturba Gandhi Marg, New Delhi- 110 001.

Shareholding Pattern

The equity shares of Britex are listed on the Calcutta Stock Exchange and the Kanpur Stock Exchange. The shareholding pattern of Britex, as of April 21, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Mrs. Shobhana Bhartia	331,275	57.49
2.	Deepshikha Trading Company Private Limited	73,500	12.75
3.	Sentinel Financial Services Private Limited	51,000	8.85
4.	Usha Flowell Limited	24,500	4.25
6.	Ronson Traders Limited	24,500	4.25
7.	Shital Commercial Limited	24,500	4.25
8.	Duke Commercial Limited	22,500	3.90
9.	Udit (India) Limited	17,300	3.01

10.	Others	7,225	1.25
	Total	**576,300**	**100.00**

Board of Directors

As of April 21, 2005, the board of directors of Britex comprises Mrs. Shobhana Bhartia (Chairperson), Mr. S.M. Agarwal, Mr. S.K. Poddar and Mr. V.K. Charoria.

Financial Performance

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	5.76	5.76	5.76
Reserves and surplus	14.87	14.11	13.05
Total income	2.93	1.82	2.26
Profit after tax	0.76	1.05	2.01
Earnings per share (face value of Rs. 10) (Rs.)	1.31	1.83	3.49
Net asset value per share (Rs.)	35.79	34.48	32.65

Promise v/s Performance

Britex came out with a public issue in December 1984. The objects of the issue were to meet the financial requirements of the company's business of leasing. The objects of the issue have been achieved by Britex and no projections have been made in the prospectus of Britex.

Information about Share Price

There has been no trading in the equity shares of Britex during the six-month period ending March 31, 2005.

There has been no change in the capital structure of Britex in the last six months.

Details of public issue/ rights issue of capital in the last three years

There have been no public issue of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Britex.

Udit (India) Limited ("Udit")

Udit was incorporated on April 22, 1983. It is an investment company. The registered office of Udit is located at Hindustan Times House (10th Floor), 18-20 Kasturba Gandhi Marg, New Delhi- 110 001.

Shareholding Pattern:

The equity shares of Udit are listed on the Calcutta Stock Exchange and the Uttar Pradesh Stock Exchange. The shareholding pattern of Udit, as of April 21, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Britex (India) Limited	62,000	25.00
2.	Usha Flowell Limited	62,000	25.00
3.	Deepshikha Trading Company Private Limited	49,600	20.00
4.	Sidh Enterprises	24,800	10.00
5.	Mrs. Shobhana Bhartia	24,000	9.68
6.	Ronson Traders Limited	800	0.32
7.	Others	24,800	10.00
	Total	**248,000**	**100.00**

Board of Directors

As of April 21, 2005, the board of directors of Udit comprises Mrs. Shobhana Bhartia, Mr. U.S. Beria and Mrs. Manju Gupta.

Financial Performance

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	2.48	2.48	2.48
Reserves and surplus	9.68	8.13	7.50
Total income	1.78	1.14	1.42
Profit after tax	1.55	0.63	1.30
Earnings per share (face value of Rs. 10) (Rs.)	6.27	2.53	5.27
Net asset value per share (Rs.)	49.03	42.77	40.23

Promise v/ s Performance

Udit came out with a public issue in August 1983. The object of the issue was to provide for the investments of Udit. There were no projections in the prospectus of Udit.

Information about Share Price

There has been no trading in the equity shares of Udit during the six-month period ending March 31, 2005.

There has been no change in the capital structure of Udit in the last six months.

Details of public issue/ rights issue in the last three years

There has been no public issue of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Udit.

Usha Flowell Limited ("Usha")

Usha was incorporated on November 28, 1981. It is an investment company. The registered office of Usha is located at Hindustan Times House (10th Floor), 18-20 Kasturba Gandhi Marg, New Delhi-110 001.

Shareholding pattern

The equity shares of Usha are listed on Calcutta Stock Exchange and Delhi Stock Exchange. The shareholding pattern of Usha, as of April 21, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Britex (India) Limited	67,650	27.61
2.	Deepshikha Trading Company Private Limited	59,475	24.28
3.	Udit (India) Limited	49,000	20.00
4.	Sidh Enterprises	19,500	7.96
5.	Mrs. Shobhana Bhartia	24,000	9.80
6.	Monnet Securities Private Limited	5,000	2.04
7.	Duke Commerce Limited	500	0.20
8.	Others	19,875	8.11
	Total	**245,000**	**100.00**

Board of Directors

As of April 21, 2005, the board of directors of Usha comprises Mrs. Shobhana Bhartia, Mr., Shamit Bhartia, Mr. S.M. Agarwal, Mr. V.K. Charoria and Mrs. Manju Gupta.

Financial Performance

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	2.45	2.45	2.45
Reserves and surplus	10.88	9.06	8.67
Total income	2.03	0.77	1.19
Profit after tax	1.82	0.39	1.06
Earnings per share (face value of Rs. 10) (Rs.)	7.41	1.60	4.32
Net asset value per share (Rs.)	54.40	46.98	45.39

Promise v/s Performance

Usha came out with a public issue in March 1984. The object of the issue was to provide for the working capital of Usha. There were no projections in the prospectus of Usha.

Information about Share Price

There has been no trading in the equity shares of Usha during the six-month period ending March 31, 2005.

There has been no change in the capital structure of Usha in the last six months.

Details of public issue/ rights issue in the last three years

There have been no public issue of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Usha.

The Birla Cotton Spinning and Weaving Mills Limited ("Birla Cotton")

Birla Cotton was incorporated on March 10, 1920 as a company engaged in the business of textiles. Currently, it is an investment company. The registered office of Birla Cotton is located at Hindustan Times House (10th Floor), 18-20 Kasturba Gandhi Marg, New Delhi- 110 001.

Shareholding Pattern

The equity shares of Birla Cotton are listed on the Calcutta Stock Exchange and the Delhi Stock Exchange. The shareholding pattern of Birla Cotton as of April 21, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	The Punjab Produce and Trading Company Limited.	88,000	11.01
2.	Udit (India) Limited	77,500	9.70
3.	Usha Flowell Limited	77,292	9.67
4.	Britex (India) Limited	75,714	9.47
5.	HTL Investments and Trading Company Limited	75,000	9.39
6.	Shradhanjali Investments and Trading Company Limited	65,784	8.23
7.	Calcutta Medical Institute	49,666	6.22
8.	HTL	47,584	5.95
9.	Shekhavati Investments and Traders Limited	46,600	5.83
10.	Others	196,040	24.53
	Total	**799,180**	**100.00**

Board of Directors

As of April 21, 2005, the board of directors of Birla Cotton comprises Mr. S.S. Bhartia, Mr. Shamit Bhartia, Mr. Priyavrat Bhartia, Mr. V.K. Charoria and Mr. T.R. Chachan.

Financial Performance

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	7.99	7.99	7.99
Reserves and surplus	125.42	106.47	96
Total income	23.91	22.07	20.26
Profit after tax	18.95	10.47	15.14
Earnings per share (of Rs. 10 each) (Rs.)	23.71	13.11	18.95
Net asset value of per share (Rs.)	196.24	172.53	159.43

Information about Share Price

There has been no trading in the equity shares of Birla Cotton during the six-month period ending March 31, 2005.

There has been no change in the capital structure of Birla Cotton in the last six months.

Details of public issue/ rights issue in the last three years

Birla Cotton has been listed prior to 1947 and has not made a public/ rights issue since then.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Birla Cotton.

Duke Commerce Limited ("Duke Commerce")

Duke Commerce was incorporated on November 10, 1982. This is an investment company. The registered office of Duke Commerce is located at 9/ 1, R.N. Mukherjee Road, Kolkata, 700 001.

Shareholding Pattern

The equity shares of Duke Commerce are listed on the Calcutta Stock Exchange. The shareholding pattern of Duke Commerce, as of April 21, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	The Birla Cotton Spinning and Weaving Mills Limited	392,200	41.00
2.	HTL	317,400	33.18
3.	Deepshikha Trading Company Private Limited	120,200	12.57
4.	Ronson Traders Limited	24,700	2.58
5.	Usha Flowell Limited	24,700	2.58
6.	Gobind Sugar Mills Limited	24,700	2.58
7.	Ricon Commerce Limited	12,350	1.29
8.	Poddar Heritage Investments Limited	12,350	1.29
9.	Others	28,000	2.93
	Total	**956,600**	**100.00**

Board of Directors

As of April 21, 2005, the board of directors of Duke Commerce comprises Mr. R.N. Bagaria, Mr. T.R. Chachan, Mr. S.K. Jhunjhunwala and Mr. A.L. Tulsian.

Financial Performance

(Rs. in million, except per share data)

	As of March 31,		
	2004	**2003**	**2002**
Equity share capital	9.56	9.56	9.56
Reserves and surplus	12.07	9.07	9.00
Total income	3.31	10.06	1.84
Profit after tax	3.00	0.83	1.59
Earnings per share (face value of Rs. 10) (Rs.)	3.14	0.9	1.66
Net asset value per share (Rs.)	22.62	19.49	19.41

Information about Share Price

The equity shares of Duke Commerce are listed on the Calcutta Stock Exchange. There has been no trading in the equity shares of Duke Commerce during the six-month period ending March 31, 2005.

There has been no change in the capital structure of Duke Commerce in the last six months.

Details of public issue/rights issue in the last three years

There have been no public issue of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance
The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against Udit.

Our Promoter Group companies have not been restricted from accessing the capital markets.

Companies with which the Promoter has disassociated in the last three years.

(a) HTL, our Promoter has transferred their holding in Searchlight with effect from July 1, 2003 pursuant to a business purchase agreement dated August 15, 2003. The shareholding of HTL in Searchlight was transferred to our Company as the media business of HTL was transferred to us from HTL and Searchlight is in the sole business of printing newspapers for the media business. For details of the business purchase agreement dated August 15, 2003, see the section titled "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus.

(b) HTL, our Promoter has sold 24,997 equity shares, which was the entire holding of HTL in India Information Technology Limited, a joint venture company with Falcon Group Holdings ILP, USA, for a total consideration of Re. 1 on March 31, 2004. India Information Technology Limited had stopped operations since 1999.

(c) HTL, our Promoter has sold 1,380,040 equity shares, which was the entire holding of HTL in TV India Limited, a joint venture with Pearson Mauritius Limited, CTV Mauritius Limited, TVB Mauritius Limited, West Point Mauritius Limited, TV India Limited for a consideration of Re. 1 per equity share on March 31, 2004. TV India Limited had stopped operations since 2000.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. We have not paid any dividend to our shareholders since incorporation.

FINANCIAL STATEMENTS

HT MEDIA LIMITED
UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2004, MARCH 31, 2004 AND MARCH 31, 2003

AUDITOR'S REPORT

To,
The Board of Directors
HT Media Limited
18-20, Kasturba Gandhi Marg
New Delhi – 110 001

Dear Sirs,

We have examined the financial information of HT Media Limited ('the Company'/ 'HTML'), as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors, which has been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 as amended vide Circular No. 11 on August 14, 2003 and Circular No. 14 on January 25, 2005 ('the Guidelines') issued by Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications, and in accordance with the instructions received by us from the Company requesting us to carry out work in connection with the Draft Red Herring Prospectus being issued by the Company in connection with its Initial Public Offering of Equity Shares (referred to as 'the Issue').

A. Financial Information as per the audited financial statements

We have examined the attached Balance Sheets of the Company as at December 31, 2004, March 31, 2004 and March 31, 2003 (Annexure II) and the attached statements of Profit and Loss Account for each of these nine months periods ended on December 31, 2004 and March 31, 2004 (Annexure I), together referred to as 'summary statements'. These summary statements have been extracted from the financial statements for these periods audited by us and have been adopted by the Board of Directors/members for the respective periods. Based on our examination of these summary statements, we confirm that:

~~a.~~ The accounting policies have been consistently applied by the Company (as disclosed in Annexure III A) and are consistent with those used in the previous year.

b. There are no material adjustments relating to previous period, which need to be adjusted in summary statement in the period to which they relate.

c. There are no qualifications in the auditors' report which require adjustments to the summary statements.

d. There are no extra-ordinary items, which need to be disclosed separately in the summary statements.

e. No dividend has been declared by the Company till date.

Also attached are summary financial statements of subsidiary of the Company (Searchlight Publishing House Limited) for the periods ended December 31, 2004 and March 31, 2004 as attached to Appendix A to this report as adopted by the Board of Directors of the subsidiary company. We have accepted the relevant summary financial statements in respect of the entity listed in Appendix A of this report relating to the subsidiary of the Company for the periods ended

December 31, 2004 and March 31, 2004, which were audited by other auditors (M/s B. Gupta and Company). The financial statements of the Company's subsidiary have not been consolidated into the attached summary financial statements of the Company. The subsidiary company became the subsidiary of the Company as at July 1, 2003 and accordingly, only the proportionate profit/loss and assets/liabilities for the nine months period ended March 31, 2004, concern the members of the Company.

B. Other financial information

We have examined the following financial information relating to HT Media Limited proposed to be included in the Draft Red Herring Prospectus, as approved by you and annexed to this report:

i) Notes to Accounts enclosed as Annexure III B.

ii) Summary of Cash Flow enclosed as Annexure IV.

iii) Summary of accounting ratios based on the profits relating to earnings per share, net asset value and return on net worth enclosed as Annexure V.

iv) Capitalisation Statement of the Company enclosed as Annexure VI.

v) Tax Shelter Statement of the Company enclosed as Annexure VII.

vi) Details of items of other income which exceed 20 per cent of the net profit before tax enclosed as Annexure VIII.

In our opinion, the financial information of the Company, as attached to this report as mentioned in paragraphs (A) and (B) above, read with respective significant accounting policies and notes to accounts after making groupings adjustments, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for use for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Company
Chartered Accountants

Per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Dated:

Annexure I

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

The profit/(loss) of HT Media Limited for nine months periods ended December 31, 2004 and March 31, 2004, read with significant accounting policies (Refer Annexure III A below) and notes to accounts (Refer Annexure III B below), after making grouping adjustments are set out below:

Amount (Rs in Million)

Particulars	Nine months period ended 31-Dec-04	Nine months period ended 31-Mar-04
INCOME		
Turnover		
Advertisement Revenue	3,688.21	3,282.29
Sale of Publications	944.83	836.71
Sale of waste paper and scrap	41.73	43.77
Total	**4,674.77**	**4,162.77**
Other Income	59.77	52.22
Total Income	**4,734.54**	**4,214.99**
EXPENDITURE		
Raw Materials Consumed	2,165.56	1,929.48
Employee Cost	587.06	570.52
Other Manufacturing Costs	576.89	609.88
(Increase)/Decrease in Inventories	(1.34)	0.49
Selling and Distribution Costs	402.10	464.30
Administrative and Other Costs	404.85	453.45
Total Expenditure	**4,135.12**	**4,028.12**
Profit (EBITDA)	**599.42**	**186.87**
Interest Charges	45.54	53.23
Profit before Depreciation, Exceptional Item and Tax	**553.88**	**133.64**
Depreciation/amortization	154.75	151.52
Profit/(Loss) before Exceptional Item and Tax	**399.13**	**(17.88)**
Exceptional Item (Separation scheme compensation)	105.79	16.29
Profit/(Loss) before Tax	**293.34**	**(34.17)**
Current Tax Expense	14.77	0.06
Deferred Tax charge/(credit)	97.07	(10.42)
Net Profit/(Loss) for the period	**181.50**	**(23.81)**
Brought Forward (Loss) from Previous Period	(23.81)	-
Profit/(Loss) carried to Balance Sheet	**157.69**	**(23.81)**

The accompanying Significant Accounting Policies (Annexure III A below) and Notes to Accounts (Annexure-III B below) form an integral part of this statement.

Annexure II

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Assets and Liabilities of HT Media Limited at the end of each financial year/period, read with significant accounting policies (Refer Annexure III A below) and notes to accounts (Refer Annexure III B below), after making grouping adjustment are set out below:

Amount (Rs in Million)

As at	December 31, 2004	March 31, 2004	March 31, 2003
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	1,796.09	1,591.89	-
Less: Depreciation	259.45	126.07	-
Net Block	1,536.64	1,465.82	-
Capital work in progress including capital advances	1,936.95	1,390.32	-
Expenditure during construction period (Pending Allocation)	106.95	29.16	0.03
	3,580.54	**2,885.30**	**0.03**
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	159.14	168.92	-
Total	**3,739.68**	**3,054.22**	**-**
Investments:	**1,100.38**	**436.94**	**-**
Current Assets, Loans and Advances:			
Inventories	577.77	561.31	-
Sundry Debtors	963.71	1,036.91	-
Cash & Bank Balances	334.95	614.80	0.50
Loans and Advances	91.23	112.00	-
Total (A)	**1,967.66**	**2,325.02**	**0.50**
Current Liabilities and Provisions:			
Current Liabilities	1,104.65	1,071.63	0.26
Provisions	31.07	22.93	-
Total (B)	**1,135.72**	**1,094.56**	**0.26**
Net Current Assets (A-B)	**831.94**	**1,230.46**	**0.24**
Miscellaneous Expenditure	**-**	**-**	0.23
Total	**5,672.00**	**4,721.62**	**0.50**
SOURCES OF FUNDS			
Deferred Tax Liabilities/(Assets)	86.68	(10.41)	-
Loan Funds	**-**	**-**	
Secured Loans	1,751.53	1,875.41	-
Total	**1,838.21**	**1,865.00**	**-**
Net worth	**3,833.79**	**2,856.62**	**0.50**
Represented by			
Equity Share Capital	407.81	371.43	0.50
Preference Share Capital	200.00	100.00	
Share Premium Account	3,068.29	2,409.00	-
Profit & Loss Account	157.69	(23.81)	-
Net worth	**3,833.79**	**2,856.62**	**0.50**

The accompanying Significant Accounting Policies (Annexure III A below) and Notes to Accounts (Annexure-III B below) form an integral part of this statement.

ANNEXURE III A

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

1. 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.

2. Fixed Assets

- Value for individual Fixed Assets acquired from the holding company has been allocated based on the valuation carried out by independent experts.
- Other Fixed Assets are stated at Cost less Accumulated Depreciation. 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.

3. Depreciation

- Leasehold Land and Leasehold Improvements are amortized over the unexpired period of lease on a straight-line basis
- Depreciation on other assets (except those acquired from the holding company) is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956
- In respect of Fixed Assets acquired 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
- Assets costing below Rs 5,000 are fully depreciated in the year of acquisition

4. Intangibles

Software Licenses

- Value for individual software license acquired from the holding company has been allocated based on the valuation carried out by an independent expert.
- 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
- Software licenses costing less than Rs 5,000 are depreciated fully in the year of acquisition
- 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

5. 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 & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

- All direct capital expenditure 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.

6. 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.

7. 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 one in the value of the investments.

8. 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.

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

9.

- Revenue is recognized as and when these are published /displayed and is disclosed net of commission.

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.

Interest

- Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

Dividend

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

10. 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.

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 Fixed Assets which is adjusted to the carrying amount of the Fixed Assets.

Forward Exchange Contracts not intended for trading or speculation purposes

- Where the Company has entered into forward exchange contracts, the liabilities/ assets are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of transaction is recognized over the period of the contract. Gain or loss on the restatement of the foreign currency transactions and/or cancellation of forward exchange contracts, if any, is reflected in the Profit and Loss Account, except gain or loss on transactions relating to acquisition of Fixed Assets, which is adjusted to the carrying amount of Fixed Assets.

11. Retirement and other employee benefits

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

12. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and 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.

13. Income Taxes

Tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred Income Taxes reflects the impact of current year timing differences between taxable income and accounting income for the year. 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. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such 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.

14. 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.

ANNEXURE III B

NOTES TO ACCOUNTS

1. Pursuant to two Business Purchase Agreements dated August 15,2003, executed with The Hindustan Times Limited, (the Holding Company), the Company has with effect from July 1, 2003 purchased on Slump Sale basis, the printing and publishing business (excepting the printing business at Delhi), of the holding company, on a going concern basis for a consideration of Rs.1649.90 million. The consideration amount has been allocated amongst the individual assets and liabilities on the basis of valuation carried out by an expert.

For the period July 1, 2003 to December 14, 2003, the seller carried out the business of the undertakings on behalf of the Company. Accordingly all income and expenses pertaining to the said period have been transferred by the seller to the Company on December 14, 2003.

The purchase of the Media Business took place only on July 1, 2003; hence the Company has prepared the Profit & Loss Account for nine months i.e. from July 1, 2003 to March 31, 2004. There are no operations in the year ended March 31, 2003 hence no Profit & Loss Account was prepared during the said period.

Further, the Company has during the period ended December 31, 2004, acquired the printing undertaking at Delhi of its Holding Company on slump sale basis for a consideration of Rs. 50.00 million. However, such transfer is subject to the decision of the Delhi High Court in writ petition no. (Civil) No. 2961-2963 of 2005 filed by the employees of the Holding Company against the transfer of the printing undertaking by the Holding Company. However, there is no restriction so far, it pertains to use of assets. The consideration amount has been allocated to the individual assets on the basis of valuation carried out by an independent expert.

2. Schedule of Share Capital as at December 31, 2004, March 31, 2004 and March 31, 2003

Particulars	**As at December 31, 2004**	**As at March 31, 2004**	**As at March 31, 2003**
			(Amount Rs. in Millions)
Authorised Capital			
Equity Shares	450.00	375.00	10.00
Preference Shares	200.00	200.00	-
Issued, Subscribed and Paid up Capital			
Equity Shares	407.81	371.43	0.50
Preference Shares	200.00	100.00	-
Out of above, number of Equity shares held by The Hindustan Times Limited, the holding company	32,197,052*	31,428,570*	50,000
Out of above, number of Preference shares held by The Hindustan Times Limited, the holding company	2,000,000	1,000,000	-

Note:

* 29,949,999 equity shares were allotted as fully paid-up for consideration other than cash.

3. Schedule of Secured Loans as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	**As at March 31, 2004 (Rs. in million)**

a.	The Company has taken Rupee and Foreign currency Term Loans from Corporation Bank, which are secured by way of hypothecation of moveable assets (except printing machines) at Patna, Lucknow, Ranchi, Bhopal, Mohali, Kolkatta, Gurgaon, Jaipur, Varanasi, Muzzafarpur, Bhagalpur, Dhanbad and Jamshedpur and printing machines at Patna, Lucknow, Ranchi, Mohali and Gurgaon. It is further to be secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Lucknow and Mohali. The term loans are repayable in 82.50 months including a moratorium period of 22.50 months. The loans carry interest payable at 6.13% p.a. and 8% p.a. respectively.	344.34	343.69
b.	The Company has during the period ended December 31, 2004 taken a rupee term loan from Punjab National Bank, which is secured by way of hypothecation of entire block of assets (other than those specifically hypothecated to Corporation Bank) which are lying at all work place/office of the Company, consisting of plant & machinery, computers, furniture's, 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. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Noida and Greater Noida. All the charges are ranking pari-pasu with the existing and proposed lenders. The term loan is repayable in 5 years. The loan carries interest payable at 7.50% p.a..	750.00	-
c.	The Company has during the period ended December 31, 2004 taken a rupee term loan from State Bank of Patiala, which is secured by way of pari-pasu first charge on fixed assets, present or future, at Noida, Greater Noida and Mumbai with the existing and proposed lenders. The term loan is repayable in 7 years including a moratorium period of 2 years. The loan carries interest payable at 7.85% p.a..	317.55	-
d.	The Company has during the period ended December 31, 2004 taken a rupee term loan from The Jammu and Kashmir Bank Limited, which is secured by first pari-pasu charge over the whole of the moveable properties (other than those specifically hypothecated to Corporation Bank) of the company including its movable plant & machinery, machinery spares, tools and accessories and other movables, both present and future. All the charges are ranking pari-pasu with the existing and proposed lenders. The term loan is repayable in 7 years including a moratorium period of 2 years. The loan carries interest payable at 8% p.a..	250.00	-
e.	The Company is availing a cash credit facility of Rs. 700 million from a bank, which is 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	89.64	204.70

money, receivables and claims of the Company.

f.	The Company had during the year ended March 31, 2004 taken a rupee term loan from Central Bank of India – I, which was secured by way of hypothecation of all the moveable property (other than those specifically charged in favour of Corporation Bank) comprising inter-alia machinery, equipment, plant and spare parts which now or hereafter from time to time during the continuance of this security, belonging to the Company wherever may be situated including in transit and additionally secured by a Corporate guarantee of the Holding Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company, situated at18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Holding Company's existing debenture holders and Company's existing and proposed lenders. The loan carried interest payable at 8.5% p.a..	-	453.23
g.	The Company during the year ended March 31, 2004 had taken a rupee term loan from Central Bank of India – II, which was secured by way of hypothecation of all the moveable property (other than those specifically charged in favour of Corporation Bank) comprising inter-alia machinery, equipment, plant and spare parts, at Company's locations at Greater Noida and Noida and IT Project (SAP and others) and additionally secured by a Corporate guarantee of the Holding Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company situated at 18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Holding Company's existing debenture holders and Company's existing and proposed lenders. The loan carried interest payable at 8.5% p.a..	-	873.79
Total		**1,751.53**	**1,875.41**

4. Schedule of Investments as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in millions)		As at March 31, 2004 (Rs. in millions)	
Long Term Investments (At cost)	**Cost**	**Market Value***	**Cost**	**Market Value***
A. Trade Investments (Unquoted)				
i.457 equity shares of Rs. 100/- each fully paid up in Press Trust of India Limited	0.05		0.05	
ii.738 equity shares of Rs. 100/- each fully paid up in United News of India	0.07		0.07	
B. Other than Trade Investments				
In Subsidiary Company (Unqouted)				
iii.39,74,771 equity shares of Rs.10/- each fully paid in Searchlight Publishing House Limited	86.71		86.71	
Current Investments				
i. 1,00,39,603.741 units of Birla Cash Plus Institutional Premium Dividend Reinvest Plan of Rs. 10 each	100.59	100.59	-	
ii. 1,52,31,391.05 units of Standard Chartered GCCW GCF - Plan C - Weekly Dividend of	152.39	152.31	-	

	Rs. 10 each				
iii.	1,52,45,021.684 units of HSBC Cash Fund Plus weekly Dividend of Rs.10 each	152.48	152.64	-	
iv.	65,79,186.884 units of Reliance-Treasury Plan-Institutional option - Weekly Dividend Option of Rs. 10 each	100.53	100.56	-	
v.	83,17,364.382 units of HDFC Liquid Fund-Premium Plan-Dividend reinvestment of Rs.10 each	100.39	100.60	-	
vi.	1,69,81,665.001 units of ICICI Prudential Institutional Liquid Fund - Dividend Option of Rs. 10 each	201.13	201.21	-	
vii.	1,50,657.883 units of Templeton India Treasury Management Plan -Institutional Plan- Weekly Dividend reinvest of Rs.1000 each	150.79	150.87	-	
viii.	54,643.879 units of UTI Liquid Cash Plan Institutional weekly income option of Rs. 1,000 each	55.25	55.34	-	
ix.	Nil (Previous year 95,46,357.11 units of A46 Alliance Capital Cash Manager - Institutional Plan Growth of Rs.10 each)	-	-	100.00	100.26
x.	Nil (Previous year 58,53,909.826 units of Birla Cash Plus Institutional Plan: Growth of Rs.10 each)	-	-	100.00	100.26
xi.	Nil (Previous year 84,79,247.043 units of Standard Chartered GCBG Grindlays Cash Fund -Institutional Plan B - Growth of Rs.10 each)	-	-	100.00	100.26
xii.	Nil (Previous year 46,95,893.333 units of HSBC Cash Fund- Institutional -Growth of Rs.10 each)	-	-	50.11	50.24
Total		**1,100.38**		**436.94**	

* Market Value denotes Net Asset value of respective current investments. The net asset value of current investments as at December 31, 2004 is Rs. 1014.11 millions (Previous year Rs. 351.02 millions), the cost of which is Rs. 1013.55 millions (Previous year Rs. 350.11 millions).

5. Schedule of Sundry Debtors as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
Debts outstanding for a period exceeding six months		
Secured, considered good	0.12	0.06
Unsecured, considered good	141.07	150.12
Unsecured, considered doubtful	75.12	38.49
Other debts		
Secured, considered good	55.87	54.95
Unsecured, considered good	766.65	831.78
Unsecured, considered doubtful	5.82	7.08
	1,044.65	**1,082.48**
Less: Provision for doubtful debts	(80.94)	(45.57)
Total	**963.71**	**1036.91**

6. Schedule of Loans and Advances as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
Secured, considered good		
Advances recoverable in cash or kind or for value to be	2.68	3.80

received		
Deposits – others	1.41	1.79
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	41.07	52.09
Deposits – others	46.07	53.32
Advance payment of income tax/ tax deducted at source	-	0.39
Interest accrued on deposits	-	0.61
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	1.43	-
	92.66	**112.00**
Less: Provision for doubtful advances	(1.43)	-
Total	**91.23**	**112.00**

7. Schedule of Deferred Taxes as at December 31, 2004 and March 31, 2004.

Significant components of deferred tax liabilities/assets are shown in the following table:

	As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
Deferred Tax Liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	148.03	108.99
Gross Deferred Tax Liabilities	**148.03**	**108.99**
Deferred Tax Assets		
Carry forward of unabsorbed depreciation	28.11	99.49
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	5.99	3.56
Provision for doubtful debts	27.25	16.35
Gross Deferred Tax Assets	**61.35**	**119.40**
Net Deferred Tax (Liability)/Asset	(86.68)	10.41
Charge/(Credit) to the Profit and Loss Account	**97.07**	**(10.42)**

Note: Based on the future profitability projections, the Company is confident that there would be sufficient taxable income in future, which will enable it to utilize the unabsorbed carry forward depreciation.

8. Schedule of Current Liabilities and Provisions as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Current Liabilities		
Sundry creditors (including Rs. 38.40 million (Previous year Rs. 9.45 million) payable to holding company)	890.81	758.06
Business purchase consideration payable to holding company	-	69.98
Payable to a Subsidiary	8.02	3.52
Customers and Agents Balances	63.19	76.77
Income received in advance	18.21	41.50
Sundry deposits	124.42	121.80
	1,104.65	**1,071.63**
Provisions		
Provision for taxation (net of advance tax)	2.09	-
For staff benefit schemes	28.98	22.93
	31.07	**22.93**

9. 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.

10. Expenses pertaining to issue of Equity Shares and Preference Shares aggregating to Rs.14.39 million (Previous year Rs. 19.99 million) have been adjusted against share premium account as permitted under Section 78 of the Companies Act, 1956.

11. In terms of Business Purchase Agreement dated August 15, 2003, the Company reimbursed Rs. 105.79 million (Previous year Rs. 12.16 million) to The Hindustan Times Limited, the holding company, being the compensation paid towards separation schemes to certain employees of the holding company. The same has been disclosed under exceptional item in the summary Profit & Loss Account.

12. In view of the proposed provision in the Finance Bill, 2005, which is pending approval of the Parliament, provision for Deferred tax liability has been made in the books as per tax rate announced by the Finance Minister on February 28, 2005.

13. Based on expert opinion, deferred tax charge as provided for in the books of accounts, 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.

14. As per the Share Subscription Agreement dated September 17, 2004 and deed of amendment dated October 19, 2004, certain shareholders have an option to acquire additional 1,946,482 shares of the Company at the price of Rs. 195.19 (including share premium of Rs. 185.19) per share. In pursuance to the said agreement, the shareholders have exercised option for 973,241 shares after the Balance Sheet date.

15. Names of related parties

*Holding Company	The Hindustan Times Limited
Subsidiary	Searchlight Publishing House Limited.
Fellow Subsidiaries	Shradhanjali Investment & Trading Company Limited, HTL Investment & Trading Company Limited, HT Interactive Media Properties Limited, Go4icricket.com (India) Private Limited, Go4i.com (India) Private Limited, Go4i.com (Mauritius) Limited.
Key Management Personnel	Smt. Shobhana Bhartia Vice-Chairperson & Editorial Director, Mr.Shamit Bhartia (Whole time Director)
Relatives of key management personnel	Dr.K.K.Birla (Chairman)
Enterprises owned or significantly influenced by	The Press Trust of India Limited,

influenced by Key management personnel or their relatives	Audit Bureau of Circulations, Air Travel Bureau Limited, The HT Limited Working Journalist Gratuity Fund, The HT Limited Non Journalist Employees Gratuity Fund, Paxton Trexim Private Limited. Britex (India) Limited, Goldmary Investments and Trading Co. Ltd., Kumaon Orchard, Shekhar Traders, Shobhana Traders, Udit (India) Limited, Usha Flowel Limited.

Notes:

a) The Company had during the year, availed loans of Rs. 1317.56 million (Previous year Rs. 1317.56 million) from Central Bank of India, which were to be collaterally secured by equitable mortgage by deposit of title deeds of property of the holding company situated at 18-20, Kasturba Gandhi Marg, New Delhi. The Company had also availed Cash Credit facility from Central Bank of India which were to be secured by way of second charge on the property of the holding company situated at 18-20, Kasturba Gandhi Marg, New Delhi. The above loans and facility were additionally secured by a corporate guarantee of holding company.

b) 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.

RELATED PARTY DISCLOSURES

	Holding company			Subsidiary/Fellow Subsidiaries			Key Management personnel		
Transactions during the year	**Dec-2004**	**Mar-2004**	**Mar-2003**	**Dec-2004**	**Mar-2004**	**Mar-2003**	**Dec-2004**	**Mar-2004**	**Mar-2003**
Sale of goods									
- Stores Material									
- Searchlight Publishing House Limited	-	-	-	0.04	0.55	-	-	-	-
- Waste Papers									
- Searchlight Publishing House Limited	-	-	-	0.21	0.19	-	-	-	-
Income from Furniture hire charges	-	0.13	-	-	-	-	-	-	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	19.13	41.63	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	102.15	104.55	-	-	-	-
Sitting fee	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	0.50	0.11	-	-	-	-
Purchase of Printing and Publishing Undertakings	50.00	1,649.90	-	-	-	-	-	-	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	0.90	1.45	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	0.45	1.85	-	-	-	-

Payment for Employees on Deputation									
- The Hindustan Times Limited	144.05	173.94	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	16.34	15.32	-	-	-	-
Reimbursement of Separation Scheme Compensation to holding company	105.79	16.29	-	-	-	-	-	-	-
Reimbursement of gratuity to holding company	4.60	6.21	-	-	-	-	-	-	-
Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	3.94	-	-
- To Mr. Shamit Bhartia	-	-	-	-	-	-	0.55	0.39	-
- To Mr. S.M. Agarwal	-	-	-	-	-	-	-	0.30	-
Gratuity contribution to Gratuity trust of employees									
- The HT Limited Working Journalist Gratuity Fund	-	-	-	-	-	-	-	-	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	-	-	-	-	-	-
Traveling Expenses									
- Searchlight Publishing House Limited	-	-	-	0.11	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-
Rent Paid									
- Searchlight Publishing House Limited	-	-	-	0.17	-	-	-	-	-
- Go4icricket.com (India) Private Limited	-	-	-	0.09	-	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.25	-	-	-	-	-
- The Hindustan Times Limited	3.38	3.38	-	-	-	-	-	-	-
Subscription									
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Searchlight Publishing House Limited	-	-	-	7.27	1.22	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.79	0.78	-	-	-	-
- The Hindustan Times Limited	25.89	38.13	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Searchlight Publishing House Limited	-	-	-	0.45	-	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	-	0.05	-	-	-	-
Investments made									
- Searchlight Publishing House Limited	-	-	-	-	91.71	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Share Capital issued (including Share premium)	250.00	1,899.91	0.50	-	-	-	-	-	-

Refund of Advance against Share Application										
- Searchlight Publishing House Limited	-	-	-	-	5.00	-	-	-	-	-
Balance outstanding at the end of the period										
Investment in Shares (including premium)										
- Searchlight Publishing House Limited	-	-	-	86.71	86.71	-	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-	-
Share Capital (including Share premium)	521.97	414.29	0.50	-	-	-	-	-	-	-
Receivable as Advances / Debtors										
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	0.62	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-
Payable as Creditors										
- The Hindustan Times Limited	38.40	9.45	0.23	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	8.64	3.52	-	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	-	0.96	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-	-
- Mrs. Shobhana Bhartia	-	-	-	-	-	-	0.44	-	-	-
- Go4icricket.com (India) Private Limited	-	-	-	-	0.05	-	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-	-
Payable against Purchase Consideration	-	69.99	-	-	-	-	-	-	-	-
Security deposits given by the Company										
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-	-

	Relatives of Key Management Personnel			Enterprises owned or significantly influenced by key management personnel or their relatives			Total		
Transactions during the year	**Dec-2004**	**Mar-2004**	**Mar-2003**	**Dec-2004**	**Mar-2004**	**Mar-2003**	**Dec-2004**	**Mar-2004**	**Mar-2003**
Sale of goods									
- Stores Material									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.04	0.55	-
- Waste Papers									

- Searchlight Publishing House Limited	-	-	-	-	-	-	0.21	0.19	-
Income from Furniture hire charges	-	-	-	-	-	-	-	0.13	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	11.85	32.66	-	11.85	32.66	-
- The Hindustan Times Limited	-	-	-	-	-	-	19.13	41.63	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	102.15	104.55	-
Sitting fee	0.05	-	-	-	-	-	0.05	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.50	0.11	-
Purchase of Printing and Publishing Undertakings	-	-	-	-	-	-	50.00	1,649.90	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.90	1.45	-
- The Press Trust of India Limited	-	-	-	15.72	16.62	-	15.72	16.62	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.45	1.85	-
Payment for Employees on Deputation									
- The Hindustan Times Limited	-	-	-	-	-	-	144.05	173.94	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	16.34	15.32	-
Reimbursement of Separation Scheme Compensation to holding company	-	-	-	-	-	-	105.79	16.29	-
Reimbursement of gratuity to holding company	-	-	-	-	-	-	4.60	6.21	-
Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	3.94	-	-
- To Mr. Shamit Bhartia	-	-	-	-	-	-	0.55	0.39	-
- To Mr. S.M. Agarwal	-	-	-	-	-	-	-	0.30	-
Gratuity contribution to Gratuity trust of employees									
- The HT Limited Working Journalist Gratuity Fund	-	-	-	-	2.96	-	-	2.96	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	(0.18)	0.54	-	(0.18)	0.54	-
Traveling Expenses									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.11	-	-
- Air Travel Bureau Limited	-	-	-	4.91	7.66	-	4.91	7.66	-
Rent Paid									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.17	-	-
- Go4icricket.com (India) Private Limited	-	-	-	-	-	-	0.09	-	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.25	-	-

- The Hindustan Times Limited	-	-	-	-	-	-	3.38	3.38	-
Subscription									
- Audit Bureau of Circulation	-	-	-	0.22	0.19	-	0.22	0.19	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Searchlight Publishing House Limited	-	-	-	-	-	-	7.27	1.22	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.79	0.78	-
- The Hindustan Times Limited	-	-	-	-	-	-	25.89	38.13	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.45	-	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
Investments made									
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	91.71	-
- The Press Trust of India Limited	-	-	-	-	0.05	-	-	0.05	-
Share Capital issued (including Share premium)	-	-	-	-	-	-	250.00	1,899.91	0.50
Refund of Advance against Share Application									
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	5.00	-
Balance outstanding at the end of the period									
Investment in Shares (including premium)									
- Searchlight Publishing House Limited	-	-	-	-	-	-	86.71	86.71	-
- The Press Trust of India Limited	-	-	-	0.05	0.05	-	0.05	0.05	-
Share Capital (including Share premium)	-	-	-	-	-	-	521.97	414.29	0.50
Receivable as Advances / Debtors									
- The Press Trust of India Limited	-	-	-	0.35	-	-	0.35	-	-
- Air Travel Bureau Limited	-	-	-	1.10	0.41	-	1.10	0.41	-
- Audit Bureau of Circulation	-	-	-	-	0.09	-	-	0.09	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.62	-	-
- Paxton Trexim Private Limited	-	-	-	1.93	-	-	1.93	-	-
Payable as Creditors									
- The Hindustan Times Limited	-	-	-	-	-	-	38.40	9.45	0.23
- Searchlight Publishing House Limited	-	-	-	-	-	-	8.64	3.52	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.96	-

- Air Travel Bureau Limited	-	-	-	0.11	-	-	0.11	-	-
- Mrs. Shobhana Bhartia	-	-	-	-	-	-	0.44	-	-
- Go4icricket.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
- The Press Trust of India Limited	-	-	-	-	0.34	-	-	0.34	-
- Paxton Trexim Private Limited	-	-	-	-	6.87	-	-	6.87	-
Payable against Purchase Consideration	-	-	-	-	-	-	-	69.99	-
Security deposits given by the Company									
- The Press Trust of India Limited	-	-	-	0.33	0.35	-	0.33	0.35	-
- Air Travel Bureau Limited	-	-	-	1.25	1.25	-	1.25	1.25	-

16. Leases

Rental expenses in respect of operating leases are recognised as an expense in the summary Profit and Loss Account and Expenditure during construction period (pending allocation), as the case may be, 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 on mutually agreed terms and generally restrict for further leasing.
b) Lease payments for the year are Rs. 43.49 million (Previous year Rs. 43.50 million).
c) The future minimum lease payments under non-cancelable operating leases;
- not later than one year is Rs. 7.01 million (Previous year Rs. 8.49 million);
- later than one year but not later than five years is Rs. 15.95 million (Previous year Rs. 19.83 million);
- later than five years is Rs. 1.64 million (Previous year Rs.2.89 million).

17. Earnings per share (EPS) is computed in accordance with Accounting Standard-20

	Period ended December 31, 2004 (Rs. in millions)	Period ended March 31, 2004 (Rs. in millions)
Net profit/(loss) before exceptional item	**399.13**	(17.88)
Less: Adjustment for Deferred Tax Liability/(Asset)	**125.19**	(4.58)
Less: Provision for tax	**20.81**	0.05
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**1.31**	-
	251.82	(13.35)
Net profit/(loss) after exceptional item	**293.34**	(34.17)
Less: Adjustment for Deferred Tax Liability/(Asset)	**97.07**	(10.42)
Less: Provision for tax	**14.77**	0.06
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**1.31**	-
Net profit/(loss) for calculation of basic and diluted EPS (Rs. in million)	**180.19**	**(23.81)**
Weighted average number of equity shares in calculating basic and diluted EPS	37,857,175	2,380,972
Basic and Diluted earning per share before exceptional item	**6.65**	(5.60)
Basic and Diluted earning per share after exceptional item	**4.76**	(9.99)

Note: In view of losses incurred during the previous year and since the redeemable preference shares are non-cumulative, no adjustment for the dividend on such shares was made while calculating basic and diluted EPS for the previous year.

		As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
18.	**Capital Commitment**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**279.46**	626.79
19.	**Contingent Liabilities not provided for**		
a)	Bank Guarantees given by the Company	**0.08**	0.05
b)	Claims against the Company not acknowledged as debts		
1)	The Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by the Company.	**0.17**	0.17
2)	The Company has received an initial claim for additional contribution of Rs 2.6 Mn made by Employees State Insurance Corporation (ESIC) relating to years 1995-97	**2.6**	-
c)	In respect of various labour & defamation cases pending	Amount not ascertainable	Amount not ascertainable
20.	**Directors' Remuneration***		
	Salaries	**2.84**	0.58
	Contribution to provident fund	**0.27**	0.07
	Perquisites	**1.37**	0.05
		4.48	0.70

* Excluding provision for leave encashment

21. Previous Year comparatives

The Profit & Loss Account for the current period reflects transactions for the nine months period ended December 31, 2004 and the Profit & Loss Account for the previous period reflected transactions for the nine months period ended March 31, 2004.

Annexure IV

CASH FLOW STATEMENT AS PER UNCONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2004 Rs. in million	March 31, 2004 Rs. in million	March 31, 2003 Rs. in million
A. Cash flow from operating activities			
Profit/(Loss) before taxation and extraordinary items	293.34	(34.17)	-
Adjustments for:			
Depreciation/amortisation	154.75	151.52	-
Miscellaneous Expenditure (net)	(14.39)	(19.76)	(0.23)
Loss on disposal of fixed assets (net)	1.38	0.19	-
Profit on sale of current investments (net)	(6.36)	(0.54)	-
Dividend income	(8.90)	-	-
Interest income	(7.84)	(0.97)	-
Interest expense	45.54	53.23	-
Provision for doubtful debts and advances	36.79	45.58	-
Operating profit before working capital changes	494.31	195.08	(0.23)
Movements in working capital:			
(Increase)/Decrease in sundry debtors	37.84	(266.32)	-
(Increase) in inventories	(15.42)	(97.37)	-
Decrease in loans and advances	18.35	20.07	-
Increase in current liabilities	33.00	129.29	0.26
Cash generated from/(used in) operations	568.08	(19.25)	0.03
Direct taxes paid	(12.28)	(0.45)	-
Cash flow before extraordinary items	555.80	(19.70)	0.03
Extraordinary item	-	-	-
Net cash from/(used in) operating activities	555.80	(19.70)	0.03
B. Cash flows from investing activities			
Purchase of Printing and Publishing undertakings	(50.00)	(30.00)	-
Purchase of fixed assets	(739.02)	(1,567.59)	(0.03)
Proceeds from sale of fixed assets	3.20	2.85	-
Purchase of investments	(2,016.14)	(800.26)	-
Sale of investments	1,359.06	455.43	-
Dividend received	8.90	-	-
Interest received	8.45	0.36	-
Net cash used in investing activities	(1,425.55)	(1,939.21)	(0.03)
C. Cash flows from financing activities			
Proceeds from issuance of share capital	810.06	1,350.00	0.50
Proceeds from long-term borrowings (net)	0.65	1,005.03	-
Proceeds from/(repayment of) short-term borrowings	(115.06)	208.05	-
Interest paid	(105.75)	(86.52)	-
Net cash from financing activities	589.90	2,476.56	0.50
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(279.85)	517.65	0.50
Cash and cash equivalents at the beginning of the period	614.80	0.50	-
Add: Acquired from Holding Company	-	96.65	-
Cash and cash equivalents at the end of the period	334.95	614.80	0.50
Components of cash and cash equivalents as at	**31.12.2004**	**31.03.2004**	**31.03.2003**
Cash and cheques on hand	278.33	244.79	-
With Scheduled banks - on current accounts	56.54	74.98	0.50
- on deposit accounts	0.08	295.03	-
	334.95	**614.80**	**0.50**

Notes:

1) The above cash flow statement does not include:
   a) Acquisition of assets and liabilities pertaining to media business from the holding company on July 1, 2003 and October 1, 2004.
   b) Issue of equity shares in lieu of business purchase consideration amounting to Rs. 1549.91 million.
2) The above Cash Flow Statement has been prepared under the" Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statement.

Annexure V

STATEMENT OF ACCOUNTING RATIOS BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

	Nine months Period ended 31-Dec-04	Nine months period ended 31-Mar-04	Period ended 31-Mar-03
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	6.65	(5.60)	Not Applicable
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	4.76	(9.99)	Not Applicable
Cash Earnings per share (Rs.)	10.87	49.29	Not Applicable
Return on net worth before adjusting exceptional item %	6.93%	-0.48%	Not Applicable
Return on net worth after adjusting exceptional item %	4.96%	-0.86%	Not Applicable
Net asset value per equity share (Rs)	95.99	1,157.77	10.00
Weighted average number of equity shares outstanding during the year/period	37,857,175	2,380,972	50,000
Total number of shares outstanding at the end of the year/ period	40,780,659	37,142,856	50,000

Notes:

1. The ratios have been computed as below:

Basic and Diluted Earnings per share before adjusting exceptional item (Rs)	(Net profit/(loss) (after tax, before exceptional item) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Basic and Diluted Earnings per share after adjusting exceptional item (Rs) *	(Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Cash Earnings per share (Rs)	(Net profit/(loss) (after income tax, before depreciation/ amortisation and deferred taxes) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Return on net worth before adjusting exceptional item (%)	(Net profit/(loss) after tax as per Profit and Loss Account)/ (Net worth at the end of the period (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	(Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account) / (Net worth at the end of the period (excluding preference share capital)
Net asset value per equity share (Rs)	(Net worth excluding preference share capital at the end of the period)/ (Weighted average number of equity shares outstanding at the end of the period)

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares issued during the period multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days in the period.
3. Net profit, as appearing in the summary profit and loss account of the respective periods, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of consolidated financial statements of the Company.
4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India

5. The Company has made allotment of equity shares of Rs. 10/- each on the following dates:

Date of Allotment	No. of Equity Shares
December 3, 2002	50,000
March 9, 2004	37,092,856
November 8, 2004	3,636,590
December 9, 2004	1,213
	40,780,659

Annexure VI

CAPITALISATION STATEMENT BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

Rs. In million

			Pre Issue	Post Issue *
	Nine months period ended 31-Dec-04	**Nine months period ended 31-Mar-04**	**Period ended 31-Mar-03**	
Short term debt (Working capital loan)	89.64	204.70	-	-
Long term debt	1,661.89	1,670.71	-	-
Total debt	**1,751.53**	**1,875.41**	**-**	-
Shareholders' funds				
- Equity Share capital	407.81	371.43	0.50	-
- Preference Share capital	200.00	100.00	-	-
- Share Premium Account	3,068.29	2,409.00	-	-
- Profit and Loss Account	157.69	(23.81)	-	-
Total shareholders' funds	**3,833.79**	**2,856.62**	**0.50**	**-**
Long term debt / equity	0.43	0.58	-	-

Note:
(*) Share Capital and Reserves and Surplus (Total Shareholders Funds) would be calculated on conclusion of the Book Building Process.

Long term debt/equity = Long Term Debt/ Total Shareholders' Funds

Annexure VII

TAX SHELTER STATEMENT BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

Rs. In million

	Nine months period ended December 31, 2004	Nine months period ended March 31, 2004 *
	293.34	(34.17)
Weighted average tax rate (%)	38.906	35.875
Tax expense at weighted average rate	114.13	(12.26)
Adjustments		
Permanent Differences		
Fees for increase in share capital	(0.38)	(3.67)
Provision for doubtful advances	(1.43)	-
Depreciation on leasehold land	(0.47)	(0.47)
Other Permanent Differences	0.23	(0.96)
Sub Total (A)	**(2.04)**	**(5.11)**
Dividend income exempt u/s 10(34) of the Income Tax Act, 1961	8.90	-
Sub Total (B)	**8.90**	**-**
Grand Total (A+B)	**6.86**	**(5.11)**
Net Adjustment		
Tax impact of adjustments of dividend	3.69	-
Tax impact of expenses disallowed (permanent differences) for deferred tax	(0.69)	(1.84)
Impact of change in tax rate for deferred taxes from 35.875% to 33.66%	(0.64)	-
Provision for income tax as per the books of account	111.842	(10.42)
Provision for current domestic tax being made in round off	(0.01)	-
Provision for current wealth tax included in current tax expense	(0.07)	-
Total tax expenses	**114.13**	**(12.26)**

* The information pertaining to nine months period ended March 31, 2004 is as per income tax return filed by the Company.

Annexure VIII

DETAILS OF OTHER INCOME BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

The details of other income of HT Media Limited exceeding 20% of the net profit before tax of respective periods, is as follows:

Rs in Million

Sources of Income	Nine months period ended December 31, 2004	Nine months period ended March 31, 2004	Nature	Arising out of
Interest received on				
- Bank Deposits	7.63	0.71	Non Recurring	Other than normal business activities
- Others	0.21	0.26	Recurring	Other than normal business activities
Dividend received on current investments	8.90	-	Non Recurring	Other than normal business activities
Exchange gain, net	2.13	18.65	Recurring	Normal business activities
Profit on sale of current investments (net)	6.36	0.54	Non Recurring	Other than normal business activities
Miscellaneous Income/Write Back	24.80	21.64	Non Recurring	Other than normal business activities
Miscellaneous Income	9.74	10.43	Recurring	Normal business activities
Total	**59.77**	**52.22**		

Working Notes

Particulars	Nine months period ended December 31, 2004	Nine months period ended December 31, 2004
Other income (A)	59.77	52.22
Net profit/(Loss) before tax (B)	293.34	(34.17)
Percentage (A/B)%	20%	-

Appendix A

Searchlight Publishing House Limited

I. Summary Statement of Profit and Loss Account

The profit/(loss) of Searchlight Publishing House Limited for nine months periods ended December 31, 2004 and March 31, 2004, read with significant accounting policies (Refer Note III A below) and Notes to Accounts (Refer Note III B below), after making groupings and adjustments are set out below:

	Amount (Rs in Million)	
	Nine months period ended 31-Dec-04	**Nine months period ended 31-Mar-04**
INCOME		
Turnover		
Printing Charges	102.03	103.63
Sale of scrap	2.11	2.30
Total	**104.14**	**105.93**
Other Income	1.91	1.69
Total Income	**106.05**	**107.62**
EXPENDITURE		
Raw Materials Consumed	15.51	12.48
Employee Cost	43.51	44.00
Other Manufacturing Costs	31.37	34.00
(Increase) in Inventories	(0.30)	-
Administrative and Other Costs	11.40	10.58
Total Expenditure	**101.48**	**101.06**
Profit (EBITDA)	**4.57**	**6.56**
Interest Charges	0.01	0.01
Profit before Depreciation and Tax	**4.56**	**6.55**
Depreciation	4.38	4.20
Profit before Tax	**0.18**	**2.35**
Adjustment of taxes for earlier years	0.58	(0.38)
Current Tax Expense	0.18	-
Deferred Tax charge/(credit)	(0.07)	0.55
Net Profit/(Loss) for the period	**(0.51)**	**2.18**
Brought Forward Profit from Previous Period	2.98	0.80
Profit carried to Balance Sheet	**2.47**	**2.98**

The accompanying Significant Accounting Policies (Note-III A below) and Notes to Accounts (Note-III B below) form an integral part of this statement.

Searchlight Publishing House Limited

II. Summary Statement of Assets and Liabilities

Assets and Liabilities of Searchlight Publishing House Limited at the end of each financial period, read with significant accounting policies (Refer Note III A below) and Notes to Accounts (Refer Note III B below), after making groupings and adjustments are set out below:

		Amount (Rs in Million)
As at	**December 31, 2004**	**March 31, 2004**
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	89.28	89.79
Less : Depreciation	34.43	35.24
Net Block	54.85	54.55
Capital work in progress including capital advances	1.54	0.49
Total	**56.39**	**55.04**
Current Assets, Loans and Advances:		
Inventories	9.60	7.30
Sundry Debtors	8.12	3.78
Cash & Bank Balances	2.81	2.72
Loans and Advances	9.84	10.97
Total (A)	**30.37**	**24.77**
Current Liabilities and Provisions:		
Current Liabilities	14.57	12.33
Provisions	4.05	3.67
Total (B)	**18.62**	**16.00**
Net Current Assets (A-B)	**11.75**	**8.77**
Miscellaneous Expenditure	**2.79**	**7.73**
Total	**70.93**	**71.54**
SOURCES OF FUNDS		
Deferred Tax Liabilities/(Assets)	(0.16)	(0.06)
Net worth	**71.09**	**71.60**
Represented by		
Equity Share Capital	39.86	39.86
Capital Reserve	0.00	0.00
Capital Redemption Reserve	0.05	0.05
General Reserve	3.21	3.21
Share Premium Account	25.50	25.50
Profit & Loss Account	2.47	2.98
Net worth	**71.09**	**71.60**

The accompanying Significant Accounting Policies (Note-III A below) and Notes to Accounts (Note-III B below) form an integral part of this statement.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

1. 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.

2. Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. 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.

3. Depreciation

Depreciation on assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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

4. 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.

5. 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.
Scrap	At net realizable value.

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

Revenue recognition

6.

- 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.
- Printing Charges
- Revenue is recognized as and when the publications are printed.
- Sale of Scrap
- Revenue is recognized when the significant risks and rewards of ownership have passed to the buyer.

7. Retirement and other employee benefits

- Retirement benefits in form of Provident Fund are charged to the Profit & Loss Account of the year when the contribution to the fund is due.
- Liability in respect of Gratuity is provided for as per actuarial valuation carried out by Life Insurance Corporation of India and is contributed to them as and when the

same is due.

- Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation carried out by an independent actuary at the period end.

8. Deferred Revenue Expenditure

Compensation paid under Voluntary Retirement Scheme to employees is written off over a period of three years commencing from the year of payment.

9. Income Taxes

Tax expense comprises both current and deferred taxes. Current income- tax is 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. 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. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such 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.

10. Earnings Per Share

- Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders 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.

IV. NOTES TO ACCOUNTS

1) Searchlight Publishing House Limited became subsidiary of HT Media Limited with effect from July 1, 2003 (i.e. the date when HT Media Limited purchased printing and publishing business from The Hindustan Times Limited). Therefore, Profit and Loss Account has been prepared for the nine months period from July 1, 2003 to March 31, 2004.

2) Names of related parties

Holding Company	HT Media Limited
Key Management Personnel	Mr. S. M. Agrawal (Whole time Director)
Fellow Subsidiary Company	Go4i India.com Private Limited

Note:
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.

RELATED PARTY TRANSACTIONS

(Rs. in million)

	Holding Company		Fellow Subsidiary		Key Management Personnel		Total	
Transactions during the period	**Dec 2004**	**Mar 2004**	**Dec 2004**	**Mar 2004**	**Dec 2004**	**Mar 2004**	**Dec 2004**	**Mar 2004**
Reimbursement of expenses incurred on behalf of parties by Company	0.45	2.85	-	-	-	-	0.45	2.85
Reimbursement of expenses incurred on behalf of Company by parties	8.06	-	-	-	-	-	8.06	-
Printing charges received for:								
- Newspaper	102.03	136.05	-	-	-	-	102.03	136.05
- Others	0.52	1.182	-	-	-	-	0.52	1.182
Purchase of store material	0.04	0.64	-	-	-	-	0.04	0.64
Purchase of Fixed Assets	-	-	0.20	-	-	-	0.20	-
Printing and Stationery	-	0.08	-	-	-	-	-	0.08
Purchase of waste paper	0.29	0.26	-	-	-	-	0.29	0.26
Payment to employees sent on deputation	16.34	17.74	-	-	-	-	16.34	17.74
Profession charges	0.02	-	-	-	-	-	0.02	-
Director's Remuneration	-	-	-	-	0.33	-	0.33	-
Traveling expenses	0.11	0.76	-	-	-	-	0.11	0.76
Rent paid	0.17	-	-	-	0.27	-	0.44	-
Balance outstanding at the period end								
As Debtor	8.64	3.60	-	-	-	-	8.64	3.60
As Creditor	0.62	-	-	-	-	-	0.62	-

3) Leases

Rental expenses in respect of operating leases are recognised as an expense in the summary 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 not non-cancelable and are renewable by mutual consent on mutually agreed terms and generally restrict for further leasing.

Lease payments for the period are Rs. 1.03 million (Previous period Rs. 1.00 million).

4) Schedule of Share Capital as at December 31, 2004 and March 31, 2004

(Amount Rs. in million)

Particulars	**As at December 31, 2004**	**As at March 31, 2004**
Authorised Capital		
Equity Shares	70.00	70.00
Issued, Subscribed and Paid up Capital		
Equity Shares	39.87	39.87
Less: Calls in Arrear	0.01	0.01
	39.85	39.85
Out of above, number of Equity shares held by HT Media	3,974,771	3,974,771

Limited, the Holding Company

5) Schedule of Sundry Debtors as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Debts outstanding for a period exceeding six months		
Unsecured, considered good	-	0.18
Unsecured, considered doubtful	0.18	-
Other debts		
Unsecured, considered good (including Rs. 8.02 million (Previous year Rs. 3.52 million) receivable from holding company)	8.12	3.60
Less: Provision for doubtful debts	(0.18)	-
Total	**8.12**	**3.78**

6) Schedule of Loans and Advances as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	2.04	2.64
Deposits – others	2.62	2.67
Advance payment of income tax/ tax deducted at source	5.05	5.66
Interest accrued on deposits	0.13	-
Total	**9.84**	**10.97**

7) Schedule of Deferred Taxes as at December 31, 2004 and March 31, 2004

Significant components of deferred tax assets are shown in the following table:

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Deferred Tax Assets		
Carry forward of unabsorbed depreciation	-	0.45
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	2.96	2.13
Provision for doubtful debts	0.06	-
Gross Deferred Tax Assets	**3.02**	**2.58**
Deferred Tax Liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	2.86	2.52
Gross Deferred Tax Liabilities	**2.86**	**2.52**
Net Deferred Tax Asset	0.16	0.06
Charge/(Credit) to the Profit and Loss Account	(0.07)	0.55

Note: Based on the future profitability projections, the Company is confident that there would be sufficient taxable income in future, which will enable it to utilize the unabsorbed carry forward depreciation.

8) Schedule of Current Liabilities and Provisions as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Current Liabilities		
Sundry Creditors	**14.57**	**12.33**
Provisions		
Provision for income tax	0.45	0.24
For Staff benefit schemes	3.61	3.45
	4.06	**3.69**

9) Earnings per share (EPS) is computed in accordance with Accounting Standard-20

	Period ended December 31, 2004 (Rs. in million)	Period ended March 31, 2004 (Rs. in million)
Net profit/(loss) before tax	**0.18**	2.34
Less: Adjustment for Deferred Tax Liability/(Asset)	**(0.07)**	0.55
Less: Provision for tax	**0.76**	(0.38)
Net Profit/(Loss) for the period	**(0.51)**	2.17
Weighted average number of equity shares in calculating basic and diluted EPS	3,986,250	3,553,523
Basic earning per share	**(0.13)**	0.61
Diluted earning per share	**(0.13)**	0.54

10) Capital Commitment	**As at December 31, 2004 (Rs. in million)**	**As at March 31, 2004 (Rs. in million)**
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.22	4.70

11) Contingent Liabilities not provided for	**Amount (Rs. in million)**	**Amount (Rs. in million)**
a) Claims against the Company not acknowledged as debts		
The Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of Rs. 7.34 million made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Company has furnished a bank guarantee amounting to Rs. 1.25 million to ESIC and the Hon'ble High Court has stayed the matter.	7.34	7.34
b) In respect of various labour cases pending	Amount not ascertainable	Amount not ascertainable

12) Directors' Remuneration*		
Salaries	0.27	-
Contribution to provident fund	0.03	-
Perquisites	0.02	-
	0.32	**-**

* Excluding provision for leave encashment

13) Previous Year comparatives

The Profit & Loss Account for the current period reflects transactions for the nine months period ended December 31, 2004 and the Profit & Loss Account for the previous period reflected transactions for the nine months period ended March 31, 2004.

V. STATEMENT OF ACCOUNTING RATIOS BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF SEARCHLIGHT PUBLISHING HOUSE LIMITED

	Nine months period ended 31-Dec-04	Nine months period ended 31-Mar-04
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	(0.13)	0.61
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	(0.13)	0.61
Cash earnings per share (Rs.)	0.95	1.74
Return on net worth before adjusting exceptional item %	-0.72%	3.04%
Return on net worth after adjusting exceptional item %	-0.72%	3.04%
Net asset value per equity share (Rs)	17.83	17.96
Weighted average number of equity shares outstanding during the year/period	**3,986,250**	**3,553,523**
Total number of shares outstanding at the end of the year / period	**3,986,250**	**3,986,250**

Notes:

1. The ratios have been computed as below:

Basic and Diluted Earnings per share before adjusting exceptional item (Rs)	(Net profit/(loss) (after tax, before exceptional item) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Basic and Diluted Earnings per share after adjusting exceptional item (Rs) *	(Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders)/ (Weighted during the period average number of equity shares outstanding)
Cash Earnings per share (Rs)	(Net profit/(loss) (after income tax, before depreciation/amortisation and deferred taxes) attributable to equity shareholders) / (Weighted average number of equity shares outstanding during the period)
Return on net worth before adjusting exceptional item (%)	(Net profit/(loss) after tax as per Profit and Loss Account)/ (Net worth at the end of the period (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	(Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account)/ (Net worth at the end of the period (excluding preference share capital)
Net asset value per equity share (Rs)	(Net worth excluding preference share capital at the end of the period)/ Weighted average number of equity shares outstanding at the end of the period

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares issued during the period multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days in the period.

3. Net profit, as appearing in the Statement of profits and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of unconsolidated financial statements of the Company.

4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India

VI. DETAILS OF OTHER INCOME BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF SEARCHLIGHT PUBLISHING HOUSE LIMITED

The details of other income of Searchlight Publishing House Limited exceeding 20% of the net profit before tax of respective periods, is as follows:

Amount in Rs Million

Sources of Income	**Nine months period ended December 31, 2004**	**Nine months period ended March 31, 2004**	**Nature**	**Arising out of**
Interest received on				
- Inter Corporate deposits	-	-		
- Others	0.33	0.19	Non Recurring	Other than normal business activities
Miscellaneous Income	1.59	1.50	Recurring	Normal business activities
Total	**1.91**	**1.69**		

VII. Cash Flow Statement for the period ended December 31, 2004

Amount in Rs Million

	December 31, 2004	March 31, 2004
A. Cash flow from operating activities		
Profit/(Loss) before taxation	**0.18**	2.35
Adjustments for:		
Depreciation/ amortisation	**4.38**	4.20
Miscellaneous Expenditure (net)	**4.94**	(0.24)
Interest income	**(0.33)**	(0.19)
Interest expense	**0.01**	0.01
Provision for doubtful debts	**0.18**	-
Operating profit before working capital changes	**9.36**	6.13
Movements in working capital :		
(Increase)/Decrease in sundry debtors	**(4.52)**	10.05
(Increase)/Decrease in inventories	**(2.30)**	1.23
Decrease in loans and advances	**0.65**	2.82
Increase/(Decrease) in current liabilities	**2.39**	(12.09)
Cash generated from operations	**5.58**	8.14
Direct taxes (paid)/refund received	**0.07**	(2.00)
Net cash from operating activities	**5.65**	6.14
B. Cash flows from investing activities		
Purchase of fixed assets	**(5.76)**	(0.50)
Interest received	**0.20**	0.19
Net cash used in investing activities	**(5.56)**	(0.31)
C. Cash flows from financing activities		
Proceeds from issuance/(refund) of share capital/share application money	**-**	(5.00)
Interest paid	**-**	(0.01)
Net cash from financing activities	**-**	(5.01)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	0.09	0.82
Cash and cash equivalents at the beginning of the period	2.72	1.90
Cash and cash equivalents at the end of the period	2.81	2.72

Components of cash and cash equivalents as at	**December 31, 2004**	**March 31, 2004**
Cash in hand	**0.18**	0.21
With Scheduled banks – on current accounts	**2.63**	2.51
	2.81	2.72

Note:

The above Cash Flow Statement has been prepared under the “Indirect Method” as stated in the Accounting Standard 3 on Cash Flow Statement

HT MEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2004 AND MARCH 31, 2004

AUDITOR'S REPORT

To
The Board of Directors
HT Media Limited
18-20 Kasturba Gandhi Marg,
New Delhi – 110 001

Dear Sirs,

We have examined the consolidated financial information of HT Media Limited and its Subsidiary, Searchlight Publishing House Limited, (hereinafter referred as the "Group") as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors, which has been prepared in accordance with the instructions received by us from the Company requesting us to carry out work in connection with the Draft Red Herring Prospectus being issued by HT Media Limited in connection with its Initial Public Offering of Equity Shares (referred to as 'the issue').

A. Financial Information as per the audited financial statements

We have examined the attached Consolidated Balance Sheets of the Group as at December 31, 2004 and March 31, 2004 (Annexure II) and the attached Consolidated Statements of Profit and Loss Account for each of these nine months periods ended on December 31, 2004 and March 31, 2004 (Annexure I), together referred to as 'summary statements'. These summary statements have been extracted from the Consolidated Financial Statements for these periods audited by us and have been adopted by the Board of Directors for the respective periods.

We did not audit the financial statements of the subsidiary of HT Media Limited whose financial statements reflect total assets of Rs. 89.70 millions as at December 31, 2004 (Rs. 87.60 millions as at March 31, 2004) and total revenues of Rs. 106.05 millions for the nine months period ended December 31, 2004 (Rs. 107.62 millions for the nine months period ended March 31, 2004) and cash flows amounting to Rs. 0.09 million for the nine months period ended December 31, 2004 (Rs. 0.82 million for the nine months period ended March 31, 2004). The financial statement and other financial information of the above subsidiary has been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of that auditor.

We report that 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 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of HT Media Limited and its subsidiary included in the consolidated financial statements.

Based on our examination of these summary statements, we confirm that:

~~1.~~ The accounting policies have been consistently applied by the Group (as disclosed in Annexure III) and are consistent with those used in the previous year.

2. There are no material adjustments relating to previous period, which need to be adjusted in summary statement in the period to which they relate.

3. There are no qualifications in the auditors' report, which require adjustments to the summary statements.

4. There are no extra-ordinary items, which need to be disclosed separately in the summary statements.

B. Other financial information

We have examined the following consolidated financial information relating to the Group proposed to be included in the Draft Red Herring Prospectus, as approved by you and annexed to this report:

i. Consolidated Statement of Cash Flow enclosed as Annexure IV.
ii. Summary of consolidated accounting ratios based on the profits relating to earnings per share, net asset value and return on net worth enclosed as Annexure V.
iii. Capitalisation Statement of the Group enclosed as Annexure VI.
iv. Details of items of other income which exceed 20 per cent of the net profit before tax enclosed as Annexure VII.

In our opinion, the financial information of the Group, as attached to this report as mentioned in paragraphs (A) and (B) above, read with respective significant accounting policies and notes to accounts after making groupings adjustments, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for use for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Company
Chartered Accountants

Per Anil Gupta
Partner
Membership No. 87921

Place: New Delhi
Dated:

Annexure I

SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

The consolidated profit/(loss) of HT Media Limited for nine months periods ended December 31, 2004 and March 31, 2004, read with significant accounting policies and notes to accounts (Refer Annexure III below), after making grouping adjustments are set out below:

		Amount (Rs in Million)
Particulars	**Nine months period ended 31-Dec-04**	**Nine months period ended 31-Mar-04**
INCOME		
Turnover		
Advertisement Revenue	3,688.21	3,282.29
Sale of Publications	944.83	836.71
Sale of waste paper and scrap	43.55	45.87
Total	**4,676.59**	**4,164.87**
Other Income	61.16	52.91
Total Income	**4,737.75**	**4,217.78**
EXPENDITURE		
Raw Materials Consumed	2,181.07	1,941.96
Employee Cost	625.63	611.34
Other Manufacturing Costs	505.41	539.05
(Increase)/Decrease in Inventories	(1.64)	0.49
Selling and Distribution Costs	402.10	464.30
Administrative and Other Costs	416.25	464.04
Total Expenditure	**4,128.82**	**4,021.18**
Profit (EBITDA)	**608.93**	**196.60**
Interest Charges	45.53	53.24
Profit before Depreciation, Exceptional Item and Tax	**563.40**	**143.36**
Depreciation/amortization	162.97	159.50
Profit/(Loss) before Exceptional Item and Tax	**400.43**	**(16.14)**
Exceptional Item (Separation scheme compensation)	105.79	19.71
Profit/(Loss) before Tax	**294.64**	**(35.85)**
Current Tax Expense	14.95	0.06
Taxes for earlier years	0.58	(0.38)
Deferred Tax charge/(credit)	97.01	(9.87)
Net Profit/(Loss) for the period	**182.10**	**(25.65)**
Add: Pre-Acquisition losses adjusted against goodwill	**-**	0.67
Less: Share of minority interest in profits	(0.01)	(0.01)
Brought Forward (Loss) from Previous Period	(24.99)	-
Profit/(Loss) carried to Balance Sheet	**157.10**	**(24.99)**

The accompanying Significant Accounting Policies and Notes to Accounts (Annexure-III below) form an integral part of this statement.

Annexure II

SUMMARY CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Assets and Liabilities of HT Media Limited at the end of each financial year/period, read with significant accounting policies and notes to accounts (Refer Annexure III below), after making grouping adjustment are set out below:

Amount (Rs in Million)

As at	December 31, 2004	March 31, 2004
APPLICATION OF FUNDS		
Fixed Assets:		
Gross Block	1,885.37	1,681.68
Less: Depreciation	293.88	161.31
Net Block	1,591.49	1,520.37
Capital work in progress including capital advances	1,938.49	1,390.81
Expenditure during construction period (Pending Allocation)	106.95	29.16
	3,636.93	2,940.34
Goodwill (net of amortisation)	17.95	21.79
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	159.14	168.92
Total	**3,814.02**	**3,131.05**
Investments:	**1,013.67**	**350.23**
Current Assets, Loans and Advances:		
Inventories	587.37	568.60
Sundry Debtors	963.81	1,037.16
Cash & Bank Balances	337.77	617.52
Loans and Advances	98.52	122.74
Total (A)	**1,987.47**	**2,346.02**
Current Liabilities and Provisions:		
Current Liabilities	1,111.20	1,080.44
Provisions	32.58	26.39
Total (B)	**1,143.78**	**1,106.83**
Net Current Assets (A-B)	**843.69**	**1,239.19**
Miscellaneous Expenditure	**-**	**-**
Total	**5,671.38**	**4,720.47**
SOURCES OF FUNDS		
Deferred Tax Liabilities/(Assets)	86.53	(10.48)
Minority Interest	0.12	0.10
Loan Funds	**-**	**-**
Secured Loans	1,751.53	1,875.41
Total	**1,838.18**	**1,865.03**
Net worth	**3,833.20**	**2,855.44**
Represented by		
Equity Share Capital	407.81	371.43
Preference Share Capital	200.00	100.00
Share Premium Account	3,068.29	2,409.00
Profit & Loss Account	157.10	(24.99)
Net worth	**3,833.20**	**2,855.44**

The accompanying Significant Accounting Policies and Notes to Accounts (Annexure-III below) form an integral part of this statement.

Annexure III

Schedules to the Accounts

Significant Accounting Policies and Notes to the Consolidated Accounts

NOTES annexed to and forming part of the Consolidated Balance Sheet as at December 31, 2004, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the period ended on that date.

1. Principles of Consolidation

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

a. The financial statements of the Parent Company and its subsidiary company 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 as per Accounting Standard – 21, Consolidated Financial Statements issued by The Institute of Chartered Accountants of India

b. The financial statements of the subsidiary used in the consolidation are drawn for the same period as that of the Parent Company i.e. nine months period ended December 31, 2004

c. The list of Subsidiary Company which is included in the consolidation and the Parent Company's holding therein is as under:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership as at December 31, 2004.
Searchlight Publishing House Limited	India	99.71

d. Goodwill represents the difference between the Parent Company's share in the net worth of the subsidiary and the cost of acquisition at the time of making the investment in the subsidiary. For this purpose, the Parent Company's share of net worth of the subsidiary is determined on the basis of the latest financial statements of the subsidiary 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 arising out of acquiring share in the subsidiary is amortised pro-rata over a period of 5 years from the date of acquisition.

e. Minorities' interest in net profit of consolidated subsidiary 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.

f. 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. Acquisition of Printing Undertaking

Pursuant to two Business Purchase Agreements dated August 15,2003, executed with The Hindustan Times Limited, (the Holding Company), the Parent Company has with effect from July 1, 2003 purchased on Slump Sale basis, the printing and publishing business (excepting the printing business at Delhi), of the Holding Company, on a going concern basis for a consideration of Rs.1649.90 million. The consideration amount has been allocated amongst the individual assets and liabilities on the basis of valuation carried out by an expert.

For the period July 1, 2003 to December 14, 2003, the seller carried out the business of the undertakings on behalf of the Parent Company. Accordingly all income and expenses pertaining to the said period have been transferred by the seller to the Parent Company on December 14, 2003.

The purchase of the Media Business took place only on July 1, 2003; hence the Parent Company has prepared the Profit & Loss Account for nine months i.e. from July 1, 2003 to March 31, 2004. There are no operations in the year ended March 31, 2003 hence no Profit & Loss Account was prepared during the said period.

Further, the Parent Company has during the period ended December 31, 2004, acquired the printing undertaking at Delhi of its Holding Company on slump sale basis for a consideration of Rs. 50.00 million. However, such transfer is subject to the decision of the Delhi High Court in writ petition no. (Civil) No. 2961-2963 of 2005 filed by the employees of the Holding Company of the Parent Company against the transfer of the printing undertaking by the Holding Company of the Parent Company. However, there is no restriction so far, it pertains to use of assets. The consideration amount has been allocated to the individual assets on the basis of valuation carried out by an independent expert.

3. Non-adjustments

Depreciation on other fixed assets (except those acquired by the Parent Company from its Holding Company, leasehold land and leasehold improvements) of the parent company is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, whereas depreciation on fixed assets of subsidiary company is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Due to practical difficulties in computing the depreciation on fixed assets owned by subsidiary company at straight-line method (as followed by parent company), since inception, the differential amount between the two methods has not been ascertained.

4. Goodwill

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.

A. Particulars	**March 31, 2004 (Rs. in million)**
Investment taken over from Holding Company– Searchlight Publishing House Limited on July 1, 2003	52.71
HT Media Limited's share in the net assets of its subsidiaries	27.81
Goodwill (A)	24.90
Investment – Additional shares allotted by Searchlight Publishing House Limited on November 18, 2003	34.00
HT Media Limited's share in the net assets of its subsidiaries	33.33
Goodwill (B)	0.67
Total Goodwill (A+B)	25.57

HT Media Limited has taken over the above investment in 3,124,771 shares of Searchlight Publishing House Limited from the holding company on July 1, 2003. Goodwill amounting to Rs. 24.90 million 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.

5. 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 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 has been allocated based on the valuation carried out by independent experts.

Other Fixed Assets are stated at cost, less accumulated depreciation. 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 and the cost of acquisition at the time of making the investment in the subsidiary. For this purpose, the Parent Company's share of net worth of the subsidiary is determined on the basis of the latest financial statements of the subsidiary 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 unexpired period of lease on a straight line basis
- Goodwill arising out of acquiring share in the subsidiary is amortised pro-rata over a period of 5 years from the date of acquisition
- Depreciation on other assets (except those acquired by the parent company from its holding company) of the parent company is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on Fixed Assets of Searchlight Publishing House Limited (subsidiary company) is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. (4.67 % of total fixed assets)
- In respect of Fixed Assets acquired 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
- 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 has been allocated based on the valuation carried out by an independent expert
- 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
- Software licenses costing less than Rs 5,000 are depreciated fully in the year of acquisition

- Software licenses acquired by parent company from its Holding Company, which are estimated to have lower residual lives than that envisaged above, are amortised over such estimated lower residual lives

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 & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.
- All direct capital expenditure 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. Leases (Where the 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.

h. 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 temporary in the value of the investments.

i. 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 to make the sale.

j. Revenue recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured

Advertisements

- Revenue is recognized as and when these are published /displayed.

Sale of Publications, Waste Paper & Scrap

- Revenue is recognized when the significant risks and rewards of ownership have passed to the buyer.

Interest

- Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

- Revenue is recognised when the right to receive payment is established by the balance sheet date

k. 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

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 Fixed Assets which is adjusted to the carrying amount of the Fixed Assets

Forward Exchange Contracts not intended for trading or speculation purposes

- Where the Group has entered into forward exchange contracts the liabilities/ assets are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of transaction is recognized over the period of the contract. Gain or loss on the restatement of the foreign currency transactions and/or cancellation of forward exchange contracts, if any, is reflected in the profit and loss account, except gain or loss on transactions relating to acquisition of fixed assets, which is adjusted to the carrying amount of fixed assets

l. Retirement and other employee benefits

- Retirement benefits in form of Provident Fund are charged to the Profit & Loss Account of the year when the contribution to the fund is due.
- 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 period end and is contributed to Gratuity Fund created by the its holding company and liability of gratuity of employees of subsidiary is ascertained on actuarial valuation by Life Insurance Corporation of India and is contributed to them as and when the same is due
- Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation carried out by an independent actuary at the period end.

m. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and 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 both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred Income Taxes 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. Deferred Tax Assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Unrecognized deferred tax assets of earlier years are reassessed 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.

o. Earnings Per Share

- Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

6. Schedule of Secured Loans as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
a) The Company has taken Rupee and Foreign currency Term Loans from Corporation Bank, which are secured by way of hypothecation of moveable assets (except printing machines) at Patna, Lucknow, Ranchi, Bhopal, Mohali, Kolkatta, Gurgaon, Jaipur, Varanasi, Muzzafarpur, Bhagalpur, Dhanbad and Jamshedpur and printing machines at Patna, Lucknow, Ranchi, Mohali and Gurgaon. It is further to be secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Lucknow and Mohali. The term loans are repayable in 82.50 months including a moratorium period of 22.50 months. The loans carry interest payable at 6.13% p.a. and 8% p.a. respectively	344.34	343.69
b) The Company has during the period ended December 31, 2004 taken a rupee term loan from Punjab National Bank, which is secured by way of hypothecation of entire block of assets (other than those specifically hypothecated to Corporation Bank) which are lying at all work place/office of the Company, consisting of plant & machinery, computers, furniture's, fixtures fittings & furnishers, vehicles, (present & future) which now or hereafter from time to time during the continuance of this security,	750.00	-

	belonging to the Company wherever situated including in-transit. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Noida and Greater Noida. All the charges are ranking pari-pasu with the existing and proposed lenders. The term loan is repayable in 5 years. The loan carries interest payable at 7.50% p.a.		
c)	The Company has during the period ended December 31, 2004 taken a rupee term loan from State Bank of Patiala, which is secured by way of pari-pasu first charge on fixed assets, present or future, at Noida, Greater Noida and Mumbai with the existing and proposed lenders. The term loan is repayable in 7 years including a moratorium period of 2 years. The loan carries interest payable at 7.85% p.a..	317.55	-
d)	The Company has during the period ended December 31, 2004 taken a rupee term loan from The Jammu and Kashmir Bank Limited, which is secured by first pari-pasu charge over the whole of the moveable properties (other than those specifically hypothecated to Corporation Bank) of the company including its movable plant & machinery, machinery spares, tools and accessories and other movables, both present and future. All the charges are ranking pari-pasu with the existing and proposed lenders. The term loan is repayable in 7 years including a moratorium period of 2 years. The loan carries interest payable at 8% p.a..	250.00	-
e)	The Company is availing a cash credit facility of Rs. 700 million from a bank, which is 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	89.64	204.70
f)	The Company had during the year ended March 31, 2004 taken a rupee term loan from Central Bank of India – I, which was secured by way of hypothecation of all the moveable property (other than those specifically charged in favour of Corporation Bank) comprising inter-alia machinery, equipment, plant and spare parts which now or hereafter from time to time during the continuance of this security, belonging to the Company wherever may be situated including in transit and additionally secured by a Corporate guarantee of the Holding Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company, situated at18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Holding Company's existing debenture holders and Company's existing and proposed lenders. The loan carried interest payable at 8.5% p.a..	-	453.23
g)	The Company had during the year ended March 31, 2004 taken a rupee term loan from Central Bank of India – II, which was secured by way of hypothecation of all the moveable property (other than those specifically charged in favour of Corporation Bank) comprising inter-alia machinery, equipment, plant and spare parts, at Company's locations at Greater Noida and Noida and IT Project (SAP and others) and additionally secured by a Corporate guarantee of the Holding Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company situated at 18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Holding Company's existing debenture holders and Company's existing and proposed lenders. The loan carried interest payable at 8.5% p.a..	-	873.79
Total		**1751.53**	**1875.41**

7. Schedule of Investments as at December 31, 2004 and March 31, 2004

Long Term Investments (At cost)	As at December 31, 2004 (Rs. in millions) Cost	Market Value*	As at March 31, 2004 (Rs. in millions) Cost	Market Value*
A. Trade Investments (Unquoted)				
i. 457 equity shares of Rs. 100/- each fully paid up in Press Trust of India Limited	0.05		0.05	
ii. 738 equity shares of Rs. 100/- each fully paid up in United News of India	0.07		0.07	
B. Other than Trade Investments				
Current Investments				
i. 1,00,39,603.741 units of Birla Cash Plus Institutional Premium Dividend Reinvest Plan of Rs. 10 each	100.59	100.59	-	
ii. 1,52,31,391.05 units of Standard Chartered GCCW GCF - Plan C - Weekly Dividend of Rs. 10 each	152.39	152.31	-	
iii. 1,52,45,021.684 units of HSBC Cash Fund Plus weekly Dividend of Rs.10 each	152.48	152.64	-	
iv. 65,79,186.884 units of Reliance-Treasury Plan-Institutional option - Weekly Dividend Option of Rs. 10 each	100.53	100.56	-	
v. 83,17,364.382 units of HDFC Liquid Fund-Premium Plan-Dividend reinvestment of Rs.10 each	100.39	100.60	-	
vi. 1,69,81,665.001 units of ICICI Prudential Institutional Liquid Fund - Dividend Option of Rs. 10 each	201.13	201.21	-	
vii. 1,50,657.883 units of Templeton India Treasury Management Plan -Institutional Plan- Weekly Dividend reinvest of Rs.1000 each	150.79	150.87	-	
viii. 54,643.879 units of UTI Liquid Cash Plan Institutional weekly income option of Rs. 1,000 each	55.25	55.34	-	
ix. Nil (Previous year 95,46,357.11 units of A46 Alliance Capital Cash Manager - Institutional Plan Growth of Rs.10 each)	-	-	100.00	100.26
x. Nil (Previous year 58,53,909.826 units of Birla Cash Plus Institutional Plan: Growth of Rs.10 each)	-	-	100.00	100.26
xi. Nil (Previous year 84,79,247.043 units of Standard Chartered GCBG Grindlays Cash Fund -Institutional Plan B - Growth of Rs.10 each)	-	-	100.00	100.26
xii. Nil (Previous year 46,95,893.333 units of HSBC Cash Fund- Institutional -Growth of Rs.10 each)	-	-	50.11	50.24
Total	**1,013.67**		**350.23**	

* Market Value denotes Net Asset value of respective current investments. The net asset value of current investments as at December 31, 2004 is Rs. 1014.11 millions (previous year Rs. 351.02 millions), the cost of which is Rs. 1013.55 millions (previous year Rs. 350.11 millions).

8. Schedule of Sundry Debtors as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
Debts outstanding for a period exceeding six months		
Secured, considered good	0.12	0.06
Unsecured, considered good	141.07	150.30

Unsecured, considered doubtful	75.30	38.50
Other debts		
Secured, considered good	55.87	54.95
Unsecured, considered good	766.75	831.85
Unsecured, considered doubtful	5.81	7.08
	1044.92	1082.74
Less: Provision for doubtful debts	(81.11)	(45.58)
Total	**963.81**	**1037.16**

9. Schedule of Loans and Advances as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in millions)	As at March 31, 2004 (Rs. in millions)
Secured, considered good		
Advances recoverable in cash or kind or for value to be received	4.72	6.44
Deposits – others	1.41	1.79
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	41.06	52.10
Deposits – others	48.69	55.99
Advance payment of income tax/ tax deducted at source	2.51	5.81
Interest accrued on deposits	0.13	0.61
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	1.43	-
	99.95	122.74
Less: Provision for doubtful advances	(1.43)	-
Total	**98.52**	**122.74**

10. Schedule of Current Liabilities and Provisions as at December 31, 2004 and March 31, 2004

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Current Liabilities		
Sundry creditors (including Rs. 38.40 million (Previous year Rs. 9.45 million) payable to holding company)	905.38	770.38
Business purchase consideration payable to holding company	-	69.98
Customers and Agents Balances	63.19	76.78
Income received in advance	18.21	41.50
Sundry deposits	124.42	121.80
	1111.20	**1080.44**
Provisions		
For staff benefit schemes	32.58	26.39
	32.58	**26.39**

11. Earnings per share (EPS) is computed in accordance with Accounting Standard-20

	Period ended December 31, 2004 (Rs. in million)	Period ended March 31, 2004 (Rs. in million)
Net profit/(loss) before exceptional item	**400.42**	(16.13)
Less: Adjustment for Deferred Tax Liability/(Asset)	**125.13**	(4.58)
Less: Provision for tax	**21.57**	0.06
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**1.31**	-
Net profit/(loss) before exceptional item for	**252.41**	(11.61)

calculation of basic and diluted EPS (Rs. in millions)		
Net profit/(loss) after exceptional item	**294.64**	(35.85)
Less: Adjustment for Deferred Tax Liability/(Asset)	**97.01**	(9.87)
Less: Provision for tax	**15.53**	(0.32)
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**1.31**	-
Net profit/(loss) for calculation of basic and diluted EPS (Rs. in millions)	**180.79**	(25.65)
Weighted average number of equity shares in calculating basic and diluted EPS	37,857,175	2,380,972
Basic and Diluted earning per share before exceptional item	**6.67**	(4.88)
Basic and Diluted earning per share after exceptional item	**4.78**	(10.77)

Note: In view of losses incurred during the previous year and since the redeemable preference shares are non-cumulative, no adjustment for the dividend on such shares was made while calculating basic and diluted EPS for the previous year.

12. Segment Information

The Group 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 Group 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

13. Expenses pertaining to issue of equity shares and preference shares aggregating to Rs.14.39 million (Previous year Rs. 19.99 million) have been adjusted against share premium account as permitted under Section 78 of the Companies Act, 1956

14. In terms of Business Purchase Agreement dated August 15, 2003, the Parent Company reimbursed Rs. 105.79 millions (Previous year Rs. 12.16 millions) to The Hindustan Times Limited, the holding company, being the compensation paid towards separation schemes to certain employees of the holding company. The same has been disclosed under exceptional item in the summary restated consolidated statement of Profit & Loss Account

15. In view of the proposed provision in the Finance Bill, 2005, which is pending approval of the Parliament, provision for Deferred tax liability has been made in the books as per tax rate announced by the Finance Minister on February 28, 2005.

16. Based on expert opinion, deferred tax charge as provided for in the books of accounts, 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.

17. As per the Share Subscription Agreement dated September 17, 2004 and deed of amendment dated October 19, 2004, certain shareholders have an option to acquire additional 1,946,482 shares of the Company at the price of Rs. 195.19 (including share premium of Rs. 185.19) per share. In pursuance to the said agreement, the shareholders have exercised option for 973,241 shares after the Balance Sheet date.

18. Names of related parties

*Holding Company	The Hindustan Times Limited
Fellow Subsidiaries	Shradhanjali Investment & Trading Company Limited, HTL Investment & Trading Company Limited, HT Interactive Media Properties Limited, Go4icricket.com (India) Private Limited, Go4i.com (India) Private Limited, Go4i.com (Mauritius) Limited.
Key Management Personnel	Smt. Shobhana Bhartia Vice-Chairperson & Editorial Director, Mr.Shamit Bhartia (Whole time Director) Mr. S.M. Agarwal (Whole time Director in subsidiary)
Relatives of key management personnel	Dr.K.K.Birla (Chairman)
Enterprises owned or significantly influenced by key management personnel or their relatives	The Press Trust of India Limited, Audit Bureau of Circulations, Air Travel Bureau Limited, The HT Limited Working Journalist Gratuity Fund, The HT Limited Non Journalist Employees Gratuity Fund, Paxton Trexim Private Limited. Britex (India) Limited, Goldmary Investments and Trading Co. Ltd., Kumaon Orchard, Shekhar Traders, Shobhana Traders, Udit (India) Limited, Usha Flowel Limited.

Notes:

a) * The Parent company had during the year, availed loans of Rs. 1317.56 millions (Previous year Rs. 1317.56 millions) from Central Bank of India, which were to be collaterally secured by equitable mortgage by deposit of title deeds of property of its Holding Company situated at 18-20, Kasturba Gandhi Marg, New Delhi. The Parent company had also availed Cash Credit facility from Central Bank of India which were to be secured by way of second charge on the property of its Holding Company situated at 18-20, Kasturba Gandhi Marg, New Delhi. The above loans and facility were additionally secured by a corporate guarantee of its Holding Company.

b) 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.

RELATED PARTY TRANSACTIONS

	Holding company			Fellow Subsidiaries			Key Management personnel		
	Dec-2004	Mar-2004	Mar-2003	Dec-2004	Mar-2004	Mar-2003	Dec-2004	Mar-2004	Mar-2003
Income from Furniture hire charges	-	0.13	-	-	-	-	-	-	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	19.13	41.63	-	-	-	-	-	-	-
Sitting fee	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	0.70	0.11	-	-	-	-
Purchase of Printing and Publishing Undertaking	50.00	1,649.90	-	-	-	-	-	-	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	0.90	1.45	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	0.45	1.85	-	-	-	-
Payment for Employees on Deputation	144.05	173.94	-	-	-	-	-	-	-
Reimbursement of Separation Scheme Compensation to holding company	105.79	16.29	-	-	-	-	-	-	-
Reimbursement of gratuity to holding company	4.60	6.21	-	-	-	-	-	-	-
Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	3.94	-	-
- To Mr. Shamit Bhartia	-	-	-	-	-	-	0.55	0.39	-
- To Mr. S.M. Agarwal	-	-	-	-	-	-	-	0.30	-
Gratuity contribution to Gratuity trust of employees									
- The HT Limited Working Journalist Gratuity Fund	-	-	-	-	-	-	-	-	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	-	-	-	-	-	-
Traveling Expenses									
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-
Rent Paid									
- Go4icricket.com (India) Private Limited	-	-	-	0.09	-	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.25	-	-	-	-	-
- The Hindustan Times Limited	3.38	3.38	-	-	-	-	-	-	-
Subscription									
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Go4i.com (India) Private Limited	-	-	-	0.79	0.78	-	-	-	-
- The Hindustan Times Limited	25.89	38.13	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Go4i.com (India) Private Limited	-	-	-	-	0.05	-	-	-	-
Investments made									
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Share Capital issued (including Share premium)	250.00	1,899.91	0.50	-	-	-	-	-	-
Balance outstanding at the end of the period	-	-	-	-					
Investment in Shares (including premium)	-	-	-	-	-	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Share Capital (including Share premium)	521.97	414.29	0.50	-	-	-	-	-	-
Receivable as Advances / Debtors									
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-
Payable as Creditors									
- The Hindustan Times Limited	38.40	9.45	0.23	-	-	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	-	0.96	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-

- Mrs. Shobhana Bhartia	-	-	-	-	-	-	0.44	-	-
- Go4icricket.com (India) Private Limited	-	-	-	-	0.05	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-
Payable against Purchase Consideration	-	69.99	-	-	-	-	-	-	-
Security deposits given by the company									
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-

	Relatives of Key Management Personnel			Enterprises owned or significantly influenced by key management personnel or their relatives			Total		
	Dec-2004	Mar-2004	Mar-2003	Dec-2004	Mar-2004	Mar-2003	Dec-2004	Mar-2004	Mar-2003
Income from Furniture hire charges	-	-	-	-	-	-	-	0.13	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	11.85	32.66	-	11.85	32.66	-
- The Hindustan Times Limited	-	-	-	-	-	-	19.13	41.63	-
Sitting fee	0.05	-	-	-	-	-	0.05	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.70	0.11	-
Purchase of Printing and Publishing Undertaking	-	-	-	-	-	-	50.00	1,649.90	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.90	1.45	-
- The Press Trust of India Limited	-	-	-	15.72	16.62	-	15.72	16.62	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.45	1.85	-
Payment for Employees on Deputation	-	-	-	-	-	-	144.05	173.94	-
Reimbursement of Separation Scheme Compensation to holding company	-	-	-	-	-	-	105.79	16.29	-
Reimbursement of gratuity to holding company	-	-	-	-	-	-	4.60	6.21	-
Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	3.94	-	-
- To Mr. Shamit Bhartia	-	-	-	-	-	-	0.55	0.39	-
- To Mr. S.M. Agarwal	-	-	-	-	-	-	-	0.30	-
Gratuity contribution to Gratuity trust of employees									
- The HT Limited Working Journalist Gratuity Fund	-	-	-	-	2.96	-	-	2.96	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	(0.18)	0.54	-	(0.18)	0.54	-
Traveling Expenses									
- Air Travel Bureau Limited	-	-	-	4.91	7.66	-	4.91	7.66	-
Rent Paid									
- Go4icricket.com (India) Private Limited	-	-	-	-	-	-	0.09	-	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.25	-	-
- The Hindustan Times Limited	-	-	-	-	-	-	3.38	3.38	-

Subscription									
- Audit Bureau of Circulation	-	-	-	0.22	0.19	-	0.22	0.19	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.79	0.78	-
- The Hindustan Times Limited	-	-	-	-	-	-	25.89	38.13	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
Investments made									
- The Press Trust of India Limited	-	-	-	-	0.05	-	-	0.05	-
Share Capital issued (including Share premium)	-	-	-	-	-	-	250.00	1,899.91	0.50
Balance outstanding at the end of the period									
Investment in Shares (including premium)	-	-	-	0.05	0.05	-	0.05	0.05	-
- The Press Trust of India Limited	-	-	-	0.05	0.05	-	0.05	0.05	-
Share Capital (including Share premium)	-	-	-	-	-	-	521.97	414.29	0.50
Receivable as Advances / Debtors									
- The Press Trust of India Limited	-	-	-	0.35	-	-	0.35	-	-
- Air Travel Bureau Limited	-	-	-	1.10	0.41	-	1.10	0.41	-
- Audit Bureau of Circulation	-	-	-	-	0.09	-	-	0.09	-
- Paxton Trexim Private Limited	-	-	-	1.93	-	-	1.93	-	-
Payable as Creditors									
- The Hindustan Times Limited	-	-	-	-	-	-	38.40	9.45	0.23
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.96	-
- Air Travel Bureau Limited	-	-	-	0.11	-	-	0.11	-	-
- Mrs. Shobhana Bhartia	-	-	-	-	-	-	0.44	-	-
- Go4icricket.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
- The Press Trust of India Limited	-	-	-	-	0.34	-	-	0.34	-
- Paxton Trexim Private Limited	-	-	-	-	6.87	-	-	6.87	-
Payable against Purchase Consideration	-	-	-	-	-	-	-	69.99	-
Security deposits given by the company					.				
- The Press Trust of India Limited	-	-	-	0.33	0.35	-	0.33	0.35	-
- Air Travel Bureau Limited	-	-	-	1.25	1.25	-	1.25	1.25	-

19. Leases

Rental expenses in respect of operating leases are recognised as an expense in the summary restated consolidated statement of Profit and Loss Account and Expenditure during construction period (Pending Allocation), as the case may be, on a straight-line basis over the lease term.

Operating Lease (for assets taken on Lease)

a) The Parent Company has taken various residential, office and godown premises under operating lease agreements. These are generally not non-cancelable and are renewable by mutual consent on mutually agreed terms and generally restrict for further leasing.
b) Lease payments for the year are Rs. 44.52 million (Previous year Rs. 44.51 million).
c) The future minimum lease payments under non-cancelable operating leases;

- not later than one year is Rs. 7.02 million (Previous year Rs. 8.49 million)
- later than one year but not later than five years is Rs. 15.95 million (Previous year Rs. 19.83 million)
- later than five years is Rs. 1.64 million (Previous year Rs. 2.90 million)

20. Schedule of Deferred Taxes as at December 31, 2004 and March 31, 2004

Significant components of deferred tax liabilities are shown in the following table:

	As at December 31, 2004 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Deferred Tax Liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	150.89	111.52
Gross Deferred Tax Liabilities	**150.89**	**111.52**
Deferred Tax Assets		
Carry forward of unabsorbed depreciation	28.12	99.95
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	8.92	5.70
Provision for doubtful debts	27.32	16.35
Gross Deferred Tax Assets	**64.36**	**122.00**
Net Deferred Tax (Liability)/Asset	(86.53)	10.48
Debit/(Credit) to the Profit and Loss Account	97.01	(9.87)

Note: Based on the future profitability projections, the Group is certain that there would be sufficient taxable income in future which will enable it to utilize the unabsorbed carry forward depreciation.

21. Capital Commitment	**As at December 31, 2004 (Rs. in million)**	**As at March 31, 2004 (Rs. in million)**
Estimated amount of contracts remaining to be executed on capital account and not provided for	**282.69**	631.50
22. Contingent Liabilities not provided for		
a) Bank Guarantees given by the Group	**0.08**	0.05
b) Claims against the Group not acknowledged as debts		
1. 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.	**0.17**	0.17
2. The Subsidiary Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of Rs. 7.34 million made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Subsidiary Company has furnished a bank guarantee amounting to Rs. 1.25 million to ESIC and the Hon'ble High Court has stayed the matter.	**7.34**	7.34
3. The Parent Company has received an initial claim for additional contribution of Rs 2.6 Mn made by Employees State Insurance Corporation (ESIC) relating to years 1995-97	**2.6**	-

c)	In respect of various labour & defamation cases pending	**Amount not ascertainable**	**Amount not ascertainable**

23. Directors' Remuneration*

Salaries	**3.11**	0.58
Contribution to provident fund	**0.30**	0.07
Perquisites	**1.68**	0.05
	5.09	0.70

* Excluding provision for leave encashment

24. Previous Year comparatives

The Profit & Loss Account for the current period reflects transactions for the nine months period ended December 31, 2004 and the Profit & Loss Account for the previous period reflected transactions for the nine months period ended March 31, 2004.

Annexure IV

Consolidated Cash Flow Statement for the period ended December 31, 2004

	December 31, 2004 Rs. in millions	March 31, 2004 Rs. in millions
A. Cash flow from operating activities		
Profit/(Loss) before taxation and extraordinary items	**294.63**	(35.84)
Adjustments for:		
Depreciation/amortisation	162.97	159.50
Miscellaneous Expenditure (net)	(14.39)	(19.76)
Loss on disposal of fixed assets (net)	1.38	0.19
Profit on sale of current investments (net)	(6.36)	(0.54)
Dividend income	(8.90)	-
Interest income	(8.17)	(1.16)
Interest expense	45.54	53.24
Provision for doubtful debts and advances	36.97	45.58
Operating profit before working capital changes	**503.67**	201.21
Movements in working capital :		
(Increase)/Decrease in sundry debtors	**37.82**	(252.76)
(Increase) in inventories	**(17.73)**	(96.12)
Decrease in loans and advances	**19.00**	22.90
Increase in current liabilities	**30.89**	113.68
Cash generated from/(used in) operations	**573.65**	(11.09)
Direct taxes paid	**(12.21)**	(2.46)
Net cash from/(used in) operating activities	**561.44**	(13.55)
B. Cash flows from investing activities		
Purchase of Printing and Publishing undertakings	**(50.00)**	(30.00)
Purchase of fixed assets	**(744.77)**	(1,568.11)
Proceeds from sale of fixed assets	**3.21**	2.85
Purchase of investments	**(2,016.14)**	(805.26)
Sale of investments	**1,359.06**	455.43
Dividend received	**8.90**	-
Interest received	**8.65**	0.56
Net cash used in investing activities	**(1,431.09)**	(1,944.52)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	**810.06**	1,350.00
Proceeds from long-term borrowings (net)	**0.65**	1,005.03
Proceeds from/(repayment of) short-term borrowings	**(115.06)**	208.05
Interest paid	**(105.75)**	(86.53)
Net cash from financing activities	**589.90**	2,476.55
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(279.75)**	518.47
Cash and cash equivalents at the beginning of the period	**617.52**	0.50
Add: Balance as on July 1, 2003 of the Subsidiary Company	**-**	1.90
Add: Acquired from Holding Company	**-**	96.65
Cash and cash equivalents at the end of the period	**337.77**	617.52
Components of cash and cash equivalents as at	**31.12.2004**	31.03.2004
Cash and cheques on hand	**278.51**	245.00
With Scheduled banks - on current accounts	**59.17**	77.49
- on deposit accounts	**0.09**	295.03
	337.77	617.52

Notes:

1) The above cash flow statement does not include:

a. Acquisition of assets and liabilities pertaining to media business from the holding company on July 1, 2003 and October 1, 2004

b. Issue of equity shares in lieu of business purchase consideration amounting to Rs. 1549.91 million

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

Annexure V

STATEMENT OF ACCOUNTING RATIOS BASED ON CONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

	Nine months period ended 31-Dec-04	Nine months period ended 31-Mar-04	Period ended 31-Mar-03
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	6.67	(4.88)	Not Applicable
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	4.78	(10.77)	
Cash Earnings per share (Rs.)	11.09	52.08	Not Applicable
Return on net worth before adjusting exceptional item %	6.98%	-0.42%	Not Applicable
Return on net worth after adjusting exceptional item %	5.01%	-0.93%	
Net asset value per equity share (Rs)	95.97	1,157.27	10.00
Weighted average number of equity shares outstanding during the year/period	**37,857,175**	**2,380,972**	**50,000**
Total number of shares outstanding at the end of the year / period	**40,780,659**	**37,142,856**	**50,000**

Notes:

1) The ratios have been computed as below:

Basic and Diluted Earnings per share before adjusting exceptional item (Rs)	(Net profit/(loss) (after tax, before exceptional item) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Basic and Diluted Earnings per share after adjusting exceptional item (Rs) *	(Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Cash Earnings per share (Rs)	(Net profit/(loss) (after income tax, before depreciation/ amortisation and deferred taxes) attributable to equity shareholders)/ (Weighted average number of equity shares outstanding during the period)
Return on net worth before adjusting exceptional item (%)	(Net profit/(loss) after tax as per Profit and Loss Account)/ (Net worth at the end of the period (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	(Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account) / (Net worth at the end of the period (excluding preference share capital)
Net asset value per equity share (Rs)	(Net worth excluding preference share capital at the end of the period)/ (Weighted average number of equity shares outstanding at the end of the period)

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares issued during the period multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days in the period.

3) Net profit, as appearing in the summary profit and loss account of the respective periods, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of consolidated financial statements of the Company.

4) Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India

5) HT Media Limited has made allotment of equity shares of Rs. 10/- each on the following dates:

Date of Allotment	**No. of Equity Shares**
December 3, 2002	50,000
March 9, 2004	37,092,856
November 8, 2004	3,636,590
December 9, 2004	1,213
	40,780,659

Annexure VI

CAPITALISATION STATEMENT BASED ON CONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

Rs in Million

			Pre Issue	Post Issue *
	Nine months period ended 31-Dec-04	**Nine months period ended 31-Mar-04**	**Period ended 31-Mar-03**	
Short term debt (Working capital loan)	89.64	204.70	-	-
Long term debt	1,661.89	1,670.71	-	-
Total debt	**1,751.53**	**1,875.41**	**-**	-
Shareholders' funds				
- Equity Share capital	407.81	371.43	0.50	-
- Preference Share capital	200.00	100.00	-	-
- Share Premium Account	3,068.29	2,409.00	-	-
- Profit and Loss Account	157.10	(24.99)	-	-
Total shareholders' funds	**3,833.20**	**2,855.44**	**0.50**	**-**
Long term debt / equity	0.43	0.59	-	-

Note:
(*) Share Capital and Reserves and Surplus (Total Shareholders Funds) would be calculated on conclusion of the Book Building Process.

Long term debt/equity = Long Term Debt / Total Shareholders' Funds

Annexure VII

DETAILS OF OTHER INCOME BASED ON CONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

The details of other income of HT Media Limited exceeding 20% of the net profit before tax of respective periods, is as follows:

Rs in Million

Sources of Income	Nine months period ended December 31, 2004	Nine months period ended March 31, 2004	Nature	Arising out of
Interest received on				
- Bank Deposits	7.63	0.71	Non Recurring	Other than normal business activities
- Others	0.54	0.45	Recurring	Other than normal business activities
Dividend received on current investments	8.90	-	Non Recurring	Other than normal business activities
Exchange gain, net	2.13	18.65	Recurring	Normal business activities
Profit on sale of current investments (net)	6.36	0.54	Non Recurring	Other than normal business activities
Miscellaneous Income/Write Back	24.80	21.64	Non Recurring	Other than normal business activities
Miscellaneous Income	10.80	10.93	Recurring	Normal business activities
Total	**61.16**	**52.91**		

Working Notes

Particulars	Nine months period ended December 31, 2004	Nine months period ended March 31, 2004
Other income (A)	61.16	52.91
Net profit/(Loss) before tax (B)	294.64	(35.85)
Percentage (A/B)%	21%	-

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF UNCONSOLIDATED FINANCIAL STATEMENTS UNDER INDIAN GAAP

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. You are also advised to read the section titled "Risk Factors" beginning on page xi of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to HT Media Limited and its subsidiary on a consolidated basis. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in Section 211(3C) of the Companies Act and the other applicable provisions of the Companies Act. The following discussion is also based on internally prepared statistical information and publicly available information.

Overview

We are India's second largest print media company in terms of circulation of daily newspapers and our brand "Hindustan Times" is one of India's most well recognized media brands. *Hindustan Times* was started in 1924 and we have an 80-year history as one of India's leading newspaper companies. We have two daily newspapers, the *Hindustan Times* in English and the *Hindustan* in Hindi. We publish the *Hindustan Times* in five published from New Delhi, Lucknow, Patna, Ranchi, and Kolkata. The New Delhi edition includes printing from Mohali, Bhopal and Jaipur. Our *Hindustan* newspaper is published in four editions from Patna, Ranchi, Lucknow and Delhi. In addition to our newspapers, we have a leading news Internet site: *www.hindustantimes.com*, and we also publish two Hindi magazines, the *Nandan* and *Kadambini*.

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Transfer and Available Financial Information

Our business operated as a division of HTL until transferred to our Company pursuant to the Business Purchase Agreement with effect from July 1, 2003. Accordingly, our Company has had a limited operating history. Our financial statements for the nine-month period from July 1, 2003 to March 31, 2004 and for the nine-month period from April 1, 2004 to December 31, 2004 are included in this Draft Red Herring Prospectus. These periods, however, are not comparable and it is difficult, therefore, to evaluate our business and financial results.

Our ongoing relationship with HTL is limited to the lease of our principal offices at Hindustan Times House in New Delhi and other small properties and the ongoing secondment of approximately 550 employees. In addition, HTL is our largest shareholder and own 77.11% of our Equity Shares prior to this Issue.

Launch of Hindustan Times Mumbai

As part of our strategy to grow our newspapers' national footprint, we plan to launch the *Hindustan Times* in the Mumbai market in the middle of 2005. Mumbai is the largest print media market in terms of ad-spend. We expect to incur capital expenditure of Rs. 500 million by the end of fiscal 2006 to establish our Mumbai edition of which we had incurred Rs. 81.1 million as of December 31, 2004.

We expect that our Mumbai business will incur losses in its early years of operation, and our Mumbai operations may not achieve profitability. In addition, we expect to invest approximately Rs. 500 million in capital expenditure for our Mumbai operations. Accordingly, our Mumbai operations may adversely affect our results of operation and financial condition.

Advertisement Revenue

We derive most of our income from advertisements. For the nine months ended March 31, 2004 and the nine months ended December 31, 2004, advertisements accounted for 77.8% and 77.8% of our income, respectively.

We recognize our advertisement revenue as and when ads are published and displayed. Our advertisement revenue is net of commissions charged by the advertisement agencies. For information about we price and collect our advertisement revenue, see "Our Business-Our Media Marketing" on page 56 of this Draft Red Herring Prospectus.

Circulation Revenue

We also earn revenues from selling our newspapers (circulation). For the nine months ended March 31, 2004 and the nine months ended December 31, 2004, circulation accounted for 19.8% and 19.9% of our income, respectively.

We recognize our circulation revenue when the significant risks and rewards of ownership have passed to the buyer, which is generally when we sell our newspapers to our agents. Our circulation revenue is net of commissions charged by our agents. For information about how we price and distribute our newspapers, see "Our Business-Our Sales and Circulation" on page 54 of this Draft Red Herring Prospectus.

Cost of Raw Materials

Newsprint forms the major raw material for our business, and is the most significant cost to our business. For the nine months ended December 31, 2004 newsprint costs totalled Rs. 2,053.5 million or 43.3% of our total revenues and for the nine months ended March 31, 2004 newsprint costs totalled Rs. 1,838.7 million or 43.6% of our total revenues.

We have one long-term supply contracts with international supplier, UPM, for the supply of a fixed amount of newsprint. The remainder of our newsprint requirements are sourced from international suppliers such as Kruger, PanAsia and Bowater, and from India.

The price of newsprint both worldwide and in India has historically been both cyclical and volatile. During the industry cycle, the price of imported newsprint in India may vary from international prices. In addition, we do not hedge the price of our newsprint purchases (save for our foreign exchange exposure which we hedge selectively). Fluctuations in the price of newsprint in any given period will affect our results of operations during that period. For further information on the price of newsprint, see "Our Business-Our Sources of Newsprint" on page 61 of this Draft Red Herring Prospectus.

Foreign Currency

Our foreign currency exposure primarily relates to our import of newsprint, which is priced in US dollars, and to our capital expenditures for printing presses and other machines, which are generally priced in foreign currencies, in particular US dollars and Euros.

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. We also convert foreign currency monetary items using the closing rate at the financial period end.

Foreign currency exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the financial period, or reported in the previous financial period, are recognized as income or as expense in the period in which they arise, except gain or loss on transactions relating to fixed assets which is adjusted to the carrying amount of the fixed assets.

Adverse movements in foreign exchange rates (e.g., depreciation of the Rupee) to the extent unhedged may adversely affect our business, results of operations and financial condition.

Hedging Activities

We enter into foreign exchange forward contracts from time to time to hedge a portion of our foreign exchange exposure in respect of our imports of newsprint and machines. Our foreign exchange

forward contracts are recorded at the contracted rate and the difference between the contracted rate and the rate at the date of the transaction is recognized over the period of the contract. Gain or loss on the restatement of the foreign currency transactions and cancellation of forward exchange contracts, if any, is reflected in the profit and loss account except gain or loss on transactions relating to the acquisition of fixed assets, which is adjusted to the carrying amounts of the fixed assets.

We enter into interest rate derivative contracts from time to time, which may be linked to movements in particular indices. Adverse movements in interest rates or in such indices may adversely affect our results of operations and financial condition. We recognize notional gains or losses from interest rate derivative contracts in the profit and loss account as a net interest expense at the end of a financial period (or actual gains or losses, if earlier, when the contract period ends or the contract is terminated).

Income Taxes

Tax expense comprises both current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. 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 a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable income. Unrecognised deferred tax assets of earlier years are reassessed 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.

Seasonality

The newspaper publishing industry in India is seasonal with respect to advertising revenues, which are generally higher during the period from October to March.

Changes in Accounting Policies

There have been no changes in accounting policies in relation to the financial operations of our Company since our incorporation.

Our Results of Operations

Nine-month Period Ended December 31, 2004 Compared with Nine-month Period Ended March 31, 2004

The nine-month period ended December 31, 2004 is not comparable directly with nine-month period ended March 31, 2004 due to differences in the end dates of the accounting periods.

Some of the key developments during the nine-month period ended 31 December 2004 were:

- Pricing of the Jodi scheme (which offered both our *Hindustan Times* and our *Hindustan* newspapers together) was increased over the period, which led to a reduced circulation;
- Enhancement of colour advertisement revenues with an increase in our printing capacity;
- Introduction of an add-on advertisement rate for the New Delhi edition of *Hindustan Times* printed at Mohali;
- Increases in the average newsprint supply costs; and
- Reduction in sales and marketing expenditure due to a reduction in competitive pressures in Delhi.

Income. Income for the nine months ended December 31, 2004 was Rs. 4,737.7 million, comprising Rs. 4,676.5 million of turnover income and Rs. 61.2 million of other income. Our turnover income is

comprised of revenues from advertisement, circulation and sale of waste paper. In this nine-month period, income increased by Rs. 520.0 million compared to the preceding nine-month period. Turnover income benefited from advertisement revenue of Rs. 3,688.2 million in the nine-month period, which reflected greater volume of ad-space sold and improved yields in our Delhi *Hindustan Times* edition, including from the edition printed at Mohali, as well as improved advertisement revenue in our Patna and Ranchi editions. In addition, turnover income benefited from circulation revenue of Rs. 944.8 million in the nine-month period, which reflected primarily our better realization per copy sold in Delhi and a growth in the number of copies sold in Patna.

Income for the nine months ended March 31, 2004 was Rs. 4,217.7 million, comprising Rs. 4,164.8 million of turnover income and Rs. 52.9 million of other income. In this nine-month period, turnover income benefited from advertisement revenue of Rs. 3,282.3 million, which reflected a strong performance in volumes of ad space sold and improved yields from all our editions. In addition, turnover income benefited from circulation revenue of Rs. 836.7 million in the nine-month period, which saw a growth in the number of copies sold due primarily to increased sales in our Delhi Hindustan edition in light of the launch of our Jodi scheme. In addition, our circulation also benefited from market expansion in our Patna and Ranchi editions.

Expenditure. Our expenditure was Rs. 4,337.3 million for the nine months ended December 31, 2004 and was Rs. 4,233.9 million for the nine months ended March 31, 2004. As a percentage of turnover income, expenditure was 92.7% for the nine months ended December 31, 2004 and 101.7% for the nine months ended March 31, 2004.

Raw Materials Consumed. Our raw materials consumed were Rs. 2,181.1 million for the nine months ended December 31, 2004 and were Rs. 1,942.0 million for the nine months ended March 31, 2004. As a percentage of total income, raw materials consumed were 46.0% for the nine months ended December 31, 2004 and 46.0% for the nine months ended March 31, 2004. Our raw materials consumed in the nine months ended December 31, 2004 reflected price increases for newsprint and increased page volumes from our *Hindustan Times,* Delhi edition and higher print volumes from our *Hindustan*, Patna edition. Our raw materials consumed in the nine months ended March 31, 2004 reflected prices increases for news print and increased page volumes from our *Hindustan Times* and *Hindustan,* Delhi editions due to our Jodi scheme and higher print volumes from our *Hindustan,* Patna edition

Personnel Expenses. Our personnel expenses were Rs. 625.6 million for the nine months ended December 31, 2004 and were Rs. 611.3 million for the nine months ended March 31, 2004. As a percentage of total income, personnel expenses were 13.2% for the nine months ended December 31, 2004 and 14.5% for the nine months ended March 31, 2004. Wages in absolute terms did not increase during either nine-month period but our average number of employees decreased in the nine-month period ended December 31, 2004.

Operating and other Expenses. Our operating and other expenses comprised expenses relating to printing and service charges, advertising and sales promotion, freight and forwarding charges, rent, rates and taxes, repairs and maintenance, insurance, professional and consultancy fees, travel and conveyance, audit fees, losses on sale of fixed assets and miscellaneous expenses and other expenses. Our operating and other expenses were Rs.1,320.3 million for the nine months ended December 31, 2004 and were Rs. 1,462.4 million for the nine months ended March 31, 2004. As a percentage of total income, operating and other expenses were 27.9% for the nine months ended December 31, 2004 compared with 34.7% for the nine months ended March 31, 2004.

Our operating and other expenses during the nine months period ended December 31, 2004 benefited from

- Lower printing and service charges because our rent payable to HTL decreased in respect of the lease of our offices in Hindustan Times House and other small properties;

- Lower advertising and sales promotion expenses when compared to the nine month period ended March 31, 2004 due to reduced promotional activity during the period ended December 31, 2004;

- Lower travelling and conveyance expenses when compared to the nine month period ended March 31, 2004 because editorial travel was higher during the nine month period ended March 31, 2004 for events in India and internationally (including the Olympics in Athens);

- Lower freight and forwarding expenses when compared to the nine month period ended March 31, 2004 due to additional charges paid to agents to deliver extra copies of our New Delhi editions pursuant to the Jodi scheme and other subscription schemes during the period ended March 31, 2004; and

- Lower miscellaneous expenses in the nine-month period ended December 31, 2004 due to our control of overhead for items like stationery costs, courier expenses and gifts.

Financial Expenses***.*** Finance expenses comprise interest on term loans and other loans and bank charges. Finance expenses were Rs. 49.0 million for the nine months ended December 31, 2004 and Rs. 58.2 million for the nine months ended March 31, 2004. This was primarily due to lower average interest expense during the nine-month period ended December 31, 2004.

Depreciation. Depreciation pertains to depreciation of our tangible assets being building, plant and machinery, computers and servers, software, office equipment, office furniture and fixtures, leasehold improvements, and motor vehicles. Depreciation on assets was Rs. 163.0 million for the nine months ended December 31, 2004 and Rs. 159.5 million for the nine months ended March 31, 2004.

Profit/ Loss before Exceptional Item and Tax. Profit before tax was Rs. 400.4 million for the nine months ended December 31, 2004. For the nine months ended March 31, 2004, we made a loss before tax of Rs. 16.1 million. The improvement in our results reflects our higher income and lower operating expenses as a percentage of income for the nine months ended December 31, 2004.

Net Profit/ Loss. For the nine months ended December 31, 2004, we made a net profit of Rs. 182.1 million. For the nine months ended March 31, 2004, we made a net loss of Rs. 25.6 million.

Our net profit for the nine months ended December 31, 2004 was reduced by a one-time charge of Rs. 105.7 million due to payments made to HTL in respect of the severance payments to certain employees that had been seconded to us. In addition, we had Rs. 97.0 million deferred tax liability in the nine months ended December 31, 2004 in respect of our profits during this period.

Liquidity and Capital Resources

Our primary liquidity needs have been to finance our working capital needs and capital expenditure. We have financed our operations primarily by way of internal generation and bank borrowings.

As of December 31, 2004, we had Rs. 337.7 million in cash and cash equivalents on hand and Rs. 610.4 million unutilised on our Rs. 700.0 million overdraft facility.

We expect to incur capital expenditures of Rs. 500 million in respect of the launch of our Mumbai Hindustan Times edition and Rs. 2,520 million in respect of our Greater Noida facility in the fiscal year ended March 31, 2006. We expect to finance this capital expenditure from the proceeds of the Issue and cash from operations.

In future, we will need the consent of our shareholders to raise additional funds through issues of further equity shares.

Debt Obligations

	As of December 31, 2004 (Rs. in million)
Secured Loans	
Rupee and Foreign currency Term Loans from Corporation Bank	344.3

Secured by way of hypothecation of moveable assets (except printing machines) at Patna, Lucknow, Ranchi, Bhopal, Mohali, Kolkata, Gurgaon, Jaipur, Varanasi, Muzzafarpur, Bhagalpur, Dhanbad and Jamshedpur and printing machines at Patna, Lucknow, Ranchi, Mohali and Gurgaon. It is further to be secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to us situated at Lucknow and Mohali. (Repayable within a year Rs. 34.4 million, previous year Rs. Nil).	
Rupee Term Loan from Punjab National Bank	750.0
Secured by way of hypothecation of entire block of assets (other than those specifically hypothecated to Corporation Bank) which are lying at all work place/ office of our Company, consisting of plant and machinery, computers, furniture, fixtures and fittings, vehicles (present and future) which now or hereafter from time to time during the continuance of this security, belonging to the Company wherever situated including in-transit. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Noida and Greater Noida. All the charges are ranking pari-pasu with the existing and proposed lenders. (Repayable within a year Rs. Nil).	
Rupee Term Loan from State Bank of Patiala	317.5
Secured by way of pari-pasu first charge on fixed assets, present or future, at Noida, Greater Noida and Mumbai with the existing and proposed lenders. (Repayable within a year Rs. Nil).	
Rupee Term Loan from The Jammu & Kashmir Bank Limited	250.0
Secured by first pari-pasu charge over the whole of the moveable properties (other than those specifically hypothecated to Corporation Bank) of the Company including its movable plant & machinery, machinery spares, tools and accessories and other movables, both present and future. All the charges are ranking pari-pasu with the existing and proposed lenders. (Repayable within a year Rs. Nil).	
Cash Credit Facility from a Bank	89.6
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 our Company.	
Total	**1751.4**

Off-Balance Sheet Arrangements

As of December 31, 2004, we were not a financial guarantor of obligations of any unconsolidated entity, and we were not a party to any material off-balance sheet obligation or arrangement.

Significant Developments after December 31, 2004 that may affect the Future of our Operations

Except as stated elsewhere in this Draft Red Herring Prospectus and in compliance with AS4, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company and our subsidiary (taken as a whole), or the value of the consolidated assets or their ability to pay their material liabilities within the next 12 months.

Except as stated elsewhere in this Draft Red Herring Prospectus, there are no subsequent developments after the date of the Auditor's report dated April 20, 2005, which we believe are expected to have material impact on the consolidated reserves, profits, earnings per share or book value of the Company.

Unusual or Infrequent Events or Transactions

Except for the separation scheme payments described above, there have been no other events or transactions to our knowledge, which may be described as "unusual" or "infrequent".

Significant Economic/ Regulatory Changes

Except as described in section "Regulations and Policies" in this Draft Red Herring Prospectus, there have been no significant economic/ regulatory changes.

Known Trends or Uncertainties

Except as described in “Risk Factors” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” and elsewhere in this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have or had or expected to have any material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship Between Cost and Income

There is no future relationship between cost and income that will have a material adverse impact on the operations and finances of our Company.

New Products or Business Segment

Other than as described elsewhere in this Draft Red Herring Prospectus in the section entitled "Business-Strategy", to our knowledge, there are no new products or business segments.

Competitive Conditions

Refer to the sections titled “Our Business-Our Products”, “Our Business-Our Competition” and “Risk Factors regarding competition on pages 44, 63 and xi of this Draft Red Herring Prospectus.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors and our subsidiary that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company or Directors or our subsidiary as of the date of this Draft Red Herring Prospectus.

I. Litigation against our Company

A. Contingent liabilities not provided for as of December 31, 2004 are as follows:

c) Bank Guarantees given by our Company and the Subsidiary	: Rs. 0.08 million
d) Claims against our Company and the Subsidiary not acknowledged as debts	
• Our Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by our Company.	: Rs. 0.17 million
• The Subsidiary has filed a petition before the Patna High Court against an initial claim for additional contribution of Rs. 7.34 million made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Subsidiary has furnished a bank guarantee amounting to Rs. 1.25 million to ESIC and the Patna High Court has stayed the matter.	: Rs. 7.34 million
c) In respect of various labour cases pending	: Amount not ascertainable

B. Pending Litigation against our Company

The Business Purchase Agreements provide that HTL's liabilities arising from litigation, except defamation cases, in relation to the media business, shall be transferred to our Company. The disclosures relating to our Company's litigation, includes such litigation filed against HTL and transferred to our Company pursuant to the Business Purchase Agreement. For details of the Business Purchase Agreements, see section titled "History and Certain Corporate Matters" on page 68 of this Draft Red Herring Prospectus.

1. Public Interest Litigation

One public interest litigation is pending. The details of the same are as follows:

The Gayatri Parivar Trust and others have filed a writ petition in the High Court of Rajasthan (Civil Writ Petition No. 563 of 2002) against HTL and others to stop further publication of advertisements relating to cigarettes in newspapers circulated in the state of Rajasthan in light of the provisions of the Rajasthan Prohibition of Smoking and Non-Smokers' Health Protection Act, 2000, which prohibits advertisements of cigarettes and beedis. Notice was issued to the parties. The matter is at the stage of final arguments.

2. Criminal Defamation Cases

There are 52 criminal defamation cases pending against some of the editors, publishers, printers, reporters and correspondents of the various publications of our Company, in various courts in India. These cases include cases filed against some of the editors, publishers, printers, reporters and correspondents prior to the transfer of the media business in terms of the Business Purchase Agreements from HTL to our Company. The same are now being dealt with by our Company. These cases, being criminal cases, have been filed against individuals who have been or are associated with our publications, at the time of the alleged defamation. Any liability in these matters will accrue to the individuals against whom the cases have been filed. The details of these are as follows:

(a) Mr. Sukhbir Singh has filed a criminal defamation complaint against Mr. Alok Mehta, our executive editor at the time and others before the Judicial Magistrate, First Class, Sonepat in relation to an article published in the *Hindustan* on August 5, 1999 (Criminal Complaint No. 47/ 1 of 1998). The trial court, on an application filed by the accused, recalled the summons issued to them. A petition has been filed by the complainant in the High Court of Punjab and Haryana for quashing the recall order issued by the trial court (Criminal Miscellaneous No. 50195 of 2002).

(b) Col. Prem Singh has filed a criminal defamation complaint against Mr. Satya Prakash Dabas and others, including a correspondent and editor of *Hindustan Times*, in the court of the Metropolitan Magistrate, New Delhi in respect of an article published in the *Hindustan Times* on November 27, 1996 (Criminal Complaint No. 850/ 01). By an order dated May 12, 2004, the Metropolitan Magistrate ordered that the proceedings be dropped against our correspondent and editor. The matter is listed for taking complainant's evidence.

(c) Mr. Rajnish Trivedi has filed a criminal defamation complaint against the chief editor, *Hindustan Times* in the court of the Judicial Magistrate, First Class at Jabalpur in relation to an article published in the *Hindustan Times* on July 28, 1996 (Complaint Case No. 960 of 1996). HTL has filed a petition in the High Court of Madhya Pradesh seeking quashing of the proceedings in the complaint case (Miscellaneous Criminal Case No. 5992 of 1997), which High Court has ordered stay of proceedings in the trial court. The matter is listed for final arguments before the High Court.

(d) Col. Ram Singh filed a criminal complaint against Mr. Suresh Duggar, our reporter and others before the Additional Chief Metropolitan Magistrate, Rewari alleging criminal defamation in respect of an article published in the *Hindustan* on March 13, 1998 (Criminal Complaint Case No. 450 of 1998). The matter is currently listed before the trial court for taking on record defence evidence.

(e) Mr. Sukhendu Panigrahi filed a criminal defamation complaint in the court of the Chief Metropolitan Magistrate, Calcutta against Mr. H.K. Dua, our former editor and others (Case No. C/ 1433 of 1990) in respect of an article published in the *Hindustan Times* regarding amassing of assets by a political party. During the pendency of proceedings, one of the accused expired, and the matter is currently listed for taking on record the death report of the deceased co-accused.

(f) Mr. Gyan Singh Negi filed a criminal defamation complaint against Mr. Anil Bahuguna, our reporter and others (Criminal Case No. 51 of 2003) in the court of the Chief Judicial Magistrate, Pauri Garhwal in relation to an allegedly defamatory article published in the *Hindustan* on September 17, 2003. The application filed on behalf of HTL for recall of the summoning order issued against the executive president of HTL and the editor of *Hindustan* was dismissed by the Judicial Magistrate, First Class, Pauri Garhwal. A revision petition has been filed by HTL in the court of the District and Sessions Judge, Pauri Garhwal (No. 85 of 2003) to set aside this order of dismissal and drop the proceedings in the criminal complaint. Pending disposal of the present petition, the proceedings pending in the trial court in the complaint have been stayed. The matter is listed for arguments before the court of the District and Sessions Judge, Pauri Garhwal.

(g) Mr. Randhir Singh has filed a criminal defamation complaint against, *inter alia*, Mr. Ajay Upadhaya, editor, *Hindustan*, Mr. Rakesh Sharma, publisher and printer, *Hindustan*, and Mr. Alok Mehta, executive editor, *Hindustan* before the Sub Divisional Judicial Magistrate-I, Pehowa in relation to an article published in the *Hindustan* on April 18, 2000 relating to certain problems in the functioning of the government in Haryana (Complaint No. 92 of 2000). A petition has been preferred by the accused persons in High Court of Punjab and Haryana at Chandigarh for quashing of the criminal complaint (*Alok Mehta* v. *State of Haryana and Others*, Criminal Miscellaneous No. 2479-M of 2001), in which the High Court of Punjab and Haryana has granted an interim stay order on the proceedings in the trial court. The matter is listed for final arguments before the High Court.

(h) Mr. Radhey Ram filed a criminal defamation complaint against Mr. Bharat Bhushan, our executive editor and others before the Sub-Divisional Magistrate, Dabwali in respect of an article published on April 18, 2000 in the *Hindustan Times*, which article expressed apprehension on the smooth functioning of the government in Haryana (Criminal Case No. 169-1/ 2000). A petition has been filed in the High Court of Punjab and Haryana for quashing the said criminal complaint (Criminal Miscellaneous Petition No. 19166-M of 2001). The matter is listed for arguments before the High Court.

(i) Mr. Mangu Lal Khare has filed a criminal defamation complaint against Mr. Pankaj Kumar Verma and others, including our editor and correspondent before the Chief Judicial Magistrate, Lucknow in relation to an article published in the *Hindustan* on February 20, 2001 (Complaint Case No. 1534 of 2001). The matter is listed for arguments before the trial court.

(j) Ms. Noor Fatima has filed a criminal complaint against Mr. Mahesh Kumar Jha, our reporter and others, including Mrs. Shobhana Bhartia, our Vice-Chairperson and Editorial Director, our resident editor and sub-editor before the Judicial Magistrate, Patna (Complaint Case No. 512(C) 98). Criminal Miscellaneous Case Nos. 22655 of 1998 and 22396 of 2000 have been filed in the Patna High Court, which High Court has stayed the proceedings before the trial court. The matter is listed before the High Court for arguments.

(k) Mr. Hariniwas Kumar Sinha has filed a criminal defamation complaint against certain editors, publishers and reporters of the HTL and others before the Chief Judicial Magistrate, Patna in relation to an article published in the *Hindustan Times* on September 2 and 5, 1997 (Complaint Case No. 976(C) of 1998). A criminal revision petition (No. 16324 of 1999) has been filed before the Patna High Court, which court has stayed the proceedings in the trial court. The matter is listed before the High Court for arguments.

(l) Mr. N.K. Sinha has filed a criminal defamation complaint against Mr. Vijaydhari Kumar and others, including an editor, publisher, printer, local editor and reporter of ours before the Chief Judicial Magistrate at Patna in relation to an article published in the *Hindustan* dated June 5, 2000 (Complaint Case No. 988(C) of 2000). The matter is being heard by the trial court, before which the accused are to put forth their prayer for bail. A criminal revision petition (Petition No. 1035 of 2002) is pending for admission before the Patna High Court.

(m) Dr. Chandra Bhushan Verma has filed a criminal defamation complaint against *Hindustan* and others, including an editor and reporter of our Company before the Chief Judicial Magistrate at Patna in relation to an article published in the *Hindustan* on July 24, 2002 (Complaint Case No. 1501(C) of 2002). A criminal miscellaneous petition (No. 12168 of 2005) has been filed before the Patna High Court, which is pending for admission.

(n) Mr. Syed Hassan has filed a criminal defamation complaint against Mr. Kumar Indu Bhushan and others, including our senior editor, printer and publisher before the Chief Judicial Magistrate at Patna in relation to an article published in the *Hindustan* on December 26, 1995 (Complaint Case No. 613(C) of 1996). The matter is being heard by the trial court, before which the accused are to put forth their prayer for bail.

(o) Mr. Anirudh Prasad has filed a criminal defamation complaint against Mr. Sushil Kumar Modi and others, including Mr. V.N. Narayanan, our executive editor, Mr. Rakesh Sharma, our publisher, Mr. B.P. Jhunjhunwala, our printer before the Chief Judicial Magistrate at Patna in relation to an article published in the *Hindustan Times* on October 4, 1998 (Complaint Case No. 1518(C) of 1998). The matter is currently being heard by the trial court.

(p) The Shershah Badi Development Society and another have filed a criminal defamation complaint against Mr. Madav Chatterjee, erstwhile employee of Aaj, and presently employed by us before the Chief Judicial Magistrate at Patna in relation to an article published in Aaj (Complaint Case No. 502(C) of 2001). The matter is currently being heard by the trial court.

(q) Dr. Jai Shankar Prasad Jha has filed a criminal defamation complaint against Mr. Sunil Dubey, an editor of *Hindustan* and others in the court of the Chief Judicial Magistrate, Patna in relation to an article published in the *Hindustan* dated April 19, 1995 (Complaint Case No. 1058(C) of 1995). The matter is being heard by the trial court.

(r) Mr. Umeshwar Prasad Singh has filed a criminal defamation complaint against Mr. Vidya Sagar Yadav and others, including our printer, publisher and managing editor before the Chief Judicial Magistrate, Patna in relation to articles published in the *Hindustan Times* on January 9, 1997 (Complaint Case No. 386(C) of 1997). The matter is currently being heard by the trial court.

(s) Mr. Rajeshwar Prasad Sinha has filed a criminal defamation complaint against Mr. V. N. Narayana, editor, *Hindustan Times* and others in the court of the Chief Judicial Magistrate, Patna in relation to statements published in the *Hindustan Times* on August 30, 1995 (Complaint Case No. 796(C) of 1995). The matter is being heard by the trial court, before which the accused are to put forth their prayer for bail.

(t) Mr. Janardan Prasad Srivastava has filed a criminal defamation complaint against Mr. Chandra Prakash, our then editor and others in the court of the Chief Judicial Magistrate, Muzaffarpur in relation to an article published in the *Hindustan* on October 19, 1997 (Complaint Case No. 1310/ 1998). The matter is currently being heard by the trial court.

(u) Mr. Kamlesh Kumar Singh has filed a criminal defamation complaint against Mr. Sanjay Kumar and others, including some of our editors, before the court of the Chief Judicial Magistrate, Gaya, in relation to an article published in the *Hindustan* dated December 12, 2002 (Complaint Case No. 170/ 2003). The matter is being heard by the trial court.

(v) Dr. Bhagwat Das has filed a criminal defamation complaint against Mr. Rakesh Sharma, our publisher and Mr. B.P. Jhunjhunwala, our printer and others in the court of the Chief Judicial Magistrate, Gaya, in relation to an article published in the *Hindustan Times* dated September 4, 1996 and *Hindustan*, Patna edition dated September 3 and 5, 1996 (Complaint Case No. 463/ 1996). The matter is being heard by the trial court.

(w) Mr. Madan Mohan Sharma has filed a criminal defamation complaint against Mr. Rakesh Sharma, our printer and publisher, and others, including one of our editors and correspondents (Case No. 403/ 1996) before the Judicial Magistrate, Ranchi in relation to an article published in the *Hindustan Times* on July 28, 1996. A Criminal Revision Petition No. 125/ 1998 filed before the High Court at Ranchi for quashing proceedings at the trial court, in which the High Court has stayed further proceedings in the trial court.

(x) Mr. Ashok Kumar Singh has filed a criminal defamation complaint against Mr. B.P. Jhunjhunwala, our printer and others, including our editor and reporter (Case No. 245(C) of 1997) in the court of the Additional Chief Judicial Magistrate, Tenughat, Bokaro in relation to an article published in the *Hindustan* on November 30, 1997. The matter is being heard by the trial court.

(y) Dr. Ram Prakash Mahto has filed a criminal defamation complaint against Mr. Binod Dubey, our correspondent and others, including our executive president before the Chief Judicial Magistrate, Katihar in relation to an article published in the *Hindustan Times* on May 5, 2004 (Complaint Case No. 892(C) of 2004). The trial court has issued summons to the accused. The complainant has subsequently submitted a compromise petition, which is pending disposal.

(z) Mr. Hari Shankar Sahay has filed a criminal defamation complaint against our editor, reporter, publisher and printer in the court of the Chief Judicial Magistrate, Bhagalpur in relation to an article published in *Hindustan* on December 9, 1986 (Complaint No. 54(C)87). The matter is being heard by the trial court.

(aa) Mr. Mozes Ali Baig filed a criminal defamation complaint against Mr. Sayeed Hashim Ali and others, including our editor and executive president in the court of the Judicial Magistrate, Aligarh in relation to certain defamatory statements published in the *Hindustan* dated June 1, 1986. (Case No. 1010 of 1998). A petition was filed in the Allahabad High Court seeking quashing of the proceedings pending in the court of the Judicial Magistrate III, Aligarh in light of the fact that the main accused in the case have been exonerated (Criminal Miscellaneous Petition No. 6542 of 2000). The High Court, vide its order dated November 30, 2000 disposed of the petition and directed that the petitioner's application for recalling of the summoning order, pending since 1992 be disposed of expeditiously by the trial court. However, the trial court, vide its order dated March 11, 2002 dismissed the application for recall of the summoning order. Thereafter, HTL has filed a petition in the Allahabad High Court for setting aside the above order (Criminal Miscellaneous Petition No. 11222 of 2002). By order dated December 17, 2002, the High Court ordered stay of proceedings in the trial court. The matter is currently being heard by the High Court.

(bb) Mr. Vipin Kumar Gupta filed a criminal defamation complaint against Mr. C.D. Verma, our reporter and others before the Additional Chief Metropolitan Magistrate, Tis Hazari Courts, Delhi in relation to an article published on March 31, 2000 in the *Hindustan Times* (Complaint Case No. 132/ 1/ 2000). A corrigendum was published by the newspaper on April 7, 2000. A quashing petition has been filed in the Delhi High Court by one of the co-accused, which court has ordered stay of the trial court proceedings. The quashing petition is pending disposal before the High Court.

(cc) Mr. Baljeet Singh filed a criminal defamation complaint against Mr. V.N. Narayanan, our editor before the Additional Chief Judge (Senior Division) cum Judicial Magistrate (1st class), Gurgaon in relation to an allegedly defamatory article published in the *Hindustan Times* on August 13, 1998. The matter is listed before the trial court for framing of charges.

(dd) Dr. Ramesh Rattan filed a criminal defamation complaint against Mr. Darshan Singh Khurmi, Mr. Kanwar Sindhu, our resident editor and others before the Judicial Magistrate, First Class, Chandigarh in respect of an article published in the *Hindustan Times* on June 2, 2001 (Criminal Complaint No. 79 of 2001). The matter is pending disposal before the trial court.

(ee) Mr. Alex filed a criminal defamation complaint against Mr. Rakesh Sharma, our printer and publisher and others in the court of the Judicial Magistrate, First Class, Faridabad (Case No. 325A/ 1 of 2002) in respect of an article published in the *Hindustan* on May 10, 2002. The complaint was dismissed by order passed on February 28, 2003. A criminal revision petition has been filed by complainant in the court of the Sessions Judge, Faridabad, which is pending disposal before the Sessions Judge.

(ff) Mr. Abhey Singh Chautala filed a criminal defamation complaint against Ms. Neeta Sharma, our reporter and others before the Judicial Magistrate First Class, Sirsa (Criminal Complaint No. 468-1 of 2002) in respect of an article published on August 14, 2002 in the *Hindustan Times*. The matter has been transferred to the District Court, Gautam Budh Nagar (Noida) Uttar Pradesh by order of the Supreme Court dated January 12, 2004. The matter is yet to be listed before the district court in Uttar Pradesh.

(gg) Mr. Pankaj Singh filed a criminal defamation complaint against Mr. Vir Sanghvi, our Editorial Director and others, before the Judicial Magistrate, Jind, Haryana in respect of an article published in the *Hindustan Times* on August 21, 2000 (Criminal Complaint

No. 454/ 1 of 2000). A petition to quash the complaint was filed in the High Court of Punjab and Haryana (Criminal Misc. 9857-M of 2002), which court has issued an order staying further proceedings in the trial court. The matter is listed for arguments before the High Court.

(hh) Mr. Ajay Ganesh Ubale filed a criminal defamation complaint against Mrs. Shobhana Bhartia, our Vice-Chairperson and Editorial Director and others in the court of the Metropolitan Magistrate, Mumbai in respect of an article published in the *Hindustan Times* on December 4, 2001 (Case No. 1993/ SS of 2004). An application was filed in the High Court of Bombay for quashing the complaint (Criminal Application No. 5839 of 2004), which court has, by order dated December 22, 2004 granted interim stay of the proceedings in criminal complaint pending the final disposal of the criminal application. The complainant has filed his written statement in the court and the accused are to file their rejoinder.

(ii) Ms. Usha Ravichandran filed a criminal defamation complaint against Mrs. Shobhana Bhartia, our Vice-Chairperson and Editorial Director and others before the Metropolitan Magistrate, Patiala House Courts, New Delhi in relation to an article published in the *Hindustan Times* dated June 21, 2001 (Criminal Complaint No. 801/ 2001). A petition has been filed in the Delhi High Court for quashing the said criminal complaint (Criminal Miscellaneous No. 35 of 2005). The accused are to file their rejoinder.

(jj) Mr. D.P. Yadav filed a criminal defamation complaint against our editor, reporter and printer-publisher in the court of the Additional Chief Judicial Magistrate, Ghaziabad (Criminal Complaint No. 3790 of 1992) in relation to an allegedly defamatory article published in the *Hindustan Times* on July 16, 1992. A petition has been preferred before the High Court of Allahabad for quashing of the criminal complaint (Criminal Miscellaneous Petition No. 11223 of 2002) in which the High Court has granted an interim stay on the proceedings in the trial court. The matter is currently pending before the High Court for filing of reply by the complainant.

(kk) Mr. D.P. Yadav filed a criminal defamation complaint against our editor, reporter and printer-publisher in the court of the Additional Chief Judicial Magistrate, Ghaziabad (Criminal Complaint No. 556 of 1996) in respect of an article published in the Evening News on July 16, 1992. The matter is pending disposal before the trial court.

(ll) Mr. Devinder Kaushik filed a criminal defamation complaint against Mr. Raj Kumar and others, including Mr. Rakesh Sharma, our printer-publisher before the Judicial Magistrate, First Class, Ambala in respect of an article published in the Hindustan on April 18, 1999 (Criminal Complaint No. 110-1/ 1999). A petition was preferred in the Punjab and Haryana High Court (Criminal Miscellaneous Petition No. 39691M of 2000) to quash the criminal complaint, which petition was dismissed on September 19, 2002. The matter is listed for taking on record the complainant's evidence.

(mm) Mr. Ved Pal filed a criminal defamation complaint against Balbir and others, including Mr. Vir Sanghvi, our Editorial Director and Mr. Rakesh Sharma, printer-publisher before the Judicial Magistrate First Class, Karnal in respect of an article published in the *Hindustan Times* on December 23, 1999 accusing the complainant of cheating (Criminal Complaint No. 13/ 3 of 2000). An application for recall of the summons issued to the accused has been filed before the trial court, which application is pending disposal. A petition has been also preferred in the High Court of Punjab and Haryana for quashing the criminal complaint (Criminal Miscellaneous No. 51090-M of 2001). The matter is listed for arguments before the High Court.

(nn) Mr. S.N. Singh filed a criminal defamation complaint against Mr. V.R. Mehta and others, including our editor, correspondent and printer-publisher in the court of the Metropolitan Magistrate, Tis Hazari Courts, Delhi in respect of an article published in the *Hindustan Times* on October 12, 1997 (Criminal Complaint No. 25/ 1 of 2000). By the quashing petition filed by a co-respondent before the Delhi High Court, trial court proceedings have been stayed.

(oo) Mr. Shrinath Chaturvedi filed a criminal defamation complaint against Mr. H.K. Dua, ex-editor and others, including our correspondent (Criminal Complaint No. 410/ S of 1994) in the court of the Additional Chief Metropolitan Judge, Bandra, Bombay in relation to articles published in the *Hindustan Times* during the month of August, 1992 in relation to the Harshad Mehta scam. The matter is listed before the court for framing of charges.

(pp) Mr. Shambhunath Agarwal filed a criminal defamation complaint against our editor printer and reporter (Case No. 573/ 2001) before the court of the Judicial Magistrate, First Class, Daltonganj, Palamau in relation to an allegedly defamatory article published in the *Hindustan* on July 5, 2001. The matter is listed for arguments before the trial court.

(qq) Mr. Shiv Kumar filed a criminal defamation complaint against Ms. Meenakshi Bansal and others, including some of our editors, reporters and publishers (Case No. 5263 of 2002) before the court of the Special Judicial Magistrate, Ghaziabad in relation to an allegedly defamatory article published in the *Hindustan* on July 7, 2002 and in the *Hindustan*, Ghaziabad on September 8, 2002. A revision petition has been filed before the Additional Session Judge for dismissing the criminal complaint. The matter is listed for final arguments before the Additional Session Judge.

(rr) Mr. Mool Chand Bansal filed a criminal defamation complaint against Ms. Meenakshi Bansal and others, including certain of our editors, reporters and publishers (Case No. 3954 of 2002) before the court of the Special Judicial Magistrate, Ghaziabad in relation to an allegedly defamatory article published in the *Hindustan* on July 7, 2002 and on September 8, 2002. A revision petition has been filed before the Additional Session Judge for dismissing the criminal complaint. The matter is listed for final arguments before the Additional Session Judge.

(ss) The Guru Nanak Dev Charitable Trust filed a criminal defamation complaint against Ms. Megha Mohan, our reporter and others, including our resident editor before the Judicial Magistrate, First Class, Ludhiana (Complaint No. 252/ 1 of 2004) in relation to an allegedly defamatory article published in the *Hindustan Times* on September 7, 2004. The case is to come up for hearing when notice of accusation is to be issued.

(tt) Dr. Ravindra Rana has filed a criminal defamation complaint against Mr. Sushil Kumar Modi and others, including our publisher, and certain of our reporters and correspondents (Criminal Case No. 141(C) of 1999) before the court of the Chief Judicial Magistrate, Navgachia in relation to an allegedly defamatory article published in the *Hindustan Times* on June 15, 1999 and in the *Hindustan* on June 16, 1999. The matter is currently at the stage of taking of evidence.

(uu) Mr. Kamleshwar Prasad Sinha filed a criminal defamation complaint against Mr. Sunil Dubey, our resident editor and others before the court of the Chief Judicial Magistrate, Muzaffarpur (Criminal Case No. 132 of 1995) in relation to an allegedly defamatory article published in the *Hindustan* on January 25, 1995. The matter is pending disposal before the trial court.

(vv) Mr. Suresh Shah filed a criminal defamation complaint against a reporter of the *Hindustan* and others before the court of the Chief Judicial Magistrate, Muzaffarpur (Criminal Complaint No. 2393 of 2001) in relation to an allegedly defamatory article published in the *Hindustan* on December 3, 2001. The matter is pending disposal before the trial court.

(ww) Mr. Dinesh Chand Mandal has filed a criminal defamation complaint against the resident editor, *Hindustan* and others before the court of the Judicial Magistrate First Class, Navgachia (Criminal case No. 120 of 1991) in relation to an allegedly defamatory article published in the *Hindustan* on June 4, 1991. The matter is pending disposal before the trial court.

(xx) Ms. Neelu Sharma filed a criminal defamation complaint against Mr. Girish Mishra, our resident editor and others (Complaint Case No. 484 of 2001) before the court of the Additional Chief Judicial Magistrate, Patna in relation to an allegedly defamatory article published in the *Hindustan* on June 15, 2001. The matter is pending disposal before the trial court.

(yy) Mr. Girija Prasad Singh has filed a criminal defamation complaint against Mr. Basudeo Tiwari, and others, including some of our editors, our printer and publisher (CP Case No. 706/ 2000) in the court of the Judicial Magistrate, Palamau in relation to an article published in the *Hindustan* between April 7, 200 and October 1, 2000. The proceedings before the trial court have been stayed vide order of the Jharkhand High Court on June 14, 2001 in Cr.M.P No. 4382 of 2001. At present, the quashing petition is being heard by the High Court.

(zz) Mr. Parasnath Upadhyay has filed a criminal defamation complaint against Mr. Girish Mishra, resident editor of the *Hindustan Times*, Patna and others, including our printer and publisher in the court of the Chief Judicial Magistrate, Sasaram (Case No. 20 of 2002) in relation to articles published in the *Hindustan* on November 24, 2001 and December 15 and 16, 2001. The complaint was dismissed by the trial court, whereupon the complainant preferred a criminal revision petition (Petition No. 214 of 2002) before the Additional District Judge, Sasaram, which is pending disposal.

3. Other Criminal Cases

There are six criminal cases, excluding criminal defamation cases (which are detailed above) pending before various courts in India. The details of these are as follows.

(a) Mr. Shailendra Kant Jain has filed a criminal complaint against Mr. Rakesh Sharma, our printer-publisher and another in the court of the Chief Judicial Magistrate, Saharanpur (Criminal Complaint No. 4168 of 1996) regarding certain allegedly obscene advertisements appearing in the *Hindustan Times* on September 4, 1996. HTL has filed a petition in the Allahabad High Court to quash the said complaint (Criminal Miscellaneous Application No. 4064 of 1998). By order dated October 12, 1998, the High Court has stayed the proceedings in the trial court pending the disposal of the quashing petition. The matter is being heard by the High Court.

(b) Mr. V.P. Srivastava has filed a criminal complaint against the chief editor, the *Hindustan Times* (Complaint Case No. of 1997) before the Chief Metropolitan Magistrate, Tis Hazari Courts, Delhi regarding allegedly vulgar and obscene advertisements published in the *Hindustan Times* on May 5, 1996. A petition was filed before the High Court for quashing of the petition (Criminal Miscellaneous Petition No. 1273 of 1997), in which the High Court ordered interim stay on the proceedings in the trial court. Vide order dated May 6, 1997, the High Court vacated the stay order. The matter is currently listed before the trial court for further proceedings.

(c) Mr. Jai Shankar Prasad Jha has filed a criminal complaint against Mr. Sunil Dubey, our editor and others (Complaint Case No. 304(C) of 1995) before the Judicial Magistrate First Class, Patna alleging forcible entry and assault by certain employees of HTL. The matter is pending disposal before the trial court.

(d) In April 2003, a dispute took place between the officials of Times of India and *Hindustan Times*, which resulted in a quarrel and allegedly injuries were sustained by parties on both sides. Cross complaints were filed by both sides (*Hindustan Times* v. *Times of India*, FIR No. 141 of 2003 and *State* v. *Deepak Pandey and Others*, FIR No. 142 of 2003). Now both the parties have decided to compromise the matter and accordingly they shall be filing a joint application under Section 320, CrPC for compounding of the offences in both the cases.

(e) Mr. Munna Kumar Shaw filed a criminal complaint against Ravindra Taneja and other employees of HTL before the court of the Chief Metropolitan Magistrate, Kolkata (Complaint Case No. C-1601 of 2004) claiming that offences of cheating were committed by the defendant employees of *Hindustan Times* who had approached him in relation to certain sales promotion work and appointed him as direct selling agent. However, subsequently, amounts due to the complainant were not paid and he has suffered a wrongful loss. The defendants have filed Criminal Revision Petition Number 28 of 2005 filed before the High Court at Calcutta for quashing the proceedings before the trial court, in which petition the High Court has stayed the proceedings before the trial court.

(f) Mr. Vijay Kumar Chaudhury has filed a criminal defamation complaint against various persons before the Additional Chief Metropolitan Magistrate, Patiala House, New Delhi (Criminal Complaint Case No. 65/ 1/ 2002). In this matter, Mr. Y.C. Agarwal, our employee, has been accused of an offence under the Schedule Castes and Schedule Tribes (Prevention of Atrocities) Act, 1989, which is a non compoundable offence, and therefore, a petition has been moved before the Delhi High Court praying that the summoning order issued by the trial court in the criminal complaint may be quashed as the complainant has withdrawn his complaint in the trial court (Criminal Miscellaneous Petition No. 1490/ 2003). The High Court has ordered that the complainant file an affidavit stating the fact of withdrawal of the complaint, pursuant to which the matter may be disposed of.

4. Cases by Statutory Authorities

The Assistant Director, Employees State Insurance Corporation, Kanpur has issued notice for the payment of Rs. 2.6 million towards contribution to the Employees State Insurance Scheme to HTL. The same has been refuted on the ground that all dues have been paid. The matter is being considered by the Employees State Insurance Corporation.

5. Civil Defamation Cases

There are 26 pending civil defamation suits. Some of these were filed against HTL or our editors, publishers, printers, reporters and correspondents prior to the transfer of the media business to us through the Business Purchase Agreements. The aggregate of claims in these cases is Rs. 769.4 million. The material cases in this regard are as follows:

(a) Ms. Saryu Roy has filed a civil defamation suit before the Sub Judge, Patna against Mr. Gulshan Ajmani and others, including our resident editor and publisher for claim of Rs. 500 million as damages for injury to reputation caused by statements published in the Hindi daily, *Hindustan* on October 21, 2003 (TS No. 79 of 2004). The defendants were to file their written statement before the court, which was disallowed on ground of being time barred. The defendants have filed a revision petition (Civil Revision No. 69 of 2005) against the same, which is pending for admission before the Patna High Court.

(b) Mr. Tathagat Avtar Tulsi and another have filed a defamation suit against the Union of India and others, including the publisher of the *Hindustan Times* before the court of the Sub-Judge, Patna claiming Rs. 510 million in relation to articles published in the *Hindustan Times* after August 8, 2001 (Title Suit No. 206 of 2002). An application has been filed by the defendants challenging the maintainability of the suit, which is pending disposal before the trial court.

(c) Mr. Mahaveer Singhvi has filed a civil suit against HTL in the Delhi High Court claiming damages of Rs. 50 million for the humiliation suffered by him in relation to an allegedly defamatory article published in the Hindustan on July 21, 2002 (CS (OS) 276/ 2004). The matter is listed before the High Court and the defendants are to file their reply.

(d) Mr. Mahaveer Singhvi has filed a civil suit against HTL in the Delhi High Court claiming damages of Rs. 50 million for the humiliation suffered by him in relation to an allegedly defamatory article published in the *Hindustan Times* on July 19, 2002 (CS(OS) 275/

2004). The matter is listed before the High Court and the defendants are to file their reply.

(e) Mrs. Manju Garg has filed a civil defamation suit before the Bombay High Court against Mr. Surendra Vyas and others, including our resident editor and reporter for claim of Rs. 200 million as damages for injury to reputation caused by statements published in the *Hindustan Times*, Jaipur on March 6 and 12, 2002 (TS No. 2996 of 2002). The matter was transferred to the court of the District and Sessions Judge, Jaipur vide order of the Supreme Court dated December 19, 2003. At present the matter is being heard by the District Court, Jaipur.

6. Complaints before the Press Council of India

The Press Council of India is a statutory authority constituted under the Press Council Act, 1978 with the objective of preserving the freedom of the press and maintaining and improving the standards of newspaper and news agencies in India. The following are the details of the seven complaints filed with the Press Council of India against our publications.

(a) The Manager/ Secretary of Sandila Girls Intermediate College, Sandila, Hardoi, Uttar Pradesh has filed a complaint with the Press Council of India against *Hindustan*, Lucknow in relation to an article published in the *Hindustan* on July 11, 2002 that the colleges in the city did not cater to the needs of girl students. The Company has filed its reply to the complaint, which is currently being heard by the Press Council of India.

(b) Mr. Ram Lakhan Singh has filed a complaint with the Press Council of India against the Dainik Hindustan claiming that his reply to an article carried by the newspaper, though published, was not given adequate prominence by the newspaper, and further, the same was not published in certain editions of the newspaper. The Company has filed a reply refuting the allegations made and contending that the newspaper had taken due care to publish clarificatory statements. The matter is currently being heard by the Press Council of India.

(c) Mr. Sanjay B. Reddy has filed a complaint against Hindustan with the Press Council of India alleging that an article published in the Hindustan on January 28, 2004 allegedly communicated misleading information. The Company has filed its reply to the complaint, and is awaiting orders of the Press Council of India.

(d) Dr. Rajiv Kumar Gupta, a lecturer with the P.G. College, Noida has filed a complaint against the Hindustan Times, New Delhi with the Press Council of India alleging violation of the ethics of journalism by publishing obscene and vulgar pictures in the newspaper. The Company has filed its reply to the complaint, and is awaiting orders of the Press Council of India.

(e) The principal of Rajkiya Mahavidhyalala, Gurgaon has filed a complaint against the Hindustan before the Press Council of India in relation to an article published in the Hindustan, which allegedly carried incorrect information relating to the institution. A reply has been filed and the matter will be taken up for hearing by the Press Council of India.

(f) Mr. T.T. Adhikari has filed a complaint with the Press Council of India against the *Hindustan Times*, which allegedly contains misleading information. A reply has been filed by the Company and the matter is before the Press Council of India for further orders.

(g) The Ministry of Home Affairs, Government of India has filed a reference with the Press Council of India in relation to an article published in the Hindustan Times, Kolkata edition on September 8, 2004 on alleged atrocities perpetrated on Manipuri demonstrators by members of the armed forces. The Ministry of Home Affairs has

contended that the impugned article has the tendency to tarnish the image of the armed forces. The Company is yet to file its reply in relation to this matter.

7. Labour Disputes

There are 72 cases and claims relating to labour and service matters, which have been filed by trade unions, employees of our Company and contract labourers employed by contractors for carrying out works in our Company. The total amount of claims in cases where financial claims have been made aggregates to approximately Rs. 3.3 million. In these cases, claims have been raised for *inter alia*, damages, compensation, reinstatement in service with payment of back wages, etc. The material cases in this regard are as below:

(a) On October 19, 1982, Mr. Makhan Singh and 46 other workmen of HTL challenged their categorisation by HTL and an industrial dispute (I.D. No. 254 of 1985) was referred to the Industrial Tribunal at Delhi. The Industrial Tribunal passed an award in February 9, 1996 placing the employees in a particular category, which award has been challenged in the Delhi High Court by HTL (M/ s. Hindustan Times Ltd. v. Secretary (Labour) and Others, Civil Writ No. 1848 of 1996) on the ground that the categorisation had been determined and agreed to by the Hindustan Times Employees Union and the same was captured in an agreement dated April 25, 1981 between HTL and the trade union. HTL has also filed a petition in the Delhi High Court asking for a stay of the impugned award of the industrial tribunal (Civil Miscellaneous Petition No. 3374 of 1996).

(b) Workmen of Shakti Maintenance and Security Contractors represented by the Delhi Multi Storeyed Building Employees Congress have referred an industrial dispute against HTL and M/ s. Rattan Refrigeration (I.D. No. 117 of 1991) before the Industrial Tribunal at Delhi in relation to the allowances the workmen concerned are entitled to and seeking regularisation of service. The workmen were contract workers employed for maintenance of the air conditioning plant. The matter is currently listed before the Industrial Tribunal for taking on record the Company's evidence.

(c) The Hindustan Times Employees Union raised a dispute before the Labour Commissioner, Delhi as the management stopped printing of *Hindustan Times* and its other publications from Hindustan Times House and began getting the same printed elsewhere. Further, employees were transferred to our Company without prior consultation. This action of the management allegedly rendered about 375 workmen in various departments idle. Subsequently, the ownership of the printing undertaking of HTL was taken over by our Company but the workmen employed by such undertaking were not transferred to our Company, rendering them unemployed. The Labour Commissioner referred the industrial dispute for adjudication, but only as concerned the issue of 315 employees. The termination of other employees as also the formation of our Company and transfer of the printing work to it were not referred for adjudication. Thereupon, the workmen have filed a writ petition (*Bhupat Singh and Others* v. *M/ s. HTL and Others*, Writ Petition (Civil) No. 2961-2963 of 2005) before the Delhi High Court. The matter is currently listed before the Industrial Tribunal for taking on record the evidence of HTL. The Hindustan Times Employees Union has also preferred a Civil Miscellaneous Petition No. 2178 of 2005 for grant of interim relief, which is being heard by the High Court.

(d) Mr. Rajjan Lal, the father of a deceased packing contractor staff has filed a claim against HTL before the Commissioner, Workman's Compensation, Lucknow (WC Case No. 18/ 2003) under the Workmen's Compensation Act, 1923 claiming compensation of Rs. 224,000 and legal expenses of Rs. 5,000.

(e) A case has been filed by the Secretary of the Printing Press Mazdoor Sangh Lucknow against HT Media Limited under the Payment of Bonus Act, 1965 before the District Labour Commissioner, Lucknow (Case No. 14/ 04) on behalf the employees engaged by a contractor who are working as peons/ drivers claiming bonus payment. The matter is pending before the labour commissioner.

8. Consumer Cases

There are eight consumer complaints pending in various district, state and national consumer dispute redressal forums in India alleging unfair trade practice and deficiency of service. The total amount of claims aggregates to approximately Rs. 2.0 million.

9. Other Civil Cases

There are 11 civil suits pending, other than suits in relation to civil defamation. The aggregate of claims in these cases is approximately Rs. 32.9 million. The material case in this regard is as below:

Mr. Vipin Malik filed a suit against HTL and others before the Delhi High Court for recovery of professional charges, fees amounting to Rs. 31.4 million (Suit No. 971 of 1998) on account of services rendered under a memorandum of understanding between the plaintiff and the K.K. Birla group, of which HTL forms a part, in terms of which the plaintiff agreed to provide his professional services and the defendant agreed to pay the professional services for the services rendered. The defendant has been granted leave to defend, and further proceedings are pending in the High Court.

10. Motor Accident Claims

There are five claims pending before the Motor Accident Claims Tribunals for an aggregate amount of Rs. 3.5 million. These cases have been filed in relation to accidents in which our vehicles and employees were involved.

11. Contempt Petitions

There are five contempt petitions pending before various courts in India. The details of these are as follows.

(a) In the matter of M/ s. Rohtas Industries Limited, C.P. No. 3 of 1984 in the Patna High Court, a show cause notice was issued by the court to Mr. Rakesh Sharma, publisher of the *Hindustan*, in relation to an allegedly contemptuous article published in the *Hindustan* on September 13, 2004. The contemnor, Mr. Rakesh Sharma has issued an apology and is awaiting further orders of the court. The High Court has ordered an enquiry by the District Judge, Sasaram, the findings of which are awaited.

(b) Mr. Bhajan Singh and others have filed a contempt petition against Mr. Hari Jai Singh and Mr. Rakesh Sharma, our printer-publisher before the Additional Civil Judge (Senior Division), Kharar, Punjab (Contempt Petition No. 28 of 2000) restraining the respondents from publishing any news items relating to the land of the applicants, which may prejudicially affect the outcome of the civil suit filed by them for ownership and possession of certain lands.

(c) A criminal contempt petition has been filed by the Lokayukta in the High Court of Madhya Pradesh at Jabalpur against certain employees of HTL in respect of an article published in the *Hindustan Times*, Bhopal issue dated September 19, 2001 (Criminal Contempt No. 7 of 2002). However, the contemnors have tendered an apology in respect of the said article, which apology has been accepted and the show cause notice issued against such contemnors has been discharged vide order of the Lokayukta dated January 5, 2002. Therefore, no action is proposed against them. However, the contempt notice still stands in respect of certain other contemnors.

(d) Mr. V.K. Mahendra and others filed a contempt petition in the High Court of Allahabad against Mr. Ajit Singh and another alleging that an article published in the *Hindustan Times*, Lucknow edition, on August 10, 2001 was contemptuous (Criminal Contempt Petition No. 28 of 2001). The petition was dismissed on November 5, 2001 since the consent of the Advocate General had not been obtained prior to filing of the petition.

Subsequently, another petition (Lokendra *Kumar* v. *Vir Sanghvi*, Criminal Miscellaneous Contempt Petition No. 1 of 2003) has been filed by Mr. D.P. Shukla before the Advocate General at Allahabad seeking permission to file a contempt application against Vir Sanghvi, editor of the *Hindustan Times*. The Advocate General is yet to decide whether or not consent is to be given for filing of the contempt petition.

(e) The Rajasthan High Court has issued a contempt notice against Mr. Surendra Vyas and others, including Mr. Vipul Mudgal, our editor (Crl.C.P. 1/ 2002) in relation to an article published in the *Hindustan Times* on July 6, 2002. The matter is listed for final arguments.

12. Miscellaneous

Apart from the cases mentioned above, there are certain other cases pending. An aggregate amount of Rs. 50,000 has been claimed in these cases. The details of the same are as follows:

(a) The High Court of Punjab and Haryana took note of an article published in *Hindustan Times*, dated January 22, 2004 regarding construction carried out by Forest Hill Club in violation of law and took the matter for enquiry *suo motu* (*Court on its own motion* v. *Lt. Col. (*Retd*.) B.S. Sandhu and Others*, CWP No. 1134 and 1850 of 2004). An order was passed by the High Court on October 12, 2004 directing closure of the resort constructed on the impugned land and demolition of all illegal constructions. Mr. B.S. Sandhu, the aggrieved party, has filed for special leave to appeal from this decision in the Supreme Court of India (SLP No. 24166-24167 of 2004). Another special leave to appeal has been filed by Mr. Suresh Sharma and others against Mr. B.S. Sandhu and others, including our editor, resident editor and reporter (SLP No. 25806-807 of 2004). The petitions have been admitted and *Hindustan Times* is to file its reply in the matters.

(b) Ms. Anupama Jha, a former employee of HTL has filed a writ petition in the Delhi High Court (C.W.P. 3601/ 99) alleging sexual harassment at the work place by Mr. K. Srinivasan, another employee of HTL. Notice has been issued to the parties and regular proceedings are pending before the Delhi High Court.

(c) M/ s. Aakash Institute filed a suit against M/ s. Mastermind Classes and others (Suit No. 998 of 2002) before the Delhi High Court seeking restraining orders in relation to the publication of certain advertisements, which contained allegedly untrue statements. The *Hindustan Times* has been impleaded as a party for carrying the impugned advertisements.

(d) The Company has been served with a notice by the Joint Secretary, Lok Sabha in relation to an article published in the *Hindustan Times* on March 28, 2005 alleging that the said article is derogatory and scandalous in nature and lowers the image and esteem of the Lok Sabha and its members. The Company has replied to the same and has stated that there was no intent to undermine the dignity of the Lok Sabha or its members. We are awaiting further information from the Joint Secretary.

(e) A petition has been filed by Mr. Ram Kishore Gupta, Secretary of the District Industries and Business Division, Unnao against the editor, *Hindustan Times* and others before the Human Rights Commission, Unnao in relation to an article published in the *Hindustan Times* on November 2, 2003. The petitioner has alleged that the news article carried incorrect and untrue information, which has resulted in violation of his human rights, and has claimed compensation of Rs. 50,000. He has further contended that the registration of the newspaper, *Hindustan Times* be cancelled on ground of carrying misleading and false information. The Company has filed its written statement and the matter is currently pending before the Human Rights Commission.

(f) The Pioneer, a newspaper, has filed a case against HTL and the Times of India before the Monopolies and Restrictive Trade Practices Commission, New Delhi (RTPE No. 8 of 2004) seeking an injunction against a scheme launched by HTL and the Times of

India on the ground that it constitutes predatory pricing and restrictive trade practice. The matter is being heard by the commission.

II. Material Developments

In the opinion of the Board of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

III. Litigation against Our Directors

Our Directors have no outstanding litigation towards tax liabilities, criminal/ civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non payment of statutory dues, proceedings initiated for economic offences, in their individual capacity or in connection with our Company and other companies with which the Directors are associated, except as below:

(a) Mrs. Shobhana Bhartia is named as a party in the criminal defamation complaints filed by Ms. Noor Fatima (Complaint Case No. 512(C) 98), Mr. Ajay Ganesh Ubale (Case No. 1993/ SS of 2004) and Ms. Usha Ravichandran (Criminal Complaint No. 801/ 2001).

(b) The Enforcement Directorate has issued 26 Show Cause Notices to ITC Limited on the allegation that the Company has contravened certain provisions of the Foreign Exchange (Regulation) Act, 1973. In his capacity as a director of ITC Limited, Mr. Y.C. Deveshwar has been made a Noticee in 24 of these Notices. 8 of these Notices have been discharged and the remaining are awaiting orders pending hearing.

(c) One V.S. Dempo & Co. Limited filed a civil suit against ITC Limited alleging that the company did not fulfill its promise under a contract and thus they incurred losses. On the same set of facts, even when the suit is pending, the said V.S. Dempo & Co. Limited filed a criminal complaint against Mr. Y.C. Deveshwar in his capacity as Chairman of ITC Limited and some other officers of the Company. The said case is being contested as baseless.

IV. Litigation against our Subsidiary - Searchlight Publishing House Limited

A. **Contingent liabilities not provided for as of December 31, 2004**:
Searchlight has filed a petition before the Patna High Court against an initial claim for additional contribution of Rs. 7.3 million made by the Employees State Insurance Corporation relating to the years 1989-1990 to 1990-2000.

B. Litigation against Searchlight Publishing House Limited as of April 21, 2005:

Labour Disputes:

(a) A claim has been filed by Mr. Umashankar Nayak before the Deputy Labour Commissioner, Ranchi (No. 511 of 2004) alleging illegal termination from service and claiming reinstatement in service with payment of back wages. The matter is listed for conciliation before the Deputy Labour Commissioner.

(b) A claim has been filed by Mr. Krit Narayan Singh before the Assistant Commissioner and Conciliation Officer, Patna (No. 5307 of 2004) in relation to alleged illegal termination from service. The matter is listed for conciliation before the Commissioner.

(c) A claim has been filed by Mr. Alok Kumar (No. 5036 of 2004) before the Labour Superintendent, Patna in relation to alleged illegal termination from service for reinstatement in service with full back wages. The matter is listed for conciliation before the Commissioner.

(d) A show cause notice dated September 30, 2003 has been issued to SPHL by the Employees State Insurance Corporation, Patna for payment of dues amounting to Rs. 7,337,226.51 for the period 1989 to 2000. A writ petition has been filed by SPHL in the High Court at Patna challenging the said notice. The High Court has issued an order staying recovery by the Employees State Insurance Corporation. The matter is currently being heard by the High Court.

(e) Mr. Ramesh Prasad has filed a claim (Reference Number 2 of 2000) before the Labour Court, Dalmiyanagar in relation to alleged illegal termination from service. He has claimed reinstatement in service with full back wages. The matter is currently being heard by the Labour Court.

(f) Mr. Rajesh Kumar has filed a claim (No. 1042 of 2004) before the Labour Superintendent, Munger in relation to alleged illegal termination from service. He has claimed reinstatement in service with full back wages. The matter is listed for conciliation before the Labour Superintendent.

V. Litigation against our Promoter - HTL

A. Contingent liabilities not provided for as of March 31, 2004:

a)	Bank Guarantees given by HTL	: Rs. 0.05 million
b)	Claims against HTL not acknowledged as debts	: Rs. 1.69 million
c)	In respect of various labour cases pending	: Amount not ascertainable

B. Income Tax Cases: The details of the Income tax cases against HTL are as follows:

Sl. No.	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
1	1988-89	Disallowance on account of paper purchase	25,148,090	Department appeal set aside by Income Tax Appellate Tribunal ("ITAT") and referred to Commissioner of Income Tax (Appeals) ("CIT (A)")
		Total	**25,148,090**	
2	1990-91	Deduction on rent income	2,625,326	ITAT
		Notional interest on interest free loan	2,100,000	
		Previous year expenses	1,801,254	
		Other expenses	38,770	
		Total	**6,565,350**	
3	1991-92	Deduction on rent income	3,296,246	ITAT
		Notional interest on interest free loan	1,680,000	
		Addition to value of Work-In-Progress	103,909	
		Total	**5,080,155**	
4	1992-93	Deduction on rent income	3,555,789	ITAT
		Notional interest on interest free loan	1,680,000	
		Addition to value of Work-In-Progress	178,122	
		Total	**5,413,911**	
5	1993-94	Notional interest on interest free loan	1,680,000	ITAT
		Gift and presents	410,000	

Sl. No.	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
		Legal expense	150,000	
		Publicity expenses	123,967	
		Other expenses	131,962	
		Total	**2,495,929**	
6	1994-95	Addition to value of Work-In-Progress	228,083	ITAT
		Gift and Presents	360,000	
		Foreign travelling expenses	269,954	
		Other expenses	41,461	
		Total	**899,498**	
7	1995-96	Gift and Presents	400,000	ITAT
		Foreign travelling expenses	281,889	
		Payment made for Venture	1,893,499	
		Foreign currency loan documentation charges	330,565	
		Cost of an painting	150,000	
		Repair & Maintenance	290,391	
		Other expenses	5,000	
		Total	**3,351,344**	
8	1996-97	Notional interest on interest free loan	1,680,000	ITAT
		Previous year expenses	499,737	
		Gift and Presents	450,000	
		Foreign travelling expense	398,225	
		Publicity expenses	324,747	
		Entertainment expenses	177,166	
		Total	**3,529,875**	
9	1997-98	Notional interest on interest free loan	194,443	ITAT
		Previous year expenses	653,178	
		Gift and Presents	600,000	
		Foreign travelling expenses	286,095	
		Entertainment expenses	413,728	
		Loss of Association of Person	33,312,729	CIT (A)
		Total	**35,460,173**	
10	1998-99	Foreign travelling expenses	929,962	ITAT
		Loss of Association of Person	29,549,860	
		Total	**30,479,822**	
11	1999-00	Previous year expenses	5,688,095	ITAT
		Commission on guarantee charges for foreign currency loan	433,713	
		Market research expenses for Insurance business	576,975	
		Interest on loan taken for purchase of machine	1,095,580	
		Depreciation on commission on guarantee charges of foreign currency loans considered as	882,405	

Sl. No.	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
		revenue expenditure in earlier years		
		Loss of Association of Person	2,146,762	
		Other expenses	7,000	
		Total	**10,830,530**	
12	2000-01	Previous year expenses	488,994	ITAT
		Foreign travelling expenses	449,680	
		Payment made for Venture	2,000,089	
		Loss of Association of Person	11,204,882	
		Total	**14,113,645**	
13	2001-02	Previous year expenses	4,056,172	CIT (A)
		Gift and Presents	1,704,600	
		Foreign travelling expenses	461,351	
		Reimbursement of joint venture expenses	4,376,632	
		Leasehold expenses written off	1,398,206	
		Expenses on relaunch of paper	136,630	
		Depreciation as per books w/ back not allowed as deduction	36,068,805	
		Other expenses	6,013,453	
		Total	**54,215,849**	
14	2002-03	Bad debts disallowed	330,714	Pending for filing of appeal
		Previous year expenses	1,480,019	
		Foreign travelling expenses	497,716	
		Publicity expenses	3,075,034	
		Capital nature expenses	13,231,892	
		Other expenses	2,162,773	
		Total	**20,778,148**	
		Grand Total	**218,362,319**	

C. Other Cases

(a) A suit was filed by HTL before the Delhi High Court against the Hindustan Times Employees Union seeking an injunction, inter alia, to restrain the office bearers of the trade union from going on strike (CS (OS) 955 of 2004). In this matter, a counter claim has been filed by the Hindustan Times Employees Union against HTL seeking to restrain HTL from transferring the printing undertaking at Hindustan Times House, Kasturba Gandhi Marg, New Delhi and also to continue to provide work to members of the trade union. The matter is currently pending disposal before the High Court.

(b) Mr. Vipin Malik has filed a winding up petition in the Delhi High Court (Company Petition No. 201 of 1998) for winding up of HTL on account of its inability to pay the amount owed by it to the petitioner. HTL has refuted the alleged liability to pay the claimed amounts, and has contended that since a recovery suit in respect of the claimed amounts is already pending, the winding up petition is misconceived. The matter is listed for final arguments.

(c) The Assistant RoC served HTL with a notice dated May 18, 2004 asking HTL to provide further information in relation to certain agreements executed by HTL so as to verify certain allegations relating to defrauding of creditors. The Company replied to the

said notice on June 30, 2004. No subsequent action has been taken by the RoC in this regard.

(d) Mr. Pannalal Khosla has filed a suit against HTL before the Civil Judge, Tis Hazari (Suit No. 579 of 2003) for recovery of mesne profits and damages in relation to certain premises at No. 6/ 14 Kirti Nagar Industrial Area, New Delhi, which were taken on rent by HTL to be used as a godown for storing goods. The plaintiff has claimed mesne profits at the rate of Rs. 45,000 per month from May 1998 to November 2003. The matter is listed for arguments before the trial court.

VI. Litigation against our Group company - The Birla Cotton Spinning & Weaving Mills Limited

(a) Contingent liabilities not provided for as of March 31, 2004:
Surety bond executed in favour of sales tax authorities on behalf on another company: Rs. 50,000.

(b) Litigation against the Birla Cotton Spinning & Weaving Mills Limited as of April 21, 2005: Mr. J.K Shah filed a suit against Birla Cotton Spinning & Weaving Mills Limited before the Delhi High Court (Suit No. 1912 of 1984) in relation to allegedly wrongful termination from service, which was transferred to the court of the District Judge, Tis Hazari Courts, Delhi on grounds of pecuniary jurisdiction by order of the High Court dated November 11, 2002. The plaintiff has claimed reinstatement in service with all consequential benefits, or in the alternative, payment of Rs. 107,700 as compensation. The matter is listed before the trial court for final arguments.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any Government authority/ RBI are required to undertake the Issue or continue our business activities.

A. Approvals for the Issue

We have received the following approvals relating to the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on March 15, 2005, authorised the Fresh Issue and the Green Shoe option subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, approval by the FIPB, the RBI, the MIB and such other authorities as may be necessary.

The shareholders have, pursuant to a resolution dated March 15, 2005 under Section 81(1A) of the Companies Act, authorised the Fresh Issue and the Green Shoe Option in accordance with law. The Board of Directors has, pursuant to a resolution dated March 15, 2005, authorised a committee of its Directors, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

Our Company had written to the MIB on April 6, 2005 seeking a no objection for the Issue and the corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders in our Company. The MIB have by letter dated April 19, 2005 taken the same on record.

The Selling Shareholder has, pursuant to a resolution passed at a meeting of its board of directors on March 28, 2005, authorised the Offer for Sale. The Selling Shareholder has authorised the Company to take decisions on its behalf in relation to the Issue.

B. Approvals for our business

We have received the following major Government and other approvals pertaining to our business:

We have received the following certificates of registration from the RNI:

Sl. No.	Publication	Language	Periodicity	Place of Publication	Date of Registration	Registration Number
1.	*Hindustan Times*	English	Daily	Patna, Bihar	January 28, 2004	44352/ 86
2.	*Sunday Hindustan Times*	English	Weekly	Patna, Bihar	February 6, 2004	BIHENG/ 2002/ 7357
3.	*Hindustan*	Hindi	Daily	Patna, Bihar	March 9, 2004	44348/ 86
4.	*Hindustan*	Hindi	Daily	Ranchi, Jharkhand	January 28, 2004	JHAHIN/ 2001/ 2948
5.	*Hindustan Times*	English	Daily	Ranchi, Jharkhand	May 6, 2004	JHAENG/ 2004/ 12399
6.	*Sunday Hindustan Times*	English	Weekly	Ranchi, Jharkhand	May 6, 2004	JHAENG/ 2004/ 12398
7.	*Hindustan Times*	English	Daily	Lucknow, Uttar Pradesh	February 6, 2004	66165/ 97
8.	*Sunday Hindustan Times*	English	Weekly	Lucknow, Uttar Pradesh	February 24, 2004	UPENG/ 2002/ 7564
9.	*Hindustan*	Hindi	Daily	Lucknow, Uttar Pradesh	February 6, 2004	64319/ 96
10.	*Hindustan Times*	English	Daily	Kolkata, West Bengal	January 16, 2004	WBENG/ 2001/ 3760
11.	*Sunday Hindustan*	English	Weekly	Kolkata, West	January 16, 2004	WBENG/ 2002/

Sl. No.	Publication	Language	Periodicity	Place of Publication	Date of Registration	Registration Number
	Times			Bengal		7585
12.	*Hindustan Times*	English	Daily	New Delhi	January 16, 2004	503/ 57
13.	*Ravivashriya Hindustan*	Hindi	Weekly	New Delhi	June 2, 2004	DELHIN/ 2004/ 12618
14.	*Sunday Hindustan Times*	English	Weekly	New Delhi	February 12, 2004	DELENG/ 2002/ 7317
15.	*Hindustan*	Hindi	Daily	New Delhi	December 24, 2003	509/ 57
16.	*Kadambini*	Hindi	Monthly	New Delhi	January 20, 2004	4983/ 60
17.	*Nandan*	Hindi	Monthly	New Delhi	January 20, 2004	10525/ 64

The Company furnished annual statements to the Press Registrar in respect of its various publications for the year 2003-2004 in May 2004.

Our Company has been authorised vide letter dated February 28, 2005 issued by the RNI to import standard/ glazed newsprint for printing and publication of its newspapers and periodicals.

Our Company has been allotted code number DL/ 28388 under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 by the office of the Regional Provident Fund Commissioner.

Approvals/ Licences for our Company's plants and premises

1. Premises at Plot Number 412-415, Udyog Vihar, Phase 4, Gurgaon, Haryana

1.1 Approvals/ Licenses obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Licence under the Factories Act, 1948 granted by the Chief Inspector of Factories, Haryana.	Licence Registration Number: GGM/ I-50/ 2622 Licence Serial Number: 4956	March 19, 2004	December 31, 2008
2.	Tax Deduction Account Number allotted by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	TAN Number RTKH01595G.	2003	N.A.
3.	Registration certificate granted under the Haryana Value Added Tax Act, 2003.	Registration Number GRE.A12030358	December 4, 2003	N.A.
4.	Registration under the Central Sales Tax Act, 1956.	Registration Number GRE-CST-1820929	October 7, 1999	Valid from September 20, 1999 until cancelled.
5.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number D-III/ ST/ R-II/ GTO/ 102/ 2005	January, 2005	Valid until activity carried on

1.2 Approvals/ Licences for which renewals have been applied:

- An application dated December 25, 2003 has been made for registration under the Contract Labour (Regulation And Abolition) Act, 1970.
- An application dated April 20, 2005 has been made for grant of consent under the Water Act.

- An application dated April 20, 2005 has been made for grant of consent under the Air Act.

2. Premises at Search Light Building, Budh Marg, Patna, Bihar

2.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Registration under the Bihar Finance Act, 1981.	Registration Number P.T.W. 5101(R)	June 15, 2004	Valid from December 19, 2003 until cancelled
2.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number PTNH00220D	December 18, 2003	N.A.
3.	Registration under the Central Sales Tax Act, 1956.	Registration Number PTW-5101(C)(Central)	June 15, 2004	Valid from December 19, 2003 until cancelled
4.	Registration of under the Contract Labour (Registration and Abolition) Act, 1970.	Registration Number 112	November 2, 2004	October 31, 2005
5.	Registration under the Factories Act, 1948.	Registration Number 56/ PTN	February 16, 2005	**December 31, 2005**
6.	Registration under the Bihar Shops and Establishments Act, 1953.	Registration Number 29195-803-33	October, 2004	December 31, 2005
7.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number GTA/ 43/ BKP-II/ MTML/ 05	February 25, 2005	Valid until activity carried on

2.2 Approvals/ Licences for which renewals have been applied:

- An application dated April 12, 2005 has been made for grant of consent under the Water Act.
- An application dated April 12, 2005 has been made for grant of consent under the Air Act.

3. Premises at National Highway, 28 Sadatpur, Kanthi, Muzaffarpur, Bihar

3.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number PTNH00221E	December 22, 2003	N.A.
2.	Registration under the Bihar Finance Act, 1981.	Registration Number MZ5169(R)	December 4, 2003	Valid from July 1, 2003 until cancelled
3.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number GTO/ MUZ/ R-1/ 02/ HML/ 2005	February 24, 2005	Valid until activity carried on
3.	Registration under the Central Sales	Registration Number PTW-	June 15, 2004	Valid from

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
	Tax Act, 1956.	5101(C)(Central)		December 19, 2003 until cancelled

3.2 Approvals/ Licences for which renewals have been applied

- Application bearing number 4697 has been made for grant of no objection certificate from the Bihar Pollution Control Board under Sections 25 and 26 of the Water Act and Section 21 of the Air Act.
- Application has been made for renewal of licence number 0070L/ BR/ MZR under the Factories Act, 1948, which had expired on December 31, 2004.

4. Premises at Lower Nath Nagar Road, Parwatti, Bhagalpur, Bihar – 812 002

4.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number PTNH00226C	July 17, 2004	N.A.
2.	Registration under the Bihar Finance Act, 1981.	Registration Number 3571	July 15, 2004	Valid from December 25, 2003
3.	Registration certificate under the Bihar Shops and Establishments Act, 1953.	Registration Number BH-14496	April, 2004	December 31, 2005
4.	Registration for service tax under Section 69 of the Finance Act, 1994.	Number AAABCH3165PST001	February 23, 2005	Valid until activity carried on.
5.	Registration under the Central Sales Tax Act, 1956.	Registration Number PTW-5101(C)(Central)	June 15, 2004	Valid from December 19, 2003 until cancelled

4.2 Approvals/ Licences for which renewals have been applied

- An application dated November 30, 2004 has been made for grant of consent under the Air Act.
- The unit has not obtained consent under the Water Act.

5. Premises at 7, Kokar Industrial Area, Ranchi, Jharkhand

5.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number RCHH00095E	September 26, 2003	N.A.

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
2.	Registration under the Bihar Shops and Establishments Act, 1953.	Registration Number RN 22672	July 1, 2003	December 31, 2005
3.	Consent from the Jharkhand State Pollution Control Board under Section 21 of the Air Act.	Reference Number RA/ 0183/ A/ C-1070	August 24, 2004	June 30, 2005
4.	Registration under the Central Sales Tax Act, 1956.	Registration Number 1126C	May 5, 2001	Valid from April 20, 2001 until cancelled
5.	Registration under the Contract Labour (Regulation and Abolition) Act, 1970.	Registration Number 165	March 17, 2005	February 28, 2006
6.	Licence under the Factories Act, 1948	Registration Number 67590/ RCH	January 31, 2005	December 31, 2005

5.2 Approvals/ Licences for which renewals have been applied

- An application dated April 15, 2005 has been made for renewal of registration bearing number 1444R under the Bihar Finance Act, 1981, which expired on May 31, 2004.
- An application dated January 25,2005 has been made for registration for service tax under Section 69 of the Finance Act, 1994.
- An application dated April 15, 1005 has been made to the Jharkhand State Pollution Control Board for grant of consent under Sections 25 and 26 of the Water Act.

6. Premises at Pardih, P.O. Kapali, Jamshedpur, Jharkhand

6.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number RCHH00095E	September 26, 2003	N.A.
2.	Licence under the Factories Act, 1948	Number 69086/ SBM	April 30, 2005	December 31, 2005
3.	Registration under the Bihar Shops and Establishments Act, 1953	Number 31072/ 29711/ 3907	April 19, 2005	December 31, 2005

6.2 Approvals/ Licences for which renewals have been applied

- An application dated September 7, 2004 has been made for grant of consent under the Air Act.
- An application dated April 15, 2005 has been made for grant of consent under the Water Act.
- An application dated April 15, 2005 has been made for renewal of registration bearing number 1444R under the Bihar Finance Act, 1981, which expired on March 31, 2005.

- An application dated April 15, 2005 has been made for renewal of registration bearing number 1126C under the Central Sales Tax Act, 1956, which expired on March 31, 2005.
- An application dated January 25, 2005 has been made for registration for service tax under Section 69 of the Finance Act, 1994.

7. Premises at Bhalatand Road, Dhaiya, P.O. ISM, District Dhanbad, Jharkhand

7.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number RCHH00095E	September 26, 2003	N.A.
2.	Registration under the Bihar Shops and Establishments Act, 1953.	Registration Number 6866	November 25, 2003	December 31, 2005

7.2 Approvals/ Licences for which renewals have been applied

- An application dated September 21, 2004 has been made for grant of consent under the Air Act.
- An application dated April 15, 2005 has been made for grant of consent under the Water Act.
- An application dated April 15, 2005 has been made for renewal of registration bearing number 1444R under the Bihar Finance Act, 1981, which expired on March 31, 2005.
- An application dated April 15, 2005 has been made for renewal of registration bearing number 1126C under the Central Sales Tax Act, 1956, which expired on March 31, 2005.
- An application dated January 13, 2005 has been made for renewal of licence bearing number 69100/ DNB under the Factories Act, 1948, which expired on March 31,2004.
- An application dated January 25, 2005 has been made for registration for service tax under Section 69 of the Finance Act, 1994.

8. Premises at B-17 (12), Shiv Circle, Shiv Marg, Bani Park, Jaipur, Rajasthan – 302 016

8.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number JPRH02151C	January 28, 2004	N.A.
2.	Registration certificate under the Central Sales Tax Act, 1956.	Registration Number 08401759185(Central)	February 3, 2004	Valid from December 23, 2003 until cancelled

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
3.	Registration certificate under the Rajasthan Sales Tax Act, 1994.	Registration Number 08401759185	February 3, 2004	Valid from August 15, 2003 until cancelled
4.	Registration under the Rajasthan Shops and Establishments Act, 1958.	Registration Number SN591/ R-RRP77/ 2003	October 15, 2003	N.A.
5.	Registration for service tax under Section 69 of the Finance Act, 1994	Registration Number 18/ ST/ GTA/ R-V/ JPR/ 04	January 19, 2005	Valid until activity carried on.

8.2 Approvals/ Licences for which renewals have been applied

- The unit has not obtained consent under the Water Act and the Air Act.

9. Premises at Pocket 11, Town Centre, Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh

9.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Registration under the Factories Act, 1948.	Registration Number LKO-986 Serial Number 986	October 1, 2002	December 31, 2005
2.	Registration under the Central Sales Tax Act, 1956.	Registration Number LW5089643	January 28, 2004	Valid from November 14, 2003 until cancelled
3.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Registration Number LW-0205976	January 28, 2004	Valid from November 1, 2003 until cancelled
4.	No-Objection certificate from the Uttar Pradesh Pollution Control Board, Lucknow for printing.	Number 549/ NOC/ 2412/ 2002	July 23, 2002	N.A.
5.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number LKNH05040A	January 30, 2004	N.A.
6.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number 1643/ STR/ Transport / LKO-1/ 2005	January 28, 2005	Valid until cancelled

9.2 Approvals/ Licences for which renewals have been applied

- An application dated September 4, 2003 has been made for registration under the Contract Labour (Regulation and Abolition) Act, 1970.
- An application dated September 22, 2004 has been made for grant of consent under Section 21 of the Air Act.
- An application dated September 22, 2004 has been made for grant of consent under Sections 25 and 26 of the Water Act.

10. Premises at 25, Ashok Marg, Lucknow, Uttar Pradesh

10.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Registration under the Uttar Pradesh Shops and Establishments Act, 1962.	Application dated December 19, 2003	N.A.	N.A.
2.	Registration for service tax under Section 69 of the Finance Act, 1994.	Number 1643/ STR/ Transport/ LKO-I/ 2005	January 28, 2005	Valid until activity carried on.

11. Premises at C27/ 210, Kaligarh House, Jagatganj, Varanasi, Uttar Pradesh

11.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number ALDH00279G	May 7, 2004	N.A.
2.	Registration under the Uttar Pradesh Shops and Establishments Act, 1962.	Registration Number 1/ 1967	December 12, 2003	November 11, 2008
3.	Registration under the Central Sales Tax Act, 1956.	Registration Number VB.5295749	December 11, 2003	Valid until cancelled
4.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Registration Number VB.0539134	December 31, 2003	Valid until cancelled
5.	Licence under the Factories Act, 1948.	Registration Number BRS-837	July 7, 2001	December 31, 2005
6.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number ST/ VNS/ SE/ TRANSPORT/ 462/ 04-05	March 1, 2005	Valid until activity carried on

11.2 Approvals/ Licences for which renewals have been applied

- An application dated April 13, 2005 has been made for grant of consent under the Air Act.
- An application dated April 13, 2005 has been made for grant of consent under the Water Act.

12. Premises at 50, Chowringhee Road, Kolkata, West Bengal

12.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Certificate of registration under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Registration Number RCW 1372564	January 22, 2004	Valid from December, 2003
2.	Enrolment under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Enrolment Number ECW 0029130	January 22, 2004	Valid until cancelled
3.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number CALH01954B	December 16, 2003	N.A.
4.	Registration under the Central Sales	Registration Number	September 11,	Valid until

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
	Tax Act, 1956.	2444(PS)(Central)	2001	cancelled
5.	Registration under the West Bengal Sales Tax Act, 1994.	Registration Number PS/ 3313	September 11, 2001	With effect from May 1, 1995
6.	Registration for service tax under Section 69 of the Finance Act, 1994.	Number 765/ GTA/ SB-03/ KOL/ 04-05	February 8, 2005	Valid until activity carried on.
7.	Consent under the Water Act and the Air Act.	Consent Number 13229 Memo Number 5150/ 10/ 12/ WPB/ BR/ D(I)93	June 27, 2003	June 15, 2006
8.	Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970.	Registration number 016/ R-002/ 2004/ LCC	January 15, 2004	July 31, 2005

12.2 Approvals/ Licences for which renewals have been applied

- An application dated December 8, 2003 has been made for renewal of registration bearing number K1/ Park/ P-II/ 38444 under the West Bengal Shops and Establishments Act, 1963, which expired on December 31, 2004.
- An application dated January 16, 2005 has been made for renewal of licence bearing number 11-7P/ 76/ 60 under the Factories Act, 1948, which expired on December 31, 2004.

13. Premises at 8/ 1, Malviya Nagar, Bhopal, Madhya Pradesh

13.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number BPLH00489G	September 9, 2003	N.A.
2.	Allotment of Tax Payer's Identification Number.	Number 23124102272	July 1, 2003	N.A.
3.	Registration under the Madhya Pradesh Shops and Establishments Act, 1958.	Registration Number 27726/ BPC/ CP/ 2003	September 3, 2003	December 31, 2007
4.	Registration under the Madhya Pradesh Sales Tax Act, 1995 (Form 2).	Number 79834100424	November 12, 2003	Valid from January 4, 2000
5.	Registration under the Madhya Pradesh Sales Tax Act, 1995 (Form 4).	Number 78474102045	November 13, 2003	Valid from January 4, 2000
6.	Registration under the Central Sales Tax Act, 1956.	Registration Number V/ 05/ 06/ 1405-C	June 22, 2000	Valid from January 4, 2000 until cancelled
7.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number BPL-I/ RST/ GTA/ 135/ 2005	January 24, 2005	Valid until activity carried on.

13.2 Approvals/ Licences for which renewals have been applied

- The unit has not obtained consent under the Water Act and the Air Act.

14. Premises at C-164-165, Phase VIII-B, Industrial Focal Point, Mohali, District Ropar, Chandigarh

14.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number PTLH10712C	February 4, 2004	N.A.
2.	Registration under the Central Sales Tax Act, 1956.	Registration Number 60743218	March 6, 2000	Valid from December 17, 1999 until cancelled
3.	Registration under the Punjab General Sales Tax Act, 1948.	Registration Number 60743218	March 6, 2000	Valid from December 17, 1999 until cancelled
4.	Consent under Section 21of the Air Act granted by the Punjab Pollution Control Board, Patiala.	Consent Number RPN/ APC/ 2001/ V(254)273	October 12, 2001	September 8, 2005
5.	Consent under Sections 25 and 26 of the Water Act granted by the Punjab Pollution Control Board, Patiala.	Consent Number RPN/ APC/ 2001/ V(354)366	October 23, 2001	September 8, 2005
6.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number AABCH3165PS7002	February 21, 2005	Valid until activity carried on

14.2 Approvals/ Licences for which renewals have been applied

- An application dated November 30, 2004 has been made for renewal of licence bearing number H-10/ 551 under the Factories Act, 1948, which expired on December 31, 2004.
- An application dated December 3, 2004 has been made for renewal of registration bearing number 299/ 2K/ 996 under the Contract Labour (Regulation and Abolition) Act, 1970, which expired on December 31, 2004.

15. Premises at B-2, Sector 63, Noida, Uttar Pradesh

15.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number MRTH00196A	May 5, 2004	N.A.
2.	Registration under the Central Sales Tax Act, 1956.	Registration Number ND5311981	September 5, 2003	Valid from August 17, 2001 until cancelled
3.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Registration Number ND-0313829	September 5, 2003	Valid from August 17, 2001 until

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
				cancelled
4.	Registration under the Factories Act, 1948 and the Uttar Pradesh Factories Rules, 1950.	Registration Number NDA-2668	September 30, 2004	December 31, 2005
5.	Consent from the Uttar Pradesh Pollution Control Board under the Water Act.	Number 1004/ 05	January 4, 2005	December 31, 2005
6.	Consent from the Uttar Pradesh Pollution Control Board under the Air Act.	Number 2570/ 05	January 4, 2005	December 31, 2005
7.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Number ND-019507	August 17, 2001	March 31, 2201
8.	Registration under the Contract Labour (Regulation and Abolition) Act, 1970.	Number 423/ 05	February 26, 2005	December 31, 2005
9.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number 149/ R-14/ D-11/ NOIDA/ 2005	February 18, 2005	Valid until activity carried on

16. Premises at Plot Number 8, Udyog Vihar Industrial Area, Greater NOIDA, Gautam Budh Nagar.

16.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Registration under the Central Sales Tax Act, 1956.	Registration Number ND5311981	September 5, 2003	Valid from August 17, 2001 until cancelled
2.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Registration Number ND-0313829	September 5, 2003	Valid from August 17, 2001 until cancelled
3.	Registration under the Uttar Pradesh Trade Tax Act, 1948.	Number ND-019507	August 17, 2001	March 31, 2201
4.	Registration under Factories Act, 1948.	Registration Number NDA-3041	February 17, 2005	December 31, 2005
5.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number 27/ TOG/ R-27/ 2004-05	February 23, 2005	Valid until activity carried on

16.2 Approvals/ Licences for which renewals have been applied

- An application dated February 11, 2005 has been made for grant of consent under the Air Act and under Sections 25 and 26 of the Water Act.

17. Premises at 18-20 Kasturba Gandhi Marg, New Delhi, 110 001.

17.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Allotment of Trader Identification Number.	Number 07940269712	December, 2003	N.A.
2.	Allotment of Tax Deduction Account	Number DELT00132G	January 15,	N.A.

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
	Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.		2001	
3.	Allotment of Tax Deduction Account Number by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number DELH03846-D	December 18, 2003	N.A.
4.	Registration for service tax under Section 69 of the Finance Act, 1994.	Number DLI/ ST/ HM/ VI/ 166/ 2003	December 22, 2003	Valid until activity carried on.

17.2 Approvals/ Licences for which renewals have been applied

- An application dated December 17, 2004 has been made for renewal of licence bearing number FD-2050 under the Factories Act, 1948, which expired on December 31, 2004.
- An application dated April 20, 2005 has been made for grant of consent under the Water Act and the Air Act.

18. Premises at 220-223, B Wing, Mhahtre Pen Building Complex, S.B. Marg, Dadar (W), Mumbai – 400028

18.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957.	Registration Certificate Number 400028/ C/ 5520(Central)	January 31, 2005	Valid from January 10, 2005 until cancelled
2.	Registration under the Bombay Sales Tax Act, 1959.	Registration Certificate Number 400028/ S/ 6548	January 31, 2005	Valid from January 10, 2005 until cancelled
3.	Registration under Bombay Shops and Establishments Act, 1948.	Registration Number GN-II/ 009476	July 6, 2001	2004-2005
4.	Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 registering the Company as an employer.	Registration Number 1/ 1/ 27/ 17405	July 7, 2001	Valid until cancelled
5.	Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Registration Number 1/ 1/ 27/ 18/ 4059	July 19, 2001	Valid until cancelled

19. Premises at Plot No. 6, TTC Industrial Area, Navi Mumbai, District Thane, Mumbai

19.1 Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	No-objection certificate from the Maharashtra Industrial Development Corporation for establishing	Number MIDC/ TA/ BMR 6/ 8609/ 2004/ 393	June 17, 2004	N.A.

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
	industrial unit at Plot No. 6, TTC Industrial Area, Navi Mumbai, District Thane.			
2.	Consent under Section 25 of the Water Act, Section 21 of the Air Act and Rule 5 of the Hazardous Wastes (Management and Handling) Rules, 1989 in respect of premises at Plot No. 6, TTC Industrial Area, Navi Mumbai, District Thane.	Consent Number RONM/ NNB/ TTC/ CC/ E/ C-85	July 19, 2004	Upto commissioning of unit in case of consent under the Water Act and the Air Act. July 19, 2009 in case of consent under the Hazardous Wastes (Management and Handling) Rules, 1989

C. Approvals for foreign investment in our Company

The MIB conveyed its "no objection" to the proposal for foreign direct investment by Henderson Asia Pacific Equity Partners I.L.P. in our Company to the extent of 19.23% of the total paid up share capital of the Company vide letter number 10/ 39/ 2003-Press dated December 3, 2003.

The FIPB approved of foreign collaboration by Henderson Asia Pacific Equity Partners I.L.P. in the activities of printing, publishing and other media business by acquisition of 19.23% of the total paid up share capital of the Company amounting to Rs. 71,428,570 by fresh issue of 7,142,857 equity shares of Rs. 10 each vide letter number FC.II.334(2003)/ 464(2003) dated December 31, 2003.

The RNI granted clearance to the Company for foreign collaboration in respect of various newspaper titles registered under the Press and Registration of Books Act, 1867 vide letter number 607/ 30/ 2003-04/ NPCS dated January 20, 2004.

FIPB granted approval for transfer of 5,714,286 shares of the Company held by Henderson Asia Pacific Equity Partners I.L.P. to HPC (Mauritius) Ltd., Mauritius vide letter number FC.II.334(2003)/ 464(2003)-Amend dated September 13, 2004.

The MIB conveyed its "no objection" to enhancement of the limit of foreign direct investment in the Company from 19.23% to 24.64% vide letter number 10/ 39/ 2003-Press dated October 7, 2004.

FIPB granted approval for increase in foreign equity participation in the Company from 19.23% to 24.64% by way of induction of Rs. 250 million by HPC (Mauritius) Ltd., Mauritius and Rs. 690 million by Citicorp International Finance Corporation, USA vide letter number FC.II.334(2003)/ 464(2003)-Amend dated November 3, 2004.

The RBI took on record the issue of 2,868,108 shares of the Company to HPC (Mauritius) Ltd., Mauritius and Citicorp International Finance Corporation, USA for a consideration of Rs. 559,826,000.50 vide letter number 5346/ 06.04.3718/ 2004-05 dated November 23, 2004.

The RBI took on record the issue of 5,714,286 shares of the Company to Henderson Asia Pacific Equity Partners I.L.P. for a consideration of Rs. 1,000.0 million vide letter number 11159/ 06.04.3718/ 2003-04 dated September 16, 2004.

The RBI took on record the issue of 1,213 shares of the Company to HPC (Mauritius) Ltd., Mauritius for a consideration of Rs. 236,765.47 vide letter number 8827/ 06.04.3718/ 2004-05 dated January 14, 2005.

Pursuant to the MIB clearance dated October 7, 2004, the RNI granted clearance to the Company under the Press and Registration of Books Act, 1867 vide letter number 607/ 142/ M/ s. HT Media Ltd./ 2004-0/ NP&CS dated November 4, 2004 in respect of the following titles:

Sl. No.	Publication	Language	Periodicity	Place of Publication	Registration Number
1.	*Hindustan Times*	English	Daily	Delhi	503/ 57
2.	*Sunday Hindustan Times*	English	Weekly	Delhi	DELENG/ 2002/ 7317
3.	*Hindustan*	Hindi	Daily	Delhi	509/ 57
4.	*Hindustan*	Hindi	Daily	Lucknow	64319/ 96
5.	*Hindustan Times*	English	Daily	Lucknow	66165/ 97
6.	*Hindustan*	Hindi	Daily	Ranchi	JHAHIN/ 2001/ 2948
7.	*Hindustan Times*	English	Daily	Patna	44352/ 86
8.	*Hindustan*	Hindi	Daily	Patna	44348/ 86
9.	*Sunday Hindustan Times*	English	Weekly	Patna	BIHENG/ 2002/ 7357
10.	*Sunday Hindustan Times*	English	Weekly	Lucknow	UPENG/ 2002/ 7564
11.	*Hindustan Times*	English	Daily	Kolkata	WBENG/ 2001/ 3760
12.	*Kadambini*	Hindi	Monthly	Delhi	4983/ 60
13.	*Nandan*	Hindi	Monthly	Delhi	10525
14.	*Sunday Hindustan Times*	English	Weekly	Kolkata	WBENG/ 2002/ 7585
15.	*Ravivshriya Hindustan*	Hindi	Weekly	Delhi	DELHIN/ 2004/ 12618
16.	*Hindustan Times*	English	Daily	Ranchi	JHAENG/ 2004/ 12399
17.	*Sunday Hindustan Times*	English	Weekly	Ranchi	JHAENG/ 2004/ 12398

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The shareholders have, pursuant to a resolution dated March 15, 2005 under Section 81(1A) of the Companies Act, authorised the Issue and the Green Shoe Option in accordance with applicable law.

HPC, the Selling Shareholder has, pursuant to a resolution passed at a meeting of its board of directors dated March 28, 2005, authorised the Offer for Sale.

Our Company has corresponded with the MIB relating to the Issue and corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders. For further details on the MIB correspondence, see section titled "Government Approvals" on page 182 of this Draft Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Directors or the person(s) in control of our Promoters, our subsidiary, our affiliates and companies with which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Eligibility for the Issue

We are eligible for the Issue as per Clause 2.2.2 of the SEBI Guidelines as explained under:

Clause 2.2.2 of the SEBI Guidelines states as follows:

"2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a) (i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

AND

(b) (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores.

OR

(b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares , subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;

(c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Issue are proposed to be Allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.
- We are complying with the second proviso to Clause 11.3.5(i) of the SEBI Guidelines and Non-Institutional Bidders and Retail Individual Bidders will be allocated up to 10% and 30% of the Issue respectively.
- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. [•] million, which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

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

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE

CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(III) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE registered WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

(IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS."

(V) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENTS OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Selling Shareholder and the BRLM

Our Company, our Directors, the Selling Shareholder and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.hindustantimes.com, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM, the Selling Shareholder and us dated April 20, 2005

and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Disclaimer from HPC (Mauritius) Limited

HPC takes responsibility for only those statements which are in respect of HPC as the Selling Shareholder. It assumes no responsibility of any statements made by the Company in this Draft Red Herring Prospectus including without limitation all information clauses relating to the Company, its businesses, its affairs and its disclosures.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations [and SEBI has given its observations]. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer clause of the NSE

[As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letters dated [•] permission to us to use NSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs.10 crores and the market capitalization shall not be less than Rs. 25 crores at the time of listing). The NSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in

connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.]

Disclaimer clause of the BSE

[As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated [•] permission to the Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.]

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with RoC situated at Pariyavaran Bhawan, CGO Complex, New Delhi 110 003.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of the Equity Shares of our Company. [•] shall be the Designated Stock Exchange with which the basis of allocation will be finalised for the Non-Institutional Portion and Retail Portion.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 days from the date of Bid/ Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of Allotment for the Issue.

Consents

Consents in writing of our Directors, the Company Secretary and Compliance Officer, the Auditors, the Domestic Legal Counsel, the International Legal Counsel, the Bankers to the Issue, Bankers to the Company and, the Book Running Lead Manager, the Syndicate Member, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

S.R. Batliboi & Co., Chartered Accountants, our auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (Rs. in Millions)
Lead management, underwriting and selling commission*	[•]
Advertisement and marketing expenses**	[•]
Printing, stationery including transportation of the same**	[•]
Others (Registrar's fees, legal fees, listing fees, etc.)**	[•]
Total estimated Issue expenses	[•]

** Will be incorporated after finalisation of Issue Price*

*** Will be incorporated at the time of filing of the Red Herring Prospectus.*

The Company shall pay the listing fees. All other expenses with respect to the Issue will be shared between the Selling Shareholder and the Company in the proportion of the number of Equity Shares issued and transferred in the Fresh Issue and the Offer for Sale, respectively.

Fees Payable to the Book Running Lead Manager and Syndicate Member

The total fees payable by us and the Selling Shareholder to the Book Running Lead Manager (including underwriting commission and selling commission) will be as per Engagement Letter dated March 18, 2005 a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by us and the Selling Shareholder to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with our Company and the Selling Shareholder.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by us to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Previous Rights and Public Issues

We have not made any public issue or rights issue of Equity Shares either in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Issues otherwise than for Cash

We have not issued any Equity Shares for consideration otherwise than for cash, except as detailed in the section titled "Capital Structure - Notes to the Capital Structure - Share Capital History of our Company" on page 19 of this Draft Red Herring Prospectus.

Commission and Brokerage paid on Previous Equity Issues by us

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act, except HTL. Detailed information on HTL has been provided in the section titled "Our Promoter, Subsidiary and Group Companies" on page 83 of this Draft Red Herring Prospectus.

Promise v/s Performance – Last Issue of Group/ Associate Companies

See to the section titled "Our Promoter, Subsidiary and Group Companies" on page 83 of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds or Redeemable Preference Shares

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by us as of the date of this Draft Red Herring Prospectus, except as follows:

Date of Allotment and date on which fully paid-up.	No. of Preference Shares	Face Value	Issue Price	Consideration	Reason for Allotment	Cumulative Preference Share Capital (in Rs. Million)
March 9, 2004	1,000,000	Rs.100	Rs.100	Cash	Allotment to HTL.	100.00
August 4, 2004	1,000,000	Rs.100	Rs.100	Cash	Allotment to HTL.	200.00

Stock Market Data For Our Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, the Selling Shareholder and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We and the Selling Shareholder have appointed Mr. V.K. Charoria, General Manager (Corporate Affairs and Taxation) & Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi, 110 001.
Tel: +91 11 5556 1206.
Fax: +91 11 2373 8887.
Email: ipo@hindustantimes.com

Changes in Auditors

There have been no changes in the auditors of our Company since our incorporation.

Capitalisation of Reserves or Profits

We have not capitalised any reserves or profits since our incorporation.

Revaluation of Assets

There has been no revaluation of assets by our Company.

Payment or benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees, and [•] in the case of [•], since incorporation of our Company.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

ISSUE STRUCTURE

The present Issue of 6,995,000 Equity Shares, comprising a Fresh Issue of 4,640,000 Equity Shares at a price of Rs. [•] for cash, aggregating Rs. [•] million and an Offer for Sale of 2,355,000 Equity Shares at a price of Rs. [•] for cash, aggregating Rs. [•] million, is being made through the Book Building Process. The Issue will have a Green Shoe Option of up to 696,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [•] per Equity Share aggregating Rs. [•] million. The Issue and the Green Shoe Option, if fully exercised, together will aggregate Rs. [•] million.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 4,197,000 Equity Shares.	Up to 699,500 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 2,098,500 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for allocation	At least 60% of Issue or the Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Up to 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Discretionary.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	[•] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/ Allotment lot	[•] Equity Shares and in multiples on [•] Equity Shares	[•] Equity Shares and in multiples on [•] Equity Shares	[•] Equity Shares and in multiples on [•] Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.	Resident Indian individuals, HUF (in the name of Karta), companies, bodies corporate, scientific institutions societies and trusts.	Resident Indian individuals and HUF (in the name of Karta).
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount	Nil.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

** Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the*

BRLM and the Designated Stock Exchange. Additional allocation to each of these categories would be made on a pro-rata basis to the extent of Green Shoe Option Portion.

*** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

As per Chapter VIIIA of the SEBI Guidelines, the Green Shoe Option will be utilized for stabilising the post-listing price of the Equity Shares. We have appointed KMCC as the Stabilising Agent. The Green Shoe Option consists of the option to over Allot up to 696,000 Equity Shares at a price of Rs. [•] per share aggregating Rs. [•] million representing upto 15 % of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares of our Company and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent. The Green Shoe Option will be exercised at the discretion of the BRLM and the Company with respect to Equity Shares that are owned by HTL. HTL as the Green Shoe Lender has agreed to lend upto 696,000 Equity Shares to the Stabilising Agent, in the event that the Green Shoe Option is exercised by Stabilising Agent.

Withdrawal of the Issue

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

The Selling Shareholder reserves the right not to proceed with the Offer for Sale at anytime after the Bid/ Issue Opening Date but before Allotment, without assigning any reason therefor.

Letters Of Allotment Or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. We shall ensure despatch of refund orders, if any, of value up to Rs.1,500 by “Under Certificate of Posting”, and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/ Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Despatch of refund orders shall be done within 15 days from the Bid/ Issue Closing Date; and
- We shall pay interest at 15% per annum, if Allotment is not made, refund orders are not despatched and/ or demat credits are not made to investors within the 15 day time prescribed above.

We will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

Bid/ Issue Programme

BID/ ISSUE OPENS ON	: [•]
BID/ ISSUE CLOSES ON	: [•]

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/ Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded till such time as permitted by the BSE and the NSE on the Bid/ Issue Closing Date.

The Company and the Selling Shareholder reserve the right to revise the Price Band during the Bidding/ Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band disclosed in this Red Herring Prospectus.

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

TERMS OF THE ISSUE

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

Ranking of Equity Shares

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

Mode of Payment of Dividend

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

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Draft Red Herring Prospectus at a total price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

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

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

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/ or consolidation/ splitting, see the section titled “Main Provisions of Articles of Association of the Company” on page 231 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share. In terms of

Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Nomination Facility to the Investor

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

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

b. to register himself or herself as the holder of the Equity Shares; or
c. to make such transfer of the Equity Shares, as the deceased holder could have made.

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

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

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Fresh Issue to the extent of the amount including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale.

In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

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

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this being an issue for less than 25% of the post–Issue capital and Clause 2.2.2 (a)(i) of the SEBI Guidelines, this Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a discretionary basis to QIB Bidders. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through a member of the Syndicate. Our Company in consultation with the BRLM, reserves the right to reject any Bid procured from QIBs without assigning any reason therefor. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be Allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form, which is white in colour bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Who can Bid?

1. Indian nationals resident in India who are majors, in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
4. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
5. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
6. Companies, bodies corporate and societies registered under the applicable laws in India and authorised to invest in equity shares;
7. Indian mutual funds registered with SEBI;
8. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
9. State industrial development corporations;

10. Trusts/ societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ societies and who are authorised under their constitution to hold and invest in equity shares; and
11. Scientific and/ or industrial research organisations authorised to invest in equity shares.

Note: The BRLM, Syndicate Member and any associate of the BRLM and Syndicate Member (except asset management companies on behalf of mutual funds, Indian financial institutions and public sector banks) cannot participate in that portion of the Issue where allocation is discretionary. Further, the BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations.

Maximum and Minimum Bid Size

(b) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter and it must be ensured that the Bid Amount (including revision of Bids, if any) payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(c) **For Other Bidders (i.e., Non-Institutional Bidders and QIB Bidders)**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed White colour Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company, the Selling Shareholder and the BRLM shall declare the Bid/ Issue Opening Date, the Bid/ Issue Closing Date and the Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The Syndicate Member shall accept Bids from the Bidders during the Bidding/ Issue Period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding/ Issue Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding/ Issue Period will be published in two national newspapers (one each in English and Hindi) and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate and the Bidding/ Issue Period may be extended, if required, by an additional three working days, subject to the total Bidding/ Issue Period not exceeding 10 working days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on page 211 below) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 215 of this Draft Red Herring Prospectus.

(f) The Syndicate Member will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding/ Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/ investors who place orders through them and shall have the right to vet the Bids.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment" on page 213 of this Draft Red Herring Prospectus.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the floor of the Price Band and Rs. [•] being the cap of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1.

(b) In accordance with the SEBI Guidelines, our Company and the Selling Shareholder reserves the right to revise the Price Band during the Bidding/ Issue Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to

compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band disclosed in this Red Herring Prospectus.

(c) In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi), and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.

(d) We and the Selling Shareholder, in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/ demand draft for the Bid Amount based on the cap of the Price Band with the Syndicate Member. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs. 7,000.

Application in the Issue

Equity Shares being issued through the Red Herring Prospectus can be applied for in the dematerialised form only.

Bids by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Multiple Applications

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with extant regulations, the Issue is not being made to any other jurisdictions other than India. Consequently, only resident Indians are allowed to participate in the Issue. Non-Residents/ NRIs/ FIIs/ FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Escrow Mechanism

We shall open Escrow Accounts with Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/ or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Bank(s) will act in terms of this Draft Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Selling Shareholder, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder, who is required to pay Margin Amount greater than 0% shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 221 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Amount has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of

the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account of the Company with the Banker(s) to the Issue. The balance amount after transfer to the Issue Account of the Company shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid/ Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount pursuant to the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 204 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the Syndicate Member by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/ Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above. Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of the NSE and the BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/ Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the NSE and the BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centres. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding/ Issue period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
- Name of the investor;
- Investor category – individual, corporate, or mutual fund etc;
- Numbers of Equity Shares bid for;
- Bid price;
- Bid cum Application Form number;
- Whether payment is made upon submission of Bid cum Application Form; and
- Depository participant identification number and client identification number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Selling Shareholder or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) Consequently, the member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason therefor, in case of QIB Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except on the technical grounds listed elsewhere in this Draft Red Herring Prospectus.

(h) It is to be distinctly understood that the permission given by the NSE and the BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the Selling Shareholder or the BRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or the BSE mainframe on a regular basis in accordance with market practice.

(b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the

Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIBs, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between the NSE or the BSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/ Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company and the Selling Shareholder in consultation with the BRLM, shall finalise the "Issue Price", the number of Equity Shares to be Allotted in each category and the allocation to successful QIB Bidders. The allocation will be decided based, *inter alia*, on the quality of the Bidder, size, price and time of the Bid.

(c) The allocation for QIBs for at least 60% of the Issue would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of up to 10% and 30% of the Issue respectively would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

(e) The BRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(f) We reserve the right to cancel the Issue any time after the Bid/ Issue Opening Date but before the Allotment without assigning any reasons whatsoever. The Selling Shareholder reserves the right to cancel the Offer for Sale any time after the Bid / Issue Opening Date without assigning any reasons whatsoever.

(g) In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

Signing of Underwriting Agreement and RoC Filing

(a) We, the Selling Shareholder, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by us after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) The BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue.

(b) The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be Allotted to such Bidder.

Designated Date and Allotment of Equity Shares

(a) We will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/ Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, we would ensure the credit to the successful Bidders' depository accounts of the Allotted Equity Shares to the Allottees within two working days of the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued and Allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their depository participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Ensure that you Bid within the Price Band;

c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour);

d) Ensure that the details about your depository participant and beneficiary account are correct as Equity Shares will be Allotted in the dematerialized form only;

e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

f) Ensure that you have been given a TRS for all your Bid options;

g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS; and

h) If your Bid is for Rs.50,000 or more, ensure that you mention your PAN allotted under the I.T. Act and ensure that you have attached copies of your PAN with the Bid cum Application Form. In case the PAN has not been allotted, mention "Not allotted" in the appropriate place. (See to the section "Issue Procedure - 'PAN' or 'GIR' Number" on page 222 of this Draft Red Herring Prospectus.);

i) If you are a body corporate making an application in this Issue ensure that you provide your UIN. If you have made an application for such a number before December 31, 2004 but the number has not been allotted, or where an appeal has been filed but not disposed off, ensure that you provide such information in the Bid cum Application Form (See to the section "Issue Procedure - Unique Identification Number" on page 223 of this Draft Red Herring Prospectus.); and

j) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the depository participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held

under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit Bid accompanied with Stockinvest or money order.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/ or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) In single name or in joint names (not more than three, and in the same order as their depository participant details).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, depository participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. **These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant**. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE

BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/ Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, the Bidder would have deemed to authorise the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ allocation advice/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we and the BRLM may deem fit.

Bids by Non Residents/NRI's/FIIs/FVCIs/ multilateral and bilateral development financial institutions

In accordance with extant regulations, the Issue is not being made to any other jurisdictions other than India. Consequently, only resident Indians are allowed to participate in the Issue. Non-Residents/ NRIs/ FIIs/ FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Under Regulation 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, FIIs, NRIs and FVCIs cannot purchase shares or convertible debentures of an Indian company, which is engaged in the print media sector. Therefore, FIIs, NRIs and FVCIs cannot participate in this Issue.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

PAYMENT INSTRUCTIONS

We shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/ or on allocation as per the following terms:

PAYMENT INTO ESCROW ACCOUNT

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding/ Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of "**Escrow Account –HT Media Limited - Offer**"

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.

(v) The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders till the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Issue Account.

(vii) No later than 15 days from the Bid/ Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and

applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ money orders/ postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. In case of QIB Bidders, members of the Syndicate may at their sole discretion waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/ are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.** In case the sole/ First Bidder and joint Bidder(s) is/ are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/ or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/ First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule

114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN")

Under the SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time ("**MAPIN Regulations**"), and SEBI notifications dated November 25, 2003, July 30, 2004 and August 17, 2004, and press release dated December 31, 2004, no specified investor being a body corporate shall subscribe to securities which are proposed to be listed on any recognized stock exchange unless such specified investor and its promoters and directors have been allotted unique identification numbers or UINs, except (i) those promoters or directors who are persons resident outside India (such promoters or directors are required to obtain their UINs by December 31, 2005) and (ii) where such specified investor being a body corporate has applied for allotment of a UIN before December 31, 2004 and has not yet been allotted the UIN until disposal of its application, or where it has filed an appeal, until disposal of the appeal, as the case may be.

The SEBI press release dated December 31, 2004 further clarified that wherever the President of India/ Central Government/ State Government is a promoter, it is exempted from the requirement of obtaining a UIN under regulation 6(2) of the MAPIN Regulations.

Previously SEBI required that all resident investors not being bodies corporate who enter into any securities market transaction (including any transaction in units of mutual funds or collective investment schemes) of the value of Rs. 100,000 or more would be required to obtain a UIN by March 31, 2005. Subsequently, by a press release dated February 24, 2005, SEBI has announced that the date for obtaining the UIN has been extended from March 31, 2005 to December 31, 2005 for such specified investors.

In terms of the above, it shall be compulsory for an investor being a body corporate making an application in this Issue to provide its UIN. In cases where a body corporate has made an application for such a number before December 31, 2004 but the number has not been allotted, or where an appeal has been filed but not disposed off, the investor shall provide such information in the Bid cum Application Form. A Bid cum Application Form from a specified investor being a body corporate that does not provide a UIN or UIN application status (in cases where an application for a UIN has been made before December 31, 2004, is liable to be rejected.

Right to Reject Bids

We and the BRLM reserve the right to reject any Bid without assigning any reason therefor in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;

4. Bids by NRIs, FIIs, FVCIs and Non Residents, multilateral and bilateral development financial institutions in accordance with extant regulations;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;

6. PAN not stated if Bid is for Rs. 50,000 or more and GIR number given instead of PAN and proof of PAN is not attached to the Bid cum Application Form;

7. Bids for lower number of Equity Shares than specified for that category of investors;

8. Bids at a price less than lower end of the Price Band;

9. Bids at a price more than the higher end of the Price Band;

10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;

11. Bids for number of Equity Shares, which are not in multiples of [•];

12. Category not ticked;

13. Multiple Bids;

14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

15. Bids accompanied by Stockinvest/ money order/ postal order/ cash;

16. Signature of sole and/ or joint Bidders missing;

17. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Member;

18. Bid cum Application Form does not have the Bidder's depository account details;

19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form, Bid/ Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum Application Form;

20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;

21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" on page 211 of this Draft Red Herring Prospectus;

22. Bids by OCBs;

23. Bids by U.S. persons including "qualified institutional buyers" as defined in Rule 144A of the Securities Act; and

24. Bids by specified investors being body corporates who do not provide their UIN or UIN application status in cases where applications have been made for such UIN before December 31, 2004.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be Allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

a) an agreement dated [•] between NSDL, us and Registrar to the Issue;
b) an agreement dated [•] between CDSL, us and Registrar to the Issue.

Bidders will be Allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

We and the Selling Shareholder have appointed Mr. V.K. Charoria, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi, 110 001.
Tel: +91 11 5556 1206.
Fax: +91 11 2373 8887.
E-mail: ipo@hindustantimes.com

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

We shall ensure dispatch of Allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of finalisation of Allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and

shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/ Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid/ Issue Closing Date would be ensured; and

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Interest on Refund of Excess Bid Amount

We shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders are not dispatched and/ or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/ 8/ S/ 79 dated July 31, 1983, as amended by their letter No. F/ 14/ SE/ 85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- The allocation would be decided by us in consultation with the BRLM and would be at our sole discretion, based on various factors, such as quality of the Bidder, size, price and date of the Bid.
- The aggregate allocation to QIB Bidders shall not be more than [•] Equity Shares.

Method of proportionate basis of Allotment in the Retail and Non-Institutional Portions

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares;
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the finalisation of basis of allocation. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/ Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/ Issue Closing Date;
- Our Company shall ensure dispatch of refund orders of value over Rs. 1500 and share certificates, if any, by registered post only and adequate funds for this purpose and despatch of Allotment advice, shall be made available to the Registrar to the Issue;
- Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest In Case of Delay in Despatch of Allotment Letters/Refund Orders in case of public issues

- We shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched and/ or demat credits are not made to investors within the 15 day time prescribed above.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

Undertakings by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the funds required for dispatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes as follows:

- the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens or encumbrances, and shall be transferred to the successful Bidders within the specified time; and
- The Selling Shareholder has authorized the Company Secretary and Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Fresh Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;

We and the Selling Shareholder shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Company shall transfer to the Selling Shareholder, the proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which

such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

Foreign investment in the print media sector is regulated both by the Union Government through the Foreign Investment Promotion Board and the MIB. The Industrial Policy specifies that FDI up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity. Further, under MIB regulations, FDI in Indian entities publishing newspapers/ periodicals dealing with news and current affairs is allowed only towards the subscription of upto 26% of paid-up equity of such entity Such permission is granted by the MIB, upon application, only where the equity held by the largest Indian shareholder is at least 51% of the total equity shares, excluding the equity held by public sector banks and public financial institutions, in such entity.

Further, there is a requirement that 50% of the FDI has to be inducted by the issue of fresh equity shares. It is obligatory on the part of the Indian entity to take prior permission from the MIB before effecting any alteration in the foreign shareholding pattern and the shareholding of the largest Indian shareholder.

Under Regulation 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, FIIs, NRIs and FVCIs cannot purchase shares or convertible debentures of an Indian company, which is engaged in the print media sector. In accordance with extant regulations, FIIs, NRIs and FVCIs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/ splitting as detailed below. Please note that the each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and the definitions in this section are in accordance with our Articles of Association.

Definitions:

"**Citicorp**" means Citicorp International Finance Corporation, a corporation organized and existing in accordance with the Laws of Delaware, U.S.A. with its principal place of business at New Castle Corporate Commons, One, Penn's Way, New Castle, Delaware 19720, USA

"**Effective Date**" shall have the meaning attributed to such term in the SHA.

"**Indirect Shareholders**" shall have the meaning attributed to such term in the SHA.

"**Investors**" means collectively Henderson Asia Pacific Equity Partners I L.P., a partnership organised and existing in accordance with the laws of England with its principal office at 4 Broadgate, London, United Kingdom EC2M2DA and Investor 2.

"**Investor 2**" means HPC (Mauritius) Ltd., incorporated as a private company limited by shares under section 24 of the Mauritius Company Act, 2001 with its principal office at 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius.

"**SHA**" shall mean the shareholders agreement entered into between the Promoter, the Indirect Shareholders, the Company, the Investors and Citicorp dated April 21, 2005.

2. SHARE CAPITAL, INCREASE IN AND REDUCTION OF CAPITAL

3.1 The authorized share capital of the Company shall be as prescribed in the Memorandum of Association.

3.2 Subject to provisions of the Act, the Company in General Meeting, may increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.

3.3 Terms of Issue of Debentures: Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

3.4 Terms of Issue of Shares: New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation whereof shall direct. Provided that no shares (not being preference shares) shall be issued carrying voting rights in the Company as to dividend capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares). The rights to exercise a call on shares of the Company cannot be given to any person except with the sanction of the Company in a general meeting.

3.5 Further issue of shares:

3.5.1 Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

(a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on these shares at the date;

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in sub clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him;

(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is giving that he declines to accept the shares offered, the Board may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.

3.5.2 Notwithstanding anything contained in sub-clause 3.5.1 hereof, the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.

(a) If a special resolution to that affect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, the chairman) by the Members who, being entitled to do so, vote in person, or where Proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3.5.3 Nothing in sub-clause (c) of 3.5.1 hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3.5.4 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company.

i. To convert such debentures or loans into shares in the Company; or

ii. To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term.

(a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) in the case of debentures or loans or other than debentures issued to or loans obtained from Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

3.6 Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the original capital

and shall be subject to the provisions herein contained with reference to the payment of calls and instalments transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

3.7 Subject to the provisions of the Act the Company in a General Meeting, may from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Sub-Section (i) (a) to (e) of Section 94 of the Act and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.

3.8 Notwithstanding anything contained in these Articles, the Company shall be entitled to purchase its own shares and specified securities, as permitted by law, and in connection thereto the Board may, when and if thought fit, buy back such of the Company's own shares or specified securities permitted by law, as it may think fit, subject to such limits, upon such terms and conditions, and in such manner as may be prescribed by law and subject to such approvals as may be necessary. Further, Subject to the provisions of the Act the Company in a General Meeting, may from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Sub-Section (i) (a) to (e) of Section 94 of the Act and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.

3. SHARES

4.1 Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Board, who may, subject to these Articles, issue, allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 79 and other applicable provisions of the Act) and at such times as they may from time to time think fit and proper and with the sanction of the Members in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the Company on payment in full or in part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid shares. Provided that option or right to call any shares shall not be given to any person or persons without the sanction of the Members in General Meeting.

4.2 The Company shall be entitled to dematerialise or rematerialize any or all of its shares, debentures and other marketable securities pursuant to the Depositories Act, 1996 and, subject to these presents, to offer its shares, debentures and other securities for subscription in a dematerialized form.

4.3 Every person subscribing to securities offered by the Company shall have the option either to receive the security certificates or to hold the securities with a depository. If a person opts to hold the securities with a depository, the Company shall intimate such depository the details of allotment of the security. On receipt of such information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

4.4 Every person who is the beneficial owner of the securities can at any time opt out of a depository, in the manner provided by the Depositories Act, 1996. The Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

4.5 All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, of the Act shall apply to a depository in respect of securities held by it on behalf of the beneficial owners.

4.6 Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

4.7 Save as otherwise provided in Article 4.6 above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

4.8 Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

4.9 The Company may exercise the powers of paying commissions conferred by section 76, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section. The rate of commission shall not exceed the rate of five percent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to five percent of such price, and in the case of debentures, two and a half percent of the price at which debentures are issued or an amount equal to two and a half percent, as the case may be. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

4.10 If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees or if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or work out or where is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

4.11 Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment. Unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share of shares held Jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several right holders shall be sufficient delivery to all such holder.

5. Share Warrants

5.1. The Company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115 of the Act; and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board

may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

5.2 (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

5.3. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of Members as the holder of the shares included in the warrant, and he shall be a Member of the Company.

5.4 The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

6. CALLS AND FORFEITURE OF SHARES

6.1 The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by instalments.

6.2 The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to the payment of any call for any of the Members; but no Member shall be entitled to such extension save as a matter of right.

6.3 Not less than 30 days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. Provided that before the time for payment of such call, the Directors may by notice in writing to the Members revoke or postpone the same.

6.4 Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

6.5 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by Members on such date or

at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

6.6 If any Member fails to pay any call due from him on the date appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time be fixed by the Board. However the Board shall be at liberty to waive payment of any such interest wholly or in part.

6.7 Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

6.8 The Directors may if they think fit receive from any Member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate not exceeding, unless the Company in General Meeting directs, six percent per annum, as may be agreed between the Board and the Member paying the sum in advance. However, such amounts paid in advance will not confer a right to dividend or participate in profits.

6.9 No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any person, together with interest and expenses, if any.

6.10 On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the Member in respect of whose shares the money's are sought to be recovered, is entered in the Register of Members as a Member/ one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares and that the resolution making the call is duly recorded in the Minute book and the notice of such call was duly given to the Member, holder or joint-holder or his legal representatives sued in pursuance of these presents. It shall not be necessary to prove the appointment of Directors who made such call nor that the quorum of Directors was present at the Board at which any such call was made nor that the Meeting at which any such call was made had been duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

6.11 Forfeiture

6.11.1 If a Member or debenture-holder fails to pay any call or the allotment money which was deferred or kept as term deposit as a condition of subscription or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or allotment money or instalment remains unpaid serve a notice on him requiring payment of so much call or instalment as is unpaid, together with any interest which may have accrued.

6.11.2 The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares or debentures in respect of which the call was made will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not complied with any share or debenture in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

6.11.3 A forfeited share or debenture may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

6.11.4 At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

6.12 Effect of Forfeiture

(i) A person whose shares or debentures have been forfeited shall cease to be Member or holder in respect of the forfeited shares or debentures, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the share or debenture.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares or debentures.

6.13 Declaration and other provisions of Forfeiture

(i) A duly verified declaration in writing that the declarant is a Director, Manager or the Secretary of the Company and that a share or debenture in the Company has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated, as against all persons claiming to be entitled to the share or debenture.

(ii) The Company may receive the consideration, if any, given for the share or debenture on any sale or disposal thereof and may execute a transfer of the share or debenture in favour of the persons to whom the share or debenture is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share or debenture.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share or debenture.

(v) The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a share or debenture, becomes payable at a fixed time, whether on account of the nominal value of the share or debenture or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(vi) The Board may accept from any shareholder/ debenture holder on such terms and conditions as shall be agreed a surrender of all or any of his shares/ debentures.

6.14 The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer or shares / debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

7. TRANSFER AND TRANSMISSION OF SHARES, NOMINATION

7.1 The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

7.2 A common instrument of transfer shall be used which shall be in writing in case of shares/ debentures held in physical form and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and the registration thereof.

7.3 The instrument of transfer in case of shares/ debentures held in physical form shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

7.4 Subject to the provisions of the Listing Agreements, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except:

(a) when the transferee is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;

(b) when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;

(c) when the transferor object to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction.

7.5 Subject to the provisions of section 111A, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

7.6 Subject to the provisions of sections 109 and 109A of the Act, a transfer of the shares or other interest in the Company of a deceased Member thereof made by his legal representative shall although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

7.7 The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as may be prescribed.

7.8 Subject to the provisions of section 109A of the Act and clauses 7.14 and 7.15 of these Articles, the executors or administrators of a deceased Member or a holder of a succession certificate or other legal representative or nominee in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company will be bound to recognize as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors, administrators or holder unless such executors or administrators shall have first obtained probate or letters of administration or such holder is the holder of a succession certificate or other legal representation, from a court of competent jurisdiction or in the case of

nomination, on the production of such evidence as the Board may require, as the case may be.

Provided that in any case where the Directors, at their absolute discretion, think fit, the Directors may dispense with production of probate or letters of administration or succession certificate or other legal representation or other evidence and register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member as a Member, in accordance with the provisions of these Articles.

7.9 Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered as a Member in respect of such shares or may subject to the regulations as to transfer contained in these presents and applicable law, transfer such shares to some other person. This Article, in these presents, is referred to as the "Transmission Clause".

7.10 The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

7.11 Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

7.12 No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

7.13 The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend to give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

7.14 Nomination

7.14.1 Every share/ bond/ debenture holder of the Company and a depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his shares/ bonds/ debentures or deposits in the Company shall vest in the event of his death.

7.14.2 Where the shares or bonds or debentures or deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or bonds debentures or deposits in the Company, as the case may be, shall vest in the event of death of all the joint holders.

7.14.3 Notwithstanding anything contained in these articles, or any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such shares/

bonds/ debentures or deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the shares/ bonds/ debentures or deposits in the Company, the nominee shall on the death of the share/ bond / debenture holder or a depositor, as the case may be, or on the death of the joint holders become entitled to all the rights in such shares/ bonds/ debentures or deposits, as the case may be, to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.

7.14.4 Where the nominee is a minor, it shall be lawful for the holder of the shares/ bonds/ debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares/ bonds/ debentures or deposits in the Company, in the event of his death, during the minority.

7.15 Transmission Of Securities By Nominee

7.15.1 Notwithstanding anything provided in these Articles, a nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share/ bond/ debenture or deposits, as the case may be; or

(b) to make such transfer of the share/ bond/ debenture or deposits, as the case may be, as deceased share/ bond/ debenture holder or depositor could have made;

(c) if the nominee elects to be registered as holder of the share/ bond/ debenture or deposits, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased share/ bond/ debenture holder or depositor, as the case may be;

7.15.2 A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share/ bond/ debenture or deposits except that he shall not, before being registered as a Member in respect of his share/ bond/ debenture or deposits be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share/ bond/ debenture or deposits, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share/ bond/ debenture or deposits, until the requirements of the notice have been complied with.

8. DIVISION OF PROFITS AND DIVIDEND

8.1 The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the Act and these presents as to the reserve fund and amortisation of capital shall be divisible among the Members in proportion to the amount of capital paid-up by them respectively. Provided always that (subject as aforesaid) any capital paid-up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

8.2 No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived after providing for the depreciation in accordance with the provisions of sub-section (2) of section 205 of the act or out of profits of the Company for any previous financial year or years arrived after providing for the depreciation in accordance with applicable laws and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of a guarantee given by the government. No dividend shall carry interest against the Company.

8.3 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

8.4 The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

8.5 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

8.6 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but, subject to the provisions of the Listing Agreements, if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

8.7 The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

8.8 No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these Articles as paid on the share.

8.9 For the purpose of the last preceding article, the declaration of the directors as to the amount of the profits of the Company shall be conclusive.

8.10 Subject to the provisions of section 205 of the act as amended, no dividend shall be payable except in cash.

8.11 A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

8.12 Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on accounts of dividends in respect of such shares.

8.13 Unless otherwise directed any dividend may be paid by cheque or demand draft or warrant or such other permissible means to the registered address of the Member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of joint holding and every cheque, demand draft or warrant so sent shall be made payable to the Member or to such person and to such address as the shareholder or the joint shareholders in writing may direct.

8.14 The Company in a General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the directors.

8.15 The directors may, from time to time, pay to the Members such interim dividends, as in their judgment the position of the Company justifies.

8.16 Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days

from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

8.17 Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Protection Fund in accordance with the provisions of section 205A (5) and other applicable provisions of the Act.

8.18 No unclaimed or unpaid dividend shall be forfeited by the Board.

9. CAPITALIZATION OF RESERVE

9.1 The Company in General Meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause 20.2 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

9.2 The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause 9.3, either in or towards—

(i) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid; or
(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

Provided however that such payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

9.3 A share premium account and a capital redemption reserve account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

9.4 The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

9.5 Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
(b) generally do all acts and things required to give effect thereto.

9.6 The Board shall have full power—

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also
(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions

of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

9.7 Any agreement made under such authority shall be effective and binding on all such Members.

11. BORROWING POWERS

11.1 Subject to the provisions of Section 58A, 292 and 293 of the Act and these Articles, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without consent of the Company in General Meeting.

11.2 The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture – stock of the Company, charged upon all or any part of the property of the Company, (both present and future) including its uncalled capital for the time being; and debentures, debenture – stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

11.3 Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

11.4 Subject to the provisions of the Act and applicable law, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing, allotment of shares, appointment of Directors or otherwise.

11.5 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

11.6 The Directors shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the Register of Charges.

12. GENERAL MEETINGS

12.1 All General Meetings other than the Annual General Meeting shall be called Extra ordinary General Meetings.

12.2 The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in

regard to the matter in respect of which the requisition has been made. Such requisition shall state the reason for calling the meeting.

12.3 Five Members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum be present when the meeting proceeds to business.

12.4 No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

12.5 The Chairman or in his absence the Vice Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company.

12.6 If there be no Chairman or, if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting, or is unwilling to act, Directors present shall elect one of their number to be the chairman of the meeting.

12.7 If within half an hour from the time appointed for the General Meeting, a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved and in any other case shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum and may transfer the business for which the meeting was called.

12.8 The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting adjourn any meeting from time to time, and from place to place.

12.9 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for more than 30 days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned Meeting.

12.10 At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands) ordered to be taken by the Chairman of the meeting of his own motion or demanded by any Member or Members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up and unless a poll is so ordered to be taken or demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

12.11 If a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken forthwith and without adjournment. A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairman may direct.

12.12 On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his Proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

12.13 Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given to the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of the scrutineer arising from such removal or from

any other cause. Of the two scrutineers appointed under this Article one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided that such a Member is available and willing to be appointed.

12.14 The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

12.15 In the case of any equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own votes to which he may be entitled as a Member.

12.16 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

12.17 Notwithstanding anything contained in the provisions of these presents, the provisions of section 192A of the Act and the rules made thereunder, shall apply in relation to passing of resolutions by Postal Ballot.

12.18 Subject to the provisions of the Act:

(a) on a show of hands, every Member present in person shall have one vote; and

(b) On a poll, the voting rights of Members shall be as provided in Section 87 of the Act.

12.19 Any Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction to lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by Proxy.

12.20 A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member, by resolution of its Board or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company in accordance with the provisions of Section 187 of the Act. The production at the meeting of a copy of such resolution duly signed by one Director or such body corporate or by a member of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

12.21 Any person entitled under the Transmission Clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares unless the Board has previously admitted his right to vote at such meeting in respect thereof.

12.22 Any Member who is entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. A Proxy so appointed shall not have any right to speak at the meeting.

12.23 Votes may be given either personally or by attorney or by Proxy or in the case of a body corporate by a representative duly authorized as aforesaid.

12.24 No person shall act as Proxy unless the instrument of his appointment and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the registered office of the Company at least 48 hours before the time for holding the meeting at which the person named in the instrument of proxy proposes to vote and in default the instrument appointing the Proxy shall not be treated as valid. No attorney shall be entitled to vote unless the power of

attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time of the meeting at which the attorney proposes to vote or is deposited at the registered office not less than 48 hours before the time of such meeting as aforesaid. Notwithstanding that a power of attorney of that authority has been registered in the records of the Company, the Company may by- notice in writing addressed to the Members or the attorney at least seven days before the date of a meeting require him to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company not less than 48 hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board, at its absolute discretion, excuse such non-production and deposit. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days notice in writing of the intention to inspect is given to the Company.

12.25 If any such instrument of appointment be confined to the object of appointing a Proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

12.26 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office before meeting.

12.27 No objection shall be made to the validity of the vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by Proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

12.28 The Chairman of any meeting shall be the sole judge of the validity of every vote cast at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote cast at such poll.

12.29 Any Member whose name is entered in the Register of Members, or who is a beneficial owner of the shares shall enjoy the same right and be subject to the same liabilities as all other Members of the same class.

12.30 Postal Ballot: Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the Members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/ or other ways as may be prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a General Meeting of the Company subject to compliances with the procedure for such postal ballot and/ or other requirements prescribed in the rules in this regard.

13. BOARD OF DIRECTORS AND BOARD MEETINGS

13.1 So long as the Promoter holds 51% or more of paid-up equity share capital of the Company the Promoter shall from time to time determine in writing, the number of Directors of the Company of which shall not be less than four and not more than twelve. These Directors may be either whole time functional Directors or part time Directors. The Board will comprise of a minimum of five and a maximum of twelve Directors and the composition of the Board shall comply with the terms of the Listing Agreements.

13.2 Subject to sections 198, 309 and other applicable provisions of the Act, the Directors shall be paid such salary and/ or allowances as the shareholders may, from time to time, determine. The remuneration of directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the shareholders may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise. In addition to the remuneration payable to the Directors under this Act, all reasonable expenses of Directors, including the Nominee Directors, for attending meetings of the Board or otherwise in connection with the business may be borne by the Company.

13.3 Two-thirds (any fraction to be rounded off to the next number) of the Directors shall be persons whose period of office shall be liable to determination by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

13.4 At every Annual General Meeting of the Company held next after the date of General Meeting in which first Directors are appointed, in accordance with section 255 of the Act, one-third of such Directors for the time being liable to retire by rotation or if their number is not three or a multiple of three, than the number nearest to one-third, shall retire from office.

13.5 Directors to retire by rotation at every Annual General Meeting shall be those (other than the Managing Director of the Company, and such other non-retiring Directors, if any) who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, by determined by lot.

13.6 A retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.

13.7 If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, at the same time and place, and if at the adjourned meeting also, the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:

(i) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;
(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
(iii) he is not qualified or is disqualified for appointment;
(iv) a resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act.
(v) the proviso to sub section (2) of section 263 is applicable to the case.

13.8 Nominee Directors

13.8.1 On and from the Effective Date and so long as the SHA is operative and in force with respect to the Investor(s) or Citicorp, as the case may be, the Investor 2 and Citicorp (as the case may be) shall each have the right to nominate and maintain in office one non retiring Director (each a **"Nominee Director"**) (and to remove from office any director so appointed and to appoint another in place of the director so removed) on the Board and to appoint alternate directors to such Nominee Directors). In relation to their respective Nominee Director, the Investors and Citicorp shall severally be liable to ensure that disclosures as may be required pursuant to the Guidelines Applicable for Foreign Direct Investment in Indian Entities publishing Newspapers and Periodicals dealing with News and Current Affairs (the "**Guidelines**") issued by the Ministry of Information and Broadcasting, Government of India and other applicable Law are made and shall render

reasonable co-operation to the Company in complying with all applicable provisions of the Guidelines.

13.8.2 The Promoter and the Indirect Shareholders shall procure that each appointment, removal or replacement of any Nominee Directors in terms of 13.8.1 above is implemented without delay and in any event within 7 (seven) days of such nomination and where necessary, meetings of the shareholders of the Company or a meeting of the Board, as applicable, is convened for this purpose.

13.8.3 The chairperson of the Board shall always be a nominee of the Promoter and shall not be entitled to any veto rights.

13.8.4 It is agreed that the Promoter, as the largest Indian shareholder of the Company shall be in control of the day to day management and affairs of the Company and shall control at least 51% of the issued equity share capital of the Company till such time as either the Investors or Citicorp, own at least 5% of the issued equity share capital of the Company.

13.8.5 The Company shall, and the Promoters and the Indirect Shareholders procure that the Company shall, procure insurance cover for the Nominee Directors on terms that reasonably represent industry practice.

13.9 The Board shall from time to time, elect from amongst itself a Director to be the chairman of the Board and determine the periods for which the chairman to hold office. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the chairman of the meeting.

13.10 All acts done by any meeting of the Board or a Committee thereof or by any person acting as a director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be valid as if every such director or such person had been duly appointed was qualified to be a director.

13.11 Subject to the provisions of the Act, by giving written notice of at least 14 days to the Company, each Director shall have the right, from time to time, to nominate any one person as his alternate and terminate such person's appointments as his alternate.

13.12 Subject to provisions of the Act, the Listing Agreements and applicable law, meetings of the Board shall be held once in every three months and at least four such meetings shall be held every year. Any Director may request for convening of a meeting of the Board in terms of this Article 13.12. Unless otherwise agreed in writing between the Parties, all meetings of the Board shall be held in New -Delhi upon the issuance of a fourteen day notice. No meeting shall have been validly convened until notice of such meeting of the Board has been given in writing to all the Directors at least 14 days prior to the proposed date of the meeting at the address notified to the Company accompanied with all relevant agenda papers. Provided however that the accidental omission to give notice of any meetings of the Board to any Director shall not invalidate any resolution passed at any meeting.

13.13 The quorum necessary for the transaction of business of the Directors shall be one third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher as provided in Section 287 of the Act.

13.14 Subject to the provisions of Section 292 of the Act, a resolution of the Board shall be valid and effectual as if it had been passed at a properly convened and quorate meeting of the Board, if a written draft thereof together with the necessary ancillary documents (if any) is circulated to all the Directors at their respective notified addresses and is approved in writing by a majority of the Directors.

13.15 All matters shall be decided by the Board by a simple majority, and in case of an equality of

votes the Chairman shall have a second or casting vote.

13.16 Each Director shall be entitled to exercise one vote.

13.17 The Directors shall not be required to hold any qualification shares.

13.18 Committee of Directors

13.18.1 The Board may, subject to the provision of Section 292 and other applicable provisions of the Act, delegate any of their powers to committees ("Committees") consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors including with relation to sub-delegation of its powers or any other matter. The proceedings of such a Committee shall be placed before the Board at its next meeting or in a subsequent meeting of the Board held within a period of three months.

13.18.2 The meeting and proceedings of any such Committee consisting of two or more members shall, subject to applicable law, be governed by the provisions of the Act for regulating the meetings and proceeding of the Directors, so far as the same are applicable thereto.

13.18.3 A Committee may elect a Chairman at its meeting; however if no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the meeting.

13.18.4 The Board may pay all the expenditure incurred in setting up and registering the Company.

14. MANAGING DIRECTOR

14.1 Subject to the provisions of the Act and these Articles, the Board shall have the power to appoint from time to time one of its member as the Managing Director of the Company, upon such terms and conditions as the Board thinks fit and, the Board may by resolution vest in such Managing Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such condition and subject to such restrictions as the Board may determine.

14.2 Subject to the provisions of Law and requisite permission/ approvals of the shareholders and the Central Government, if required, the remuneration of the managing Director shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits of by any or all these modes or any other mode not expressly prohibited by the Act.

14.3 The terms and period of appointment of the Managing Director shall be determined by the Company from time to time.

14.4 The managing Director shall act under the general supervision of the Board.

15. ACCOUNTS

15.1 The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

16. AUDIT

16.1 At least once in every year, the accounts of the Company shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors to be appointed as required by the Act.

16.2 The Company, at each Annual General Meeting, shall appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting. The appointment and the removal of Auditors and the person who may be appointed as the Auditors shall be as provided in the Act.

16.3 The Auditor of the branch office, if any, of the Company shall be, by and in the manner provided by Section 228 of the Act.

16.4 The remuneration of the Auditors of the Company shall be fixed and determined in accordance with the provisions of Section 224 of the Act. The powers and duties of the Auditor shall be the same as those provided in the Act.

17. CONFIDENTIALITY

17.1 Every director, manager, auditor, treasurer, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

17.2 No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process and which in the opinion of the Directors, would be inexpedient in the interest of the Company to disclose.

18. RECONSTRUCTION

18.1 In the event of winding up, pursuant to any compromise or arrangement with creditors and Members under section 391 and 394 of the Act, the liquidator or sponsors of such scheme of arrangement, composition of re-construction may propose the sale of any undertaking there under and the Company may accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company or for cash consideration. Such scheme shall be approved and passed by a special majority, as required by the court monitoring the scheme. The liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the contributories without realisation, or vest the same in trustees for them, and may, if authorised by a Special Resolution, provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and the contributories shall be bound to accept and shall be bound by any valuation or distribution so authorised and may waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

19. WINDING UP

19.1 If the Company shall be would up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the shares

held by them respectively and if in a winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the paid up capital, such assets shall be distributed amongst the Members in proportion to the original paid up capital as the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions

20. MISCELLANEOUS

20.1 A notice (which expression for the purposes of these presents, shall be deemed to include and shall include any summon, notice, process, order, judgment or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member either personally or by sending it by post to him to his registered address.

20.2 Where a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice.

Provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Member.

20.3 If a Member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the registered office shall be deemed to be duly given to him on the day on which the advertisement appears.

20.4 A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a pre paid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

20.5 Subject to the provisions of the Act and these presents, notice of every General Meeting shall be given in any manner hereinbefore authorized to:

(i) every Member of the Company;

(ii) every person entitled to a share in consequence of the death or insolvency of all Members who but for his death or insolvency, would be entitled to receive notice of the meeting; and

(iii) the Auditor or Auditors of the Company.

20.6 Any notice to be given by the Company shall be signed by the secretary or by such Director or officer as the Board may appoint. Such signature may be written, printed or lithographed.

20.7 Every person who, by operation of Law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to the Company shall have been duly given to the person from whom he derives his title to such share.

20.8 Subject to the provisions of the Act and these presents, any notice given in pursuance of these presents or document delivered or sent by post to or left at the registered address of any Member or at the address given by him in pursuance of these presents, shall notwithstanding that such Member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly by other persons by such Member until

some other person be registered in his stead as the holder or the joint holder thereof and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such share.

20.9 Ensuring Compliance with Applicable Law: Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with applicable law including, without limitation, the applicable provisions of the Guidelines for Foreign Direct Investment in Indian Entities Publishing Newspapers and Periodicals Dealing with News and Current Affairs published by the Ministry of Information and Broadcasting, Government of India and subject to the provisions of section 111A of the Companies Act, 1956 and the other provisions of applicable law, the directors may, for contravention of the provisions of Securities and Exchange Board of India Act, 1992, or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act, 1985, or the Guidelines for Foreign Direct Investment in Indian Entities Publishing Newspapers and Periodicals Dealing with News and Current Affairs, or other applicable law for the time being in force, and by giving reasons, decline to register or acknowledge any transfer or transmission of shares whether fully paid or not, and the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was given to it, send to the transferee a notice of the refusal to accept such transfer or transmission of its shares.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by us. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at [•] from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date.

Material Contracts

1. Letter of appointment dated March 18, 2005 to Kotak Mahindra Capital Company Limited from our Company appointing them as BRLM.

2. Memorandum of Understanding dated April 20, 2005 between us, the Selling Shareholder and the BRLM.

3. Memorandum of Understanding dated [•] executed by us and the Selling Shareholder with Registrar to the Issue.

4. The Stabilisation Agreement dated [•] between us, the Selling Shareholder and the Stabilisation Agent.

5. Escrow Agreement dated [•] between us, the Selling Shareholder, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.

6. Syndicate Agreement dated [•] between us, the Selling Shareholder and the BRLM and Syndicate Member.

7. Underwriting Agreement dated [•] between us, the Selling Shareholder, the BRLM and the Syndicate Member.

8. Shareholders' Agreement dated April 21, 2005 between us, HTL, Henderson, HPC and Citicorp and waiver letter [•].

9. Business purchase agreement dated August 15, 2003 between us and HTL in respect of the business and undertaking pertaining to the print media and the publishing business carried on at various locations in India, except New Delhi.

10. Business purchase agreement dated August 15, 2003 between us and HTL in respect of the business and undertaking pertaining to the print media and the publishing business carried on at New Delhi.

11. Business purchase agreement dated October 1, 2004 between us and HTL in respect of the business and undertaking pertaining to the printing business carried on in New Delhi.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.

2. Our certification of incorporation dated December 3, 2002.

3. Shareholders' resolutions dated March 15, 2005 in relation to this Issue and other related matters.

4. Resolutions of the Board dated March 15, 2005.

5. Letter to the MIB dated April 6, 2005 seeking a no objection for the Issue and the corresponding changes in the shareholding of the largest Indian shareholder and the foreign shareholders in our Company and letter from the MIB dated April 19, 2005 taking the same on record.

6. Resolutions of the general body for appointment and remuneration of our whole-time Directors.

7. Report of the statutory Auditors, S.R. Batliboi & Co, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus.

8. Copies of annual reports of us and our subsidiary.

9. Consents of the Auditors, being S.R. Batliboi & Co, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

10. General Powers of Attorney executed by the Directors of us in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

11. Consents of Auditors, Bankers to the Company, BRLM, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s), Banker to the Issue, Domestic Legal Counsel to the Issue, International Legal Counsel to the Issue, our Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

12. Applications dated [•] and [•] for in-principle listing approval from the NSE and the BSE, respectively.

13. In-principle listing approval dated [•] and [•] from the NSE and the BSE respectively.

14. Tripartite agreement between NSDL, us and the Registrar to the Issue dated [•].

15. Tripartite agreement between CDSL, us and the Registrar to the Issue dated [•].

16. Due diligence certificate dated [•] to SEBI from Kotak Mahindra Capital Company Limited.

17. SEBI observation letter [•] dated [•].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of us or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act 1956, and the guidelines issued by the Government of India or the guidelines issued the by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

HPC takes responsibility for only those statements, which are in respect of HPC as the Selling Shareholder. It assumes no responsibility of any statements made by the Company in this Draft Red Herring Prospectus including without limitation all information clauses relating to the Company, its businesses, its affairs and its disclosures.

SIGNED BY ALL DIRECTORS

Dr. K.K. Birla. *

Mrs. Shobhana Bhartia.

Mr. Y.C. Deveshwar. *

Mr. K.N. Memani.

Mr. Sanjiv Kapur. *

Mr. Ajay Relan. *

Mr. N.K. Singh. *

Mr. S.M. Agarwal.

Mr. Shamit Bhartia.

* Through their constituted attorney Mr. Ravi Seth.

Signed by Mr. Rajiv Verma, the Chief Executive Officer.
-sd-

Signed by Mr. Ravi Seth, Director (Finance).
-sd-

Signed for the Selling Shareholder – HPC (Mauritius) Limited.
-sd-

Date: April 21, 2005.

Place: New Delhi.