RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated July 18, 2005
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.
E-mail: ipo@hindustantimes.com; Website: www.hindustantimes.com

PUBLIC ISSUE OF 6,995,000 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 UPTO 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, IF EXERCISED IN FULL, WILL AGGREGATE 7,691,000 EQUITY SHARES AMOUNTING TO 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. 445 TO RS. 530 PER EQUITY SHARE OF FACE VALUE RS. 10.

ISSUE PRICE IS 44.5 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 53.0 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 The Stock Exchange, Mumbai ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and at the bidding terminals of the Syndicates.

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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page x of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated May 5, 2005 and May 10, 2005, respectively. BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
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 : AUGUST 4, 2005	**BID/ ISSUE CLOSES ON : AUGUST 10, 2005**

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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

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	ABN AMRO Bank, Citibank N.A., HDFC Bank Limited, Kotak Mahindra Bank Limited and Standard Chartered Bank.
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 Members 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 Members 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.

BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Kotak Mahindra Capital Company Limited.
Business Purchase Agreement(s)	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.
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	The Stock Exchange, Mumbai.
Director(s)	Director(s) of HT Media Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated April 21, 2005 filed with SEBI.
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 Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened and in this case being ABN AMRO Bank, Citibank N.A. HDFC Bank Limited, Kotak Mahindra Bank Limited and Standard Chartered Bank.
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 Bankers 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 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 (i) Publication of Newspapers and Periodicals dealing with News and Current Affairs and (ii) Publication of Facsimile Editions of Foreign Newspapers, issued by the MIB dated July 13, 2005.
Non-Institutional Bidders	All Bidders that are not eligible 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.
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.
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. 445 to Rs. 530 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, FIIs, 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 available for allocation to QIBs.
Refund Account	Account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount, if any, shall be made.
Registered Office 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	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.
Shareholders Agreement	The agreement dated April 21, 2005 between our Company, HTL, Henderson, HPC, Citicorp and others.
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.
SEBI MAPIN Regulations	SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
Selling Shareholder	HPC (Mauritius) Ltd, Mauritius.
Specified Investor	An investor being a (i) body corporate, (ii) FIIs and sub-accounts of FIIs or (iii) FVCIs, and specified as such under the SEBI MAPIN Regulations and notifications and press releases thereunder and who (along with its promoters and directors) are required to obtain, prior to or as on the Bid/Issue Closing Date, unique identification numbers for the purpose of subscribing to securities which are proposed to be listed on any recognized stock exchange.
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 Members.
Syndicate Agreement	The agreement to be entered into among the Company, the Selling Shareholder and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Kotak Securities Limited and ASK Raymond James & Associates Private Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The Agreement among the members of the Syndicate, the Selling Shareholder 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.
BSE	The Stock Exchange, Mumbai.

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.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
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.
FIPB	Foreign Investment Promotion Board.
GDP	Gross Domestic Product.
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.
MP	Madhya Pradesh.
MIB	Ministry of Information & Broadcasting, Government of India.
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.
NAV	Net Asset Value.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.

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.
p.a.	per annum.
PAN	The permanent account number allotted under the I.T. Act.
P/ E Ratio	Price/ Earnings Ratio.
PIO	Persons of Indian Origin.
RBI	The Reserve Bank of India.
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi.
RoNW	Return on Net Worth.
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.
UP	Uttar Pradesh.

Industry Related Terms

Abbreviation	**Full Form**
ABC	Audit Bureau of Circulation.
Ad-spend	Advertisement spending.
CIF	Cost, Insurance & Freight.
DAVP	Department of Audio & Visual Publications, Government of India.
FM	Frequency Modulated.
INS	Indian Newspaper Society.
IT	Information Technology.
NCR	National Capital Region.
NRS	National Readership Survey.
PACE	Partnerships for Action in Education.
QBC	Quick Booking Centers.
RISI	Resource Information Systems Inc.
RNI	Office of Registrar of Newspapers for India.
SEC	Socio Economic Classification.
TAM Adex	Television Advertising Monitoring Ad Expenditure.
UPM	UPM - Kymmene Corporation.

PRESENTATION OF FINANCIAL AND MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated consolidated statements prepared in accordance with Indian GAAP. Unless stated otherwise, the operational data in this Red Herring Prospectus is presented on a 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 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 Red Herring Prospectus has been obtained from industry publications such as *Audit Bureau Of Circulation, National 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 Red Herring Prospectus is reliable, it has not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

We have included statements in this 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 x of this 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 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 Discussion and Analysis of Financial Condition and Results of Operations” on pages 43 and 173 of this Red Herring Prospectus as well as the other financial and statistical information contained in the 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

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 audited financial statements for the nine-month period from July 1, 2003 to March 31, 2004 and for the twelve month period from April 1, 2004 to March 31, 2005 and our unaudited financial statements (which were subjected to limited review) for the three month period from April 1, 2005 to June 30, 2005 are included in this Red Herring Prospectus. These periods are not comparable and it is difficult, therefore, to evaluate our business and financial results.

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

The newly lanuched *Hindustan Times* Mumbai edition, 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 incur capital expenditure of Rs. 500 million by the end of Fiscal 2006 to establish our Mumbai edition, of which we had incurred Rs. 205.5 million as of June 30, 2005. 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 year ended March 31, 2005, we derived approximately 77.8% of our revenues from advertisements of which our top 10 advertisers contributed to approximately 7% 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 contract 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). For further information on the price of newsprint, see the section titled "Our Business - Our Sources of Newsprint" on page 62 of this 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 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 69.40% approximately of the Equity Shares, assuming the Green Shoe Option is not exercised and 68.37% approximately of the Equity Shares assuming the Green Shoe Option is exercised in full and will continue to control us.

After completion of the Issue, our Promoter, The Hindustan Times Limited, will own approximately 69.40% of the Equity Shares, assuming the Green Shoe Option is not exercised and 68.37% of the Equity Shares assuming the Green Shoe Option is exercised in full (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 243 of this 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 March 31, 2005, our contingent liabilities not provided for comprised the following:

a)	Bank Guarantees given by our Company and the Subsidiary	:	Rs. 0.58 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. 1.18 million
	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 Agreements.

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 seven 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. There are two show cause notices against us from Assistant Provident Fund Commissioners in Patna and Delhi and one show cause notice by the Inspector of Factories under the Factories Act, 1948. Ten 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 against us.

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 and reinstatement in service with payment of back wages.

There are 13 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. 2.2 million.

There are 29 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. 1,310 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 four claims pending before the Motor Accident Claims Tribunals for an aggregate amount of Rs. 3.52 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.

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 causing nuisance to some of our directors outside their residences (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. The next date of hearing is August 2, 2005.

There are six labour claims pending against our subsidiary, SPHL in relation to alleged illegal termination from service. The employees have claimed reinstatement in service with payment of back wages. A show cause notice has also been issued to SPHL by the Employees State Insurance Corporation, Patna for payment of dues amounting to Rs. 7.34 million for the period 1989 to 2000.

In respect of assessment years 1988-89 and 1990-91 to 2002-03, there are disputed claims with the Income Tax department amounting to Rs. 218.36 million against our Promoter, HTL. There is a winding up petition pending against HTL in the Delhi High Court. 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. There is one recovery suit for mesne profits pending against HTL. HTL has also been issued with a show cause notice dated May 18, 2004 by the Assistant Registrar of Companies to provide further information in relation to certain agreements executed by HTL so as to verify certain allegations relating to defrauding of creditors.

The Commissioner of Customs (Imports), Mumbai has summoned HTL vide show cause notice dated July 6, 2005, for a personal hearing on July 22, 2005 or July 28, 2005 regarding finalisation of Project Capital Registration in terms of the Project Import Regulations, 1986. In the event HTL fails to submit the required documents in the show cause notice, the differential duty required to be paid by HTL shall be Rs. 67.03 million.

One suit has been filed against our group company, The Birla Cotton Spinning & Weaving Mills Limited, in relation to allegedly wrongful termination from service, in which a claim of reinstatement in service with all consequential benefits, or in the alternative, payment of Rs. 107,700 as compensation, has been claimed.

There are five cases pending or show cause notices against our Directors. These include the following:

(a) Mr. K.N.Memani, was a non executive chairman of Platinum Finance Limited and was served with a show cause notice for violation of section 146(2) of the Companies Act and appears as a willful defaulter in the list of such defaulters of the RBI.

(b) Mr. Y.C.Deveshwar, was the Chairman of Air India Limited from 1991 to 1994. During this period Air India Limited provided certain loans to Vayudoot Limited and he was nominated as ex-officio, non executive director of Vayudoot Limited. Vayudoot Limited and its directors appears as a willful defaulter in the list of such defaulters of the RBI.

For further details of the cases mentioned above, see section titled "Outstanding Litigation and Material Developments" on page 181 of this 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 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 26 of this 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 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 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, Lucknow, Greater Noida, Gurgaon, Mumbai and New Delhi.

We have applied for, but are yet to receive consent under the Hazardous Wastes (Management and Handling) Rules, 1989 in respect of our unit at Mumbai.

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 Mumbai and New Delhi. 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 and Lucknow. 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 199 of this 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 - Properties occupied, owned and/or leased by us " on page 64 of this Red Herring Prospectus.

The purpose for which the proceeds of the Fresh Issue are to be utilized have not been appraised.

The purposes for which the proceeds of the Fresh Issue are to be utilized have not been appraised by an independent entity and is based on our estimates. For details, see the section titled "Objects of the Issue" on page 26 of this Red Herring Prospectus.

There is no standard valuation methodology in the media industry.

There are no standard valuation methodologies in the media industry. Our financials are not comparable with the financials of other players in the media industry.

We have issued Equity Shares in the last 12 months, which will be at a price less than the Price Band.

We have issued Equity Shares to our Promoters, HPC and Citicorp in the last 12 months which were at a price of Rs.195.19 per Equity Share. The Price Band for this Issue is Rs. 445 to Rs. 530 per Equity Share. The Issue Price will be within the Price Band. For details of the issuance of Equity Shares to the Promoters, HPC and Citicorp in the last 12 months, see the section titled "Capital Structure-Notes to Capital Structure" on page 20 of this 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. The Industrial Policy, 1991 and/ or the MIB Guidelines specify that FDI and portfolio investments by recognized FIIs, together 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.

The MIB Guidelines dated July 13, 2005, have superceded the previous guidelines of the MIB issued through Press Note dated November 21, 2002 ("Previous Guidelines"). The Previous Guidelines had restrictions on the foreign investments in the print media sector. This change of policy by the Government of India is for liberalizing foreign participation in this sector.

The MIB Guidelines states that FDI (which includes foreign direct investments by NRIs, PIOs) and portfolio investments by recognized FIIs, together up to a ceiling of 26% of paid-up equity capital, in Indian entities publishing newspapers dealing with news and current affairs. Such investment would be permissible by foreign entities having sound credentials and international standing, subject to certain conditions such as:

1. Foreign investment will be allowed only where the resultant entity is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.
2. At least 3/4th of the directors on the board of directors and all the key executives and editorial staff being resident Indians.
3. Complete disclosures to be made by the applicant and at the time of making the application regarding any shareholders' agreements and loan agreements that are finalized or proposed to be entered into. Any subsequent change in these would be disclosed to the MIB within 15 days of the date of such a change.
4. The resultant entity shall frame its articles/memorandum of association to ensure compliance with the above eligibility criteria.

While calculating the 26% foreign investment in the equity of the company, the foreign holding component, if any, in the equity of the Indian shareholder companies of the entity will be duly reckoned on pro rata basis so as to arrive at the total foreign holding. Further, there is a requirement that 50% of the FDI has to be inducted by the issue of fresh equity shares. The balance of up to 50% of the foreign direct investment, maybe inducted through transfer of existing equity.

For further details see section titled "Regulations and Policies" on page 65 of this 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. There are further obligations on the Company to ensure that the sectoral cap of 26% of foreign investment in the Company is not breached in the secondary market and the Company may need to take all steps, including reversing or rescinding any sale or purchase of Equity Shares in the stock exchanges and rectify its register of members as per the Companies Act, in order to ensure that the obligations under the MIB Guidelines and the Industrial Policy is not breached.

In accordance with extant regulations, resident Indians and FIIs are permitted to participate in this Issue. For details see "Issue Procedure–Who can Bid" on page 224 of this Red Herring Prospectus. These restrictions may prohibit foreign investors to invest and trade in our Equity Shares, which may adversely affect the value of our Equity Shares traded on the Stock Exchanges.

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 London on July 7, 2005, 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 March 31, 2005 was Rs. 4,070.25 million based on consolidated financial statements of our Company.
- Public issue of 6,995,000 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 March 31, 2005 was Rs. 100.31 per Equity Share (based on weighted average number of equity shares outstanding during the year).
- 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 31 of this 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 126 of this Red Herring Prospectus for related party transactions.
- You 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 239 of this 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 Red Herring Prospectus. Unless otherwise stated, all financial and other data regarding our business and operations presented in this Red Herring Prospectus are presented on a consolidated basis.

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 (Source: ABC certified figures for July-December 2004), with a total readership of approximately 14.50 million readers per day (Source: NRS 2005).

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

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

In addition to our newspapers, we have a 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 launched *Hindustan Times* in the Mumbai market on July 14, 2005. Mumbai is the largest print media market in terms of ad-spend (Source: TAM Adex). 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. 205.5 million up to June 30, 2005. For further information, see "Objects of the Issue" on page 26 of this 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 from 17 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 June 30, 2005, we had incurred capital expenditure of Rs. 2,217.5 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 March 31, 2005, our total assets were Rs. 7,308.4 million and for fiscal 2005, our total revenues were Rs. 6,342.1 million and our net profit after tax was Rs. 275.3 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 Red Herring Prospectus. HTL, our promoter, currently owns 77.11% of our pre- Issue Equity Shares, and HPC and Citicorp each own 15.83% and 7.06% of our pre - Issue Equity Share, 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. Hindustan Times had the largest circulation among English dailies in Delhi, in the areas neighboring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, MP and Bihar *(Source: ABC certified figures for July-December 2004)*. 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 *(Source: TAM Adex)*.

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 in successfully establishing our brand and business in Mumbai.

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, favorable 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 17 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 launched the Mumbai edition of Hindustan Times on July 14, 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 (Source: TAM Adex), 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 edition, we believe that we have an opportunity to capture a greater share of national ad-spend.

We believe the Mumbai edition of Hindustan Times is a premium newspaper with differentiated and superior content tailored to reader groups that are targeted by our advertisers.

We began marketing and sales promotion activities for the Mumbai edition in March 2005. We have advertised on television and in the print media and have also utilized outdoor advertising. We are currently offering two subscription-schemes: one for a year and one for three months both priced competitively at a discount to cover price. The take-up of these subscription schemes is in line with our expectations.

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. 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 brands, 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 company, 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.

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.

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]	:	Up to 696,000 Equity Shares
The Issue and the Green Shoe Portion	:	Up to 7,691,000 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)	:	46,393,900 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 26 of this Red Herring Prospectus. The Company will not receive any proceeds from the Offer for Sale.

(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 up to 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 20, 2005, we 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 Equity Shares as per the procedure detailed below.

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

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

   (ii) The monies received from the Bidders for Equity Shares in the Issue against the over allotment shall be kept in the GSO Bank Account distinct and separate from the Issue Account and shall be used only for the purpose of buying shares from the market during the Stabilisation Period for the stabilisation 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 expenses and 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 the Pricing Date, to request the Green Shoe Lender to lend the Loaned Shares and to transfer funds from the GSO Bank Account to Green Shoe Lender within a period of five working days of close of the Stabilisation Period.

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

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

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

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

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

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

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

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

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

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

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

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

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

10. **Fees and Expenses**

(i) 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 audited financial statements. For details see section titled "Financial Statements" beginning on page 92 of this Red Herring Prospectus.

Summary Statement Of Profit And Loss Account

Amount (Rs. in Million)

Particulars	Year ended March 31, 2005	Nine months period ended March 31, 2004
INCOME		
A. Turnover		
Advertisement Revenue	4,935.74	3,282.29
Sale of Publications	1,255.87	836.71
Sale of waste paper and scrap	56.92	45.87
Total	**6,248.53**	**4,164.87**
Other Income	93.55	52.91
Total Income	**6,342.08**	**4,217.78**
EXPENDITURE		
Raw Materials Consumed	2,889.45	1,941.96
Employee Cost	845.84	611.34
Other Manufacturing Costs	666.76	539.05
(Increase)/Decrease in Inventories	(0.64)	0.49
Selling and Distribution Costs	520.43	464.30
Administrative and Other Costs	568.52	464.04
Total Expenditure	**5,490.36**	**4,021.18**
Profit (EBITDA)	**851.72**	**196.60**
Interest Charges	66.88	53.24
Profit before Depreciation, Exceptional Item and Tax	**784.84**	**143.36**
Depreciation/amortization	237.47	159.50
Profit/(Loss) before Exceptional Item and Tax	**547.37**	**(16.14)**
Exceptional Item:		
Reimbursement of terminal benefits to the Holding Company	106.45	12.16
Voluntary retirement compensation to employees	-	7.54
Profit/(Loss) before Tax	**440.92**	**(35.84)**

Particulars	Year ended March 31, 2005	Nine months period ended March 31, 2004
Current Tax Expense	23.21	0.05
Taxes for earlier years	0.30	(0.38)
Deferred Tax charge/(credit)	142.16	(9.87)
Net Profit/(Loss) for the year/period	**275.25**	**(25.64)**
Add: Pre-Acquisition losses adjusted against goodwill	**-**	0.67
Less: Share of minority interest in profits	(0.02)	(0.01)
Brought Forward (Loss) from Previous Period	(24.97)	-
Amount available for appropriation	**250.26**	**(24.97)**
Appropriations		
- Proposed dividend on preference shares	**1.66**	**-**
- Proposed dividend on equity shares	**38.58**	**-**
- Tax on dividends	**5.65**	**-**
B. Profit/(Loss) carried to Balance Sheet	**204.37**	**(24.97)**
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	4,147.88	1,681.68
Less : Depreciation	359.57	161.31
Net Block	3,788.31	1,520.37
Capital work in progress including capital advances	86.80	1,390.81
Expenditure during construction period (Pending Allocation)	4.32	29.16
	3,879.43	2,940.34
Goodwill (net of amortisation)	16.67	21.79
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	157.93	168.92
Total	**4,054.03**	**3,131.05**
Investments:	**922.45**	**350.23**
Current Assets, Loans and Advances:		
Inventories	784.93	568.60
Sundry Debtors	935.06	1,037.17
Cash & Bank Balances	492.24	617.52
Loans and Advances	119.68	122.74
Total (A)	**2,331.91**	**2,346.03**

Amount (Rs. in Million)

Particulars	Year ended March 31, 2005	Nine months period ended March 31, 2004
Current Liabilities and Provisions:		
Current Liabilities	1,305.38	1,080.44
Provisions	84.95	26.39
Total (B)	**1,390.33**	**1,106.83**
Net Current Assets (A-B)	**941.58**	**1,239.20**
Total	**5,918.06**	**4,720.48**
SOURCES OF FUNDS		
Deferred Tax Liabilities/(Assets)	131.68	(10.48)
Minority Interest	0.12	0.10
Loan Funds		
Secured Loans	1,716.01	1,875.41
Total	**1,847.81**	**1,865.03**
Net worth	**4,070.25**	**2,855.45**
Represented by		
Equity Share Capital	417.54	371.43
Preference Share Capital	200.00	100.00
Securities Premium Account	3,248.34	2,409.00
Profit & Loss Account	204.37	(24.97)
Net worth	**4,070.25**	**2,855.45**

RECENT DEVELOPMENTS FOR HT MEDIA LIMITED

The unaudited unconsolidated financial results of HT Media Limited (which were subjected to limited review) for the three months period ended June 30, 2005 was as follows:

(Rs. in million)

Particulars	Three months period ended June 30, 2005
INCOME	
Turnover	
Advertisement Revenue	1,473.82
Sale of Publications	324.52
Sale of waste paper and scrap	11.27
Job Revenue	8.10
Total	**1,817.71**
Other Income	29.82
Total Income	**1,847.53**
EXPENDITURE	
Raw Materials Consumed	731.72
Employee Cost	236.11
Other Manufacturing Costs	206.47
Decrease in Inventories	0.38
Selling and Distribution Costs	158.81
Administrative and Other Costs	124.61
Total Expenditure	**1,458.10**
Profit (EBITDA)	**389.43**
Interest Charges	33.26
Profit before Depreciation, Exceptional Item and Tax	**356.17**
Depreciation/amortization	92.23
Profit before Exceptional Item and Tax	**263.94**
Separation scheme compensation	5.67
Pre –launch expenses in Mumbai	104.06
Profit before Tax	**154.20**
Fringe Benefit Tax	7.00
Current Tax Expense (Minimum Alternate Tax)	8.10
Deferred Tax charge	41.00
Net Profit for the period	**98.10**
Paid-up Equity Share Capital (Face Value of Rs. 10 per share)	417.54
Basic number of Equity Shares	41,753,900
Earnings per share (not annualised) (In Rs. per share)	2.35

Our unconsolidated results for the first quarter ended June 30, 2005 are unaudited and were only subject to a limited review by our Auditors. In addition, we do not have available comparative results for the first quarter ended June 30, 2004.

Some of the key developments during the first quarter ended June 30, 2005 were:

- We increased the cover price of our *Hindustan Times*, New Delhi edition by Rs. 0.5 at the end of March 2005 (increased to Rs. 2 from Rs. 1.5 on weekdays). The cover price of *The Times of India*, our main competitor, was also increased to Rs. 2 from Rs. 1.5, hence our cover price increase did not result in a competitive disadvantage. The increase in the cover price positively impacted our circulation revenue. As a result of the cover price increase, there was a small decrease in the size of the average print run for the *Hindustan Times*, Delhi edition, which resulted in reduced newsprint and production costs,without impacting our ad-revenue.
- Advertisement rates were increased in May 2005, which positively affected our advertisement revenue during the quarter.
- We entered into agreements with Bennett Coleman & Co., dated June 15, 2005 and June 22, 2005 to provide adequate capacity to print copies of approximately 250,000 of its publication every night at each of our Noida and Mumbai printing facilities. The agreements are valid for a period of one year. We started printing for Bennett Coleman & Co. from our Noida facility in the last few days of the first quarter ended June 30, 2005 but did not begin printing from our Mumbai facility until after the quarter had ended.
- A reduction in competitive pressure in the Delhi market for both English and Hindi newspapers enabled us to reduce our sales and marketing expenditure.
- We launched a redesigned *Hindustan Times*, Delhi edition in May 2005. We believe the redesigned edition has been well received in the market, however, the impact on our market share will be visible only when the next circulation and readership surveys are published.

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 Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. V. K. Charoria,
Asst. Vice President (Corporate Affairs and Taxation) and 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 and credit of allotted shares in the respective beneficiary account or refund orders.

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: Mr. Vinay Menon.
E-mail: html.ipo@kotak.com
Website: www.kotak.com

Syndicate Members

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: Mr. Ulhas Sawant.
E-mail: ulhas.sawant@kotak.com.
Website: www.kotak.com.

ASK-Raymond James & Associates Private Limited,
Atur House, 1st Floor,
87, Dr. Anne Besant Road,
Worli Naka, Mumbai 400 018.
Tel: +91 22 2492 0133
Fax: +91 22 2492 0163
Contact person: Mr. Ajeet Verma
E-mail: averma@askrj.net
Website: www.askrj.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

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: john.chrisman@sydney.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

ABN AMRO Bank
Brandy House,
14, Veer Nariman Road,
Mumbai- 400 023.
Tel: +91 22 2202 9393
Fax: +91 22 2287 3045
Contact Person: Mr.T.R.Thyagarajan.
E-mail: tr.thyagarajan@in.abnamro.com.
Website:www.abnamro.co.in.

Citibank N.A.
Citigroup Centre,
C-61, Bandra Kurla Complex,
G Block,
Bandra (East)
Mumbai, 400 051.
Tel: +91 22 5001 5652.
Fax: +91 22 5001 5824.
Contact Person: Mr. N. Balaji.
E- mail: balaji.n@citigroup.com.
Website: www.citibank.co.in.

HDFC Bank Limited
D-6/3, Safdarjang Enclave,
New Delhi- 110 029.
Tel: +91 11 5139 2151.
Fax: +91 11 5165 2283.
Contact Person: Mr. Nirmal Bansal.
E-mail: nirmal.bansal@hdfcbank.com.
Website: www.hdfcbank.com.

Kotak Mahindra Bank Limited
7th Floor, Ambadeep
14, Kasturba Gandhi Marg
New Delhi 110 001
Tel: +91 11 5179 0000.
Fax: +91 11 2332 8014.
Contact Person: Mr. Sanjiv Uppal
E-mail: sanjiv.uppal@kotak.com
Website: www.kotak.com

Standard Chartered Bank
270, D.N. Road, Fort,
Mumbai- 400 001
Tel: +91 22 2268 3965.
Fax: +91 22 2209 6069.
Contact Person: Mr. Banhid Bhattacharya.
E- mail:banhid. bhattacharya@in.standardchartered.com.
Website:www.standardchartered.co.in.

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

ABN AMRO Bank,
DLF Centre,
Sansad Marg,
New Delhi 110 001.
Tel: +91 124 518 1714.
Fax: +91 124 518 1240.
E-mail: abhishek.jain@in.abnamro.com.

Central Bank of India,
Jeevan Tara Building,
Parliament Street,
New Delhi 110 001.
Tel: +91 11 2336 4751.
Fax: +9111 2334 1179.
E-mail: agmdela@centralbank.co.in.

Corporation Bank,
HT House, 10th Floor,
18-20, Kasturba Gandhi Marg,
New Delhi 110 001.
Tel: +91 11 2371 0918.
Fax: +91 11 2371 0936.
E-mail: cb447@corpban.co.in.

Jammu and Kashmir Bank Limited,
8, Local Shopping Centre,
H Block Market, Sarita Vihar,
New Delhi 110 044.
Tel: +91 11 2697 1938.
Fax: +91 11 2697 1966.
E-mail: sarita@jkmail.com.

Punjab National Bank,
A-9 Connaught Circus,
Inner Circle, New Delhi 110 001.
Tel: +91 11 2371 2522.
Fax: +91 11 2371 2518.
E-mail: manoj_1608@rediffmail.com.

State Bank of Patiala,
Chandralok Building,
II Floor, 36, Janpath, New Delhi 110 001.
Tel: +91 11 2331 9563.
Fax: +91 11 2335 4365.
E-mail: scdhavan@yahoo.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 BRLM 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, 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 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 Members, who are intermediaries registered with SEBI or registered as a broker with NSE/ BSE and eligible to act as underwriters. The Syndicate Members are appointed by the BRLM and the Company; 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 29 of this 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. 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%
1,000	23	1,500	83.33%
1,500	22	3,000	166.67%
2,000	21	5,000	277.78%
2,500	20	7,500	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 issue is subscribed, 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 224 of this 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 card to the Bid cum Application Form (see section titled "Issue Procedure—'PAN' or 'GIR' Number" on page 235 of this Red Herring Prospectus);
4. If you are a Specified Investor making a Bid, ensure that you provide your UIN in the Bid cum Application Form (see the section titled "Issue Procedure" on page 236 of this Red Herring Prospectus). If you have made an application for allotment of UIN before December 31, 2004, but UIN has not been allotted, or where an appeal has been filed but not disposed of, ensure that you provide such information in the Bid cum Application Form; and
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 any of the Syndicate Members do not fulfill their respective underwriting obligations.

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Kotak Mahindra Capital Company Limited Bakhtawar, 3rd Floor, 229, Nariman Point, Mumbai 400 021, India.	6,994,800	[•]
Kotak Securities Limited Bakhtawar, 1st Floor, 229, Nariman Point, Mumbai 400 021, India.	100	[•]
ASK-Raymond James & Associates Private Limited, Atur House, 1st Floor, 87, Dr. Anne Besant Road, Worli Naka, Mumbai 400 018, India	100	[•]

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

In the opinion of the Board of Directors (based on certificates given to them by the BRLM and the Syndicate Members), 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 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 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 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 Red Herring Prospectus**			
	Up to 696,000 Equity Shares of Rs.10 each fully paid-up		6.96	[•]
E.	**Equity Capital after the Issue**			
	Excluding Green Shoe option			
	46,393,900	Equity Shares of Rs.10 each fully paid-up	463.94	[•]
	Including Green Shoe option			
	47,089,900	Equity Shares of Rs.10 each fully paid-up	470.90	[•]
F.	**Share Premium Account**			
	Before the Issue		3,282.90[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 52.5 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 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. 34.57 million as of March 31, 2005. The share premium account of our Company in the audited accounts dated March 31, 2005 of our Company is Rs.3,248.33 million.

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 up to 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.)	Consider-ation (cash, bonus, considera-tion 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 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. There was no revaluation of assets or capitalization of intangible assets involved in the transaction for the issuance of 29,949,999 Equity Shares for consideration other than cash. For further details, see section titled "History and Certain Corporate Matters" on page 68 of this Red Herring Prospectus.*

\# *The shares allotted to Henderson were transferred to HPC.*

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**

All Equity Shares, which are being locked-in are not ineligible for computation of promoter's contribution and lock-in under Clause 4.6 of the SEBI Guidelines.

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

	Date of Allotment/ Acquisition	Consideration	No. of Equity Shares (Face Value Rs. 10)	% of Post-Issue paid-up Capital
If the Green Shoe Option is not exercised	March 9, 2004 March 9, 2004	Cash Other than cash	1,428,571 7,850,209	3.08% 16.92%
Total			**9,278,780**	**20.00%**
If the Green Shoe Option is exercised.	March 9, 2004 March 9, 2004	Cash Other than cash	1,428,571 7,989,409	3.03% 16.97%
Total			**9,417,980**	**20.00%**

(b) Details of share capital 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 30,120,120 Equity Shares assuming the Green Shoe Option is not exercised and 29,980,920 assuming that the Green Shoe Option is exercised in full.

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.

	Number of Equity Shares	**Percentage of equity share capital (%)**
Promoter		
HTL (along with joint holders)	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**

The table below presents our shareholding pattern as adjusted for the Issue.

	If the Green Shoe Option is not exercised		**If the Green Shoe Option is exercised in full**	
	Number of Equity Shares	**Percentage of equity share capital (%)**	**Number of Equity Shares**	**Percentage of equity share capital (%)**
Promoter				
HTL (along with joint holders)	32,197,052	69.40	32,197,052	68.37
Other Shareholders				
HPC	4,255,848	9.17	4,255,848	9.04
Citicorp	2,946,000	6.35	2,946,000	6.26
Public	6,995,000	15.08	7,691,000	16.33

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, and ten days prior to the date of RoC filing, 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 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 company or our Directors have not purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

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 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 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 July 13, 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 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 12 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 696,000 Equity Shares at the Issue Price, aggregating Rs. [•] million, representing up to 9.95% of the Issue, exercisable during the Stabilisation Period.

Maximum number of Equity Shares	Up to 696,000 Equity Shares at a price of Rs. [•] per Equity Share aggregating Rs. [•] million representing 9.95% of the Issue.
The maximum increase in our equity share capital if we are required to utilise the full over-allotment in the Issue	696,000 Equity Shares
Green Shoe Option Portion	9.95% of the Issue.
Maximum number of Equity Shares that may be borrowed	Up to 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	Up to 696,000 Equity Shares representing 1.67% of the pre-Issue share capital of our Company.
Stabilisation Period	The period commencing from the date of obtaining trading permission from the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.
Rights and obligations of the Stabilising Agent	Open a special bank account under the name of "Special Account for GSO proceeds of 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 Pricing Date, to transfer Loaned Shares to GSO Demat account. The Green Shoe Lender will not recall or create lien or encumbrance on the Loaned Shares till the completion of the formalities during the Stabilisation Period.

OBJECTS OF THE ISSUE

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:

(In Rs. million)

Sr. No.	Proposed Expenditure Program	Estimated Amount	Estimated Issue Proceeds Utilisation as of March 31	
			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**

* *This amount include Rs.167.8 million, which have been incurred in the three month period between March 31, 2005 and June 30, 2005 from internal accruals/debts and which will be adjusted against the proceeds of the Issue on completion of the Issue.*

The financing of the capital expenditure, expenditure on sales and marketing, expenses for radio services mentioned above is proposed to be financed solely through the net proceeds of the Fresh Issue and therefore, there are no amounts which are required to be raised through means other than the net proceeds of the Fresh Issue.

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 of the Fresh Issue 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 43 of this Red Herring Prospectus, we have launched the Mumbai edition of Hindustan Times on July 14, 2005. The same is estimated to entail a capital expenditure amounting to Rs. 500 million including expenditure already incurred amounting to Rs. 205.5 million as of June 30, 2005 (as certified by M/ s. Anil Ajay & Co). The details of utilization of the Issue proceeds towards capital expenditure for the Mumbai operations is as follows: **(Rs. in million)**

Sl. No.	Expenditure on	Already incurred up to June 30, 2005	Anticipated from July 1, 2005 to March 31, 2006
1.	Land	53.3	NIL
2.	Machines including stackers, registration system, CTP.	26. 2	144.5
3.	Press Building.	99.1	66.9
4.	Office renovation.	23.1	1.9
5.	Infrastructure for Information technology.	2.9	72.1
6.	Others	0.9	9.1
	Total	**205.5**	**294.5**

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 June 30, 2005, we have invested Rs. 2,217.5 million in setting-up our Greater Noida printing facility. We expect an additional investment of Rs. 302.5 million in this facility towards plant and machinery, building and lift and contingency requirements.

The details of the capital expenditure, already incurred and anticipated in Greater Noida are as follows:

(in Rs. million)

Sl. No	Expenditure on	Already incurred up to June 30, 2005	Anticipated from July 1, 2005 to March 31, 2006
1.	Land	69.4	Nil
2.	Office equipment	2.3	Nil
3.	Plant and Machinery	1,746.3	220.8
4.	Building and Lift	263.2	78.4
5.	Tube well	0.3	Nil
6.	AC plant	56.9	Nil
7.	Electric sub station	72.4	Nil
8.	Fire fighting equipment	6.1	Nil
9.	Furniture and fixtures	0.6	Nil
10.	Contingency	Nil	3.3
	Total	**2,217.5**	**302.5**

The approvals required for the above mentioned facilities have been detailed in the section titled "Government Approvals" on page 199 of this Red Herring Prospectus.

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 have developed an effective marketing strategy for our Mumbai edition. Our marketing efforts include brand-building activities through mass communications using various media including television, press, hoardings, radio, cinema and the internet. We also intend to undertake advertising 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 Fiscal 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. The form of investment, i.e, whether debt or equity has not yet been decided.

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 June 30, 2005.

M/ s. Anil Ajay & Co, Chartered Accountants and M/s Manjunath Gowda & Associates, Chartered Accountants, vide theirs letters dated July 11, 2005 and July 12, 2005, respectively, have certified that the following capital expenditure has been incurred by the Company till June 30, 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	As of June 30, 2005 (in Rs. million)
1.	Capital expenditure for launch of editions in Mumbai	205.5
2.	Capital expenditure for printing facility at Greater Noida	2,217.5

The Objects of the Offer for Sale:

The object of the Offer for Sale is to carry out disinvestment of up to 2,355,000 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 and fiscal 2007 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.

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 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, if any, to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

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

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders 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, recision, transfer and transmission and/ or consolidation/ splitting, see the section titled “Main Provisions of Articles of Association of the Company” on page 243 of this 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 12 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:

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

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

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

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

BASIS FOR ISSUE PRICE

The Price Band for this Issue is Rs. 445 to Rs. 530 per Equity Share. The face value of the Equity Share is Rs. 10 and the Issue Price is 44.5 times the face value at the lower end of the Price Band and 53.0 times the face value at the higher end of the Price Band.

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
Year ended March 31, 2005	8.72	2
Weighted Average	3.32	

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

(Net Profit attributable to equity shareholders before exceptional item)/ (Total number 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
Year ended March 31, 2005	7.04	2
Weighted Average	0.25	

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

(Net Profit attributable to equity shareholders after exceptional item) / (Total number 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. 3.32 is [•]

b) Based on Weighted Average EPS after adjusting exceptional item of Rs. 0.25 is [•]

ii) Industry P/E as per "Capital Market" dated July 4-17, 2005, Vol.XX/09, is 30.83.

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
Year ended March 31, 2005	8.70%	2
Weighted Average	5.59%	

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
Year ended March 31, 2005	7.02%	2
Weighted Average	4.30%	

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

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 March 31, 2005 (Rs.) : Rs. 100.29

NAV after the Issue (Rs.) : Rs. [•]

Issue Price : Rs. [•]

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.

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

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

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

2.1 Resident Members

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Return of Income not to be filed in certain cases

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

2.3 Other Provisions of the Act

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

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

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

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

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

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

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

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

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

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

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

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

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

2.4 Foreign Institutional Investors (FIIs)

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

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

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

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

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

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

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

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

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

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

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

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

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

2.5 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.

2.6 Infrastructure Capital Companies/ Funds or Co-operative Bank

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

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

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

3. Wealth Tax Act, 1957

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

4. The Gift Tax Act, 1957

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

Notes:

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

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

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

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"), National Readership Survey ("NRS"), 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.

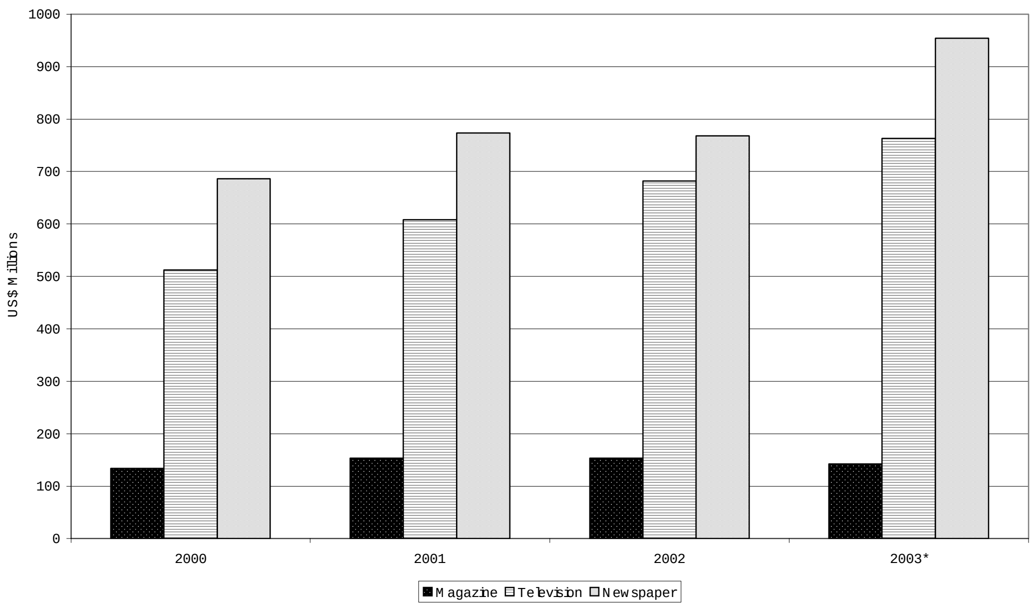
Media Advertising Industry

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 46.0%, followed by television with 41.0%, outdoor advertising with 7.0%, radio with 2.0%, cinema advertising with 3.0% and internet with 1%.

Although print media in India (newspapers, magazines and niche publications) dominates ad-spend, newspapers' share of the ad-spend fell as television gained, rising from approximately 40% in 2001 to 41% in 2004 *(source: TAM Adex India)*. In 2004, print media ad-spend grew by 15% and television ad-spend grew by 13%, respectively, compared with 2003 (*Source: TAM Adex India)*. Print media's share of the ad-spend in India vis a vis television may now have stabilised.

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



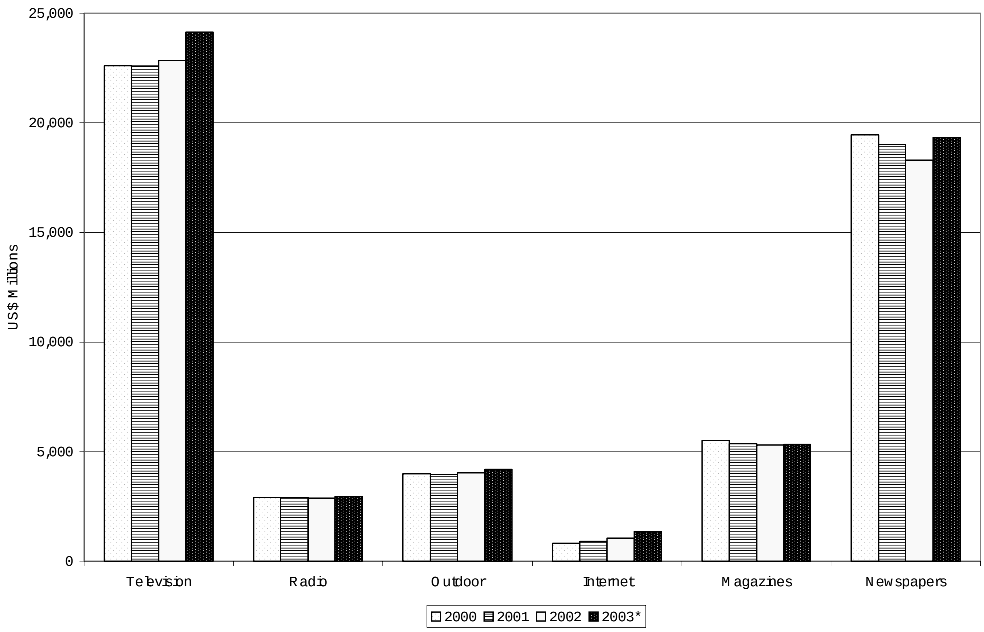
** At average 2003 exchange rates.*

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 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"):

	Print	Television Television	Satellite	Radio	Cinema
SEC					
A1	80	92	80	31	15
A2	73	91	74	26	12
B1, B2	63	89	66	24	10
C	49	85	56	24	9
D	34	76	43	23	9
E1, E2	18	64	29	19	8

Source: NRS 2005.

Eight socio economic classes have been labeled 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 Newspapers for India – "RNI"). 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 seven days for a weekly, in the last two weeks for 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 print media industry by number of readers and the percentage of persons 12 years or older in India who read the particular publication.

	Urban and Rural		**Urban**		**Rural**	
	Million	**%**	**Million**	**%**	**Million**	**%**
Base Population (1)	800.5		243.2		557.3	
Any Publication	215.3	26.9	109.8	45.1	105.5	18.9
Any Daily	190.4	23.8	101.1	41.6	89.3	16.0
Any English Daily	21.9	2.7	19.0	7.8	2.9	0.5
Any Hindi Daily	73.5	9.2	39.3	16.2	34.2	6.1
Any Magazine	74.3	9.3	35.3	14.5	39.0	7.0

(1) Number of persons 12 years or older.

Source: NRS 2005.

Magazine readership in 2005 was 74.3 million *(Source: NRS 2005)* down from 78.6 million in 2003 *(Source: NRS 2003)* and newspaper readership in 2005 was 190 million *(Source: NRS 2005)*, up from 165 million in 2003 *(Source: NRS 2003)*. 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: RNI).*

Most of the Hindi and vernacular 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 and *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.

Six of the top ten newspapers by readership are Hindi, three are vernacular and one is English *(Source: NRS 2005)*. 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 *(Source: NRS 2005 and NRS 2003).*

Top 10 Language Dailies – NRS 2003			**Top 10 Language Dailies – NRS 2005**		
Rank (2003)		**Readership ('000s)**	**Rank (2005)**		**Readership ('000s)**
	Any Daily	**165,137**		**Any Daily**	**190,397**
1	Dainik Bhaskar	15,709	1	Dainik Jagran	21,243
2	Dainik Jagran	14,985	2	Dainik Bhaskar	17,377
3	Daily Thanthi	10,094	3	Eenadu	11,348
4	Eenadu	9,458	4	**Hindustan**	**10,549**
5	Malayala Manorama-D	8,798	5	Amar Ujala	10,469
6	Amar Ujala	8,640	6	Daily Thanthi	9,456
7	**Hindustan**	**7,899**	7	Lokmat	8,820
8	Lokmat	7,867	8	Rajasthan Patrika	8,629
9	Times of India	7,419	9	Times of India	8,091
10	Mathrubhumi	7,646	10	Anand Bazar Patrika	7,215

All Hindi dailies have a readership of 73.5 million *(Source: NRS 2005)* compared with 59.3 million readership *(Source: NRS 2003).* Set forth below is the top 10 Hindi newspapers in 2005 *(Source: NRS 2005)* and their circulation (*Source: ABC July-December 2004)* , their readership *(Source: NRS 2003)* as per NRS 2003 and their circulation (*Source: ABC July-December 2003).*

Newspaper	**Rank**	**Readership 2005 ('000s)**	**Circulation 2004 ('000s)***	**Rank**	**Readership 2003 ('000s)**	**Circulation 2003 ('000s)**
Dainik Jagran (All editions)	1	21,243	2053	2	14,985	1,611
Dainik Bhaskar (All editions)	2	17,377	1603	1	15,709	1,635
Hindustan (All editions)	**3**	**10,549**	**985**	**4**	**7,899**	**651**
Amar Ujala (All editions)	4	10,469	559	3	8,640	540
Rajashtan Patrika (All editions)	5	8,629	878	5	7,353	733
Punjab Kesari (All editions)	6	4,427	864	6	4,775	819
Navabharat (All editions)	7	2,958	-	8	2,792	142
Navabharat (Maharashtra/ Chhatisgarh) (All editions)	8	2,057	315	10	1,355	101
Navabharat (MP) (All editions)	9	2,025	208	7	3,200	121
Prabhat Khabar	10	1,214	218	11	1,050	200

ABC numbers reflect circulation for which ABC certificate has been received only.

As per NRS 2005, all English dailies have a readership of 21.9 million compared with readership of 18.6 million in NRS 2003. Set forth below are the top 10 English newspapers ranked as per NRS 2005 and their circulation as per ABC July-December 2004, their readership as per NRS 2003 and their circulation as per ABC July-December 2004.

Set forth below is the top 10 newspapers across all languages *(Source: NRS 2005, NRS 2003).*

Newspaper	Rank	Readership 2005 ('000s)	Circulation 2004 ('000s) (1)	Rank	Readership 2003- ('000s)	Circulation 2003 ('000s) (1)
The Times of India (All editions)	1	8,091	- (2)	1	7,419	(2)
Hindustan Times - (All editions)	**2**	**3,946**	**1,188**	**2**	**3,236**	**1,153**
The Hindu	3	3,748	1,047	3	3,087	982
Deccan Chronicle (All editions)	4	1,638	402	5	1,164	342
The Telegraph	5	1,469	376	4	1,344	325
The Economic Times (All editions)	6	1,174	317	7	1,016	458
New Indian Express (All editions)	7	880	236	6	1,127	197
Midday (English Edition)	8	785	140	9	860	136
The Indian Express (All editions)	9	729	NF (3)	10	685	NF
The Tribune	10	715	246	11	644	NC

ABC numbers reflect circulation for which ABC certificate has been received only

(1) Rounded to the nearest '000

(2) Since ABC data is not available for all the editions of The Times of India hence we have not given any figure

(3) Not Filed

The sources of revenue for newspaper companies include the sale of advertising space in their publications and the sale of their publications. Estimated the size of the Indian newspaper market was approximately US$1.7 billion (approximately Rs. 74.2 billion based on exchange rare of 43.64) in 2003 *(Source: PWC Report)*. 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(1)
Advertising Market	686	774	768	954
Circulation Spending	585	590	625	767
Total	**1,271**	**1,364**	**1,393**	**1,721**

(1) At average 2003 exchange rates

Source: The PWC Report.

Advertising revenues are important to profitability in the print media industry. English editions attract the highest advertising revenues with approximately 50% of ad-spend, followed by vernacular and Hindi newspapers with approximately 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 a typical Hindi or 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 of the newspaper 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;
- Brand pull;
- Relationship with distribution network; and
- Literacy levels.

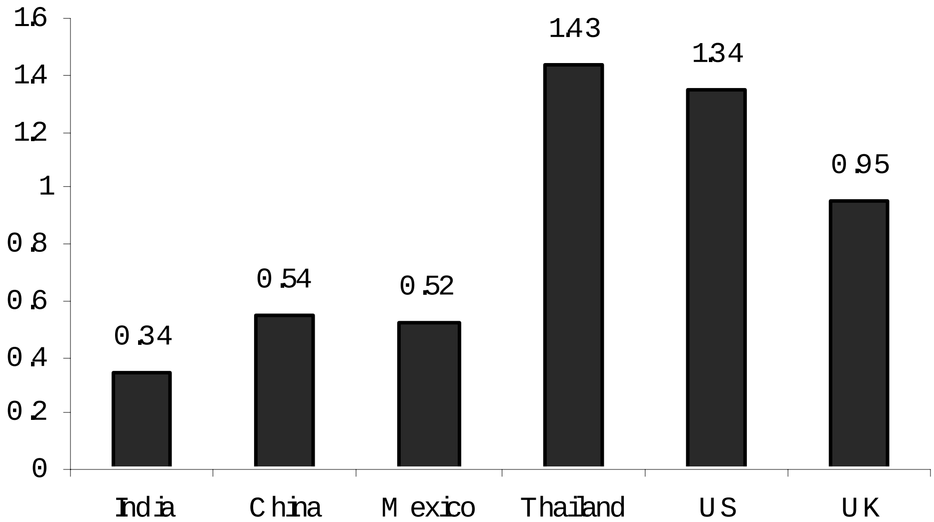
Industry Outlook

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 media has been one of the fastest-growing sectors in India, expanding by 13.4%, 9.5% and 8.1% in fiscal 2004, 2003 and 2002, respectively *(Source: TAM Adex India)*. 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 media industry has been one of the fastest growing sectors in India, however 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 newspapers 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 Set forth below is the top 10 newspapers across all languages *(Source: ABC certified figures for July-December 2004)*, with a total readership of approximately 14.50 million readers per day *(Source: NRS 2005)*.

We publish *Hindustan Times* in six editions: New Delhi; Lucknow; Patna; Ranchi; Kolkata and Mumbai (first edition published on July 14, 2005). The New Delhi edition is also printed in Mohali, Bhopal and Jaipur. *Hindustan Times* had net paid sales of 1.19 million copies per day *(Source: ABC certified figures for July-December 2004)* and had the largest circulation among English dailies in Delhi, in the areas neighboring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, Madhya Pradesh ("MP") and Bihar.

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

In addition to our newspapers, we have a 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 launched *Hindustan Times* in the Mumbai market on July 14, 2005. Mumbai is the largest print media market in terms of ad-spend (Source: TAM Adex). 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. 205.5 million up to June 30, 2005. For further information, see "Objects of the Issue" on page 26 of this 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 from 17 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 June 30, 2005, we had incurred capital expenditure of Rs. 2,217.5 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 March 31, 2005, our total assets were Rs. 7,308.4 million and for fiscal 2005, our total revenues were Rs. 6,342.1 million and our net profit after tax was Rs. 275.3 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 Red Herring Prospectus. HTL, our promoter currently owns 77.11% of our pre-issue Equity Shares, and HPC and Citicorp each own 15.83% and 7.06% of our pre- Issue 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. Hindustan Times had the largest circulation among English dailies in Delhi, in the areas neighboring Delhi (Faridabad, Ghaziabad and Sonipat), Chandigarh, Haryana, MP and Bihar *(Source: ABC certified figures for July-December 2004)*. 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 *(Source: TAM Adex)*.

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, favorable 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 17 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 launched the Mumbai edition of Hindustan Times on July 14, 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 (Source: TAM Adex), 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 believe the Mumbai edition of Hindustan Times is a premium newspaper with differentiated and superior content tailored to reader groups that are targeted by our advertisers.

We have set up a printing facility in Mumbai. The facility is fully operational and has four printing machines with a total installed capacity of 120,000 copies per hour. In June 2005, we entered into an agreement with Bennett, Coleman & Company Limited, the owner of The Times of India, to provide adequate capacity at our Mumbai facility to print approximately 250,000 copies of its publications per day for a period of one year. We began printing for it on July 1, 2005 and the agreement will terminate on June 30, 2006. The agreement provides that we are to be paid on a per-page basis in addition to a fixed minimum fee. The agreement enables us to use what we expect would have been spare printing capacity at our Mumbai facility while we attempt to build our brand in the Mumbai market.

We began marketing and sales promotion activities for the Mumbai edition in March 2005. We have advertised on television and in the print media and have also utilized outdoor advertising. We are currently offering two subscription-schemes: one for a year and one for three months both priced competitively at a discount to cover price. The take-up of these subscription schemes is in line with our expectations.

Set forth below are circulation figures *(Source: ABC certified figures for July-December 2004 and ABC certified figures July-December 2003)* and readership figures *(Source: NRS 2005 and NRS 2003)* for the top four English newspapers in the Mumbai market.

Newspaper	Rank	Readership 2005 ('000s)	Circulation 2004 ('000s)	Rank	Readership 2003 ('000s)	Circulation 2003 ('000s)
The Times of India	1	1,592	524	1	1,604	480
Mid-day	2	706	118	2	776	115
Economic Times	3	210	122	4	213	117
Indian Express	4	117	NF	3	224	NF

NF: Certificate Not Filed

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. 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 brands, 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 company, 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.

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 six editions of *Hindustan Times* and four editions of *Hindustan*. *Hindustan Times* is printed in English, while *Hindustan* is printed in Hindi. In fiscal 2005, we derived approximately 75% of our revenue from English print and approximately 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.

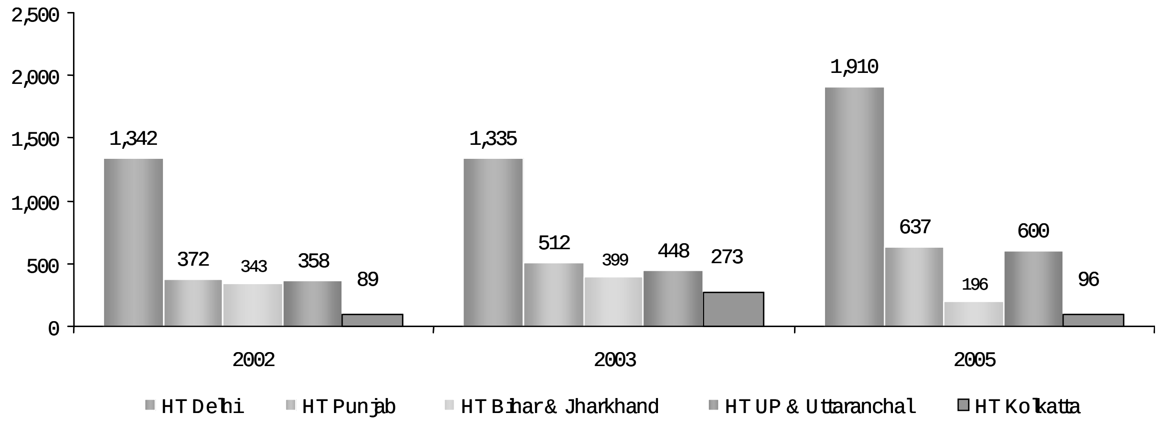
Set out below is a summary of our supplements to *Hindustan Times*:

Supplement	Frequency	Positioning
HT Style	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
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 six editions: New Delhi; Lucknow; Patna; Ranchi; Kolkata; and Mumbai. We began publishing an edition in Mumbai on July 14, 2005 and as such there are no circulation or readership numbers at this time. For information on the recently launched Mumbai edition, see "Our Business – Strategy - Mumbai Market Entry" on page 44 of this Red Herring Prospectus. Readership, in thousands, for *Hindustan Times* is set forth below *(Source: NRS 2005, NRS 2003, NRS 2002)*:



There was no NRS report published in 2004.

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 expanded over the last five years. Other than New Delhi city, the New Delhi edition is also circulated in the NCR (National Capital Region) 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 launched 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] ('000s)	778	857	829	920	955	1,135	972	960	1,067	1,083
Circulation - New Delhi City ('000s)	458	499	494	550	559	673	610	618	712	715

Source: ABC

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

The readership of *Hindustan Times* in the state of Delhi is set forth below *(Source: NRS 2005, NRS 2003, NRS 2002)*

	2002	2003	2005
Readership ('000s)	1,342	1,335	1,910

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 (source: ABC circulation figures for the period of July-December 2004) and readership figures (Source: NRS 2005) for the top two English newspapers in the Delhi market.

Newspaper	Circulation('000s)	Readership('000s)
Hindustan Times	**1,083**	**1,910**
The Times of India	- [1]	1,512

(1) ABC circulation figure for all editions of The Times of India are not available for July-December 2004

Hindustan Times – New Delhi Edition printed at 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 hubs 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 and 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 ('000s)	88	88	83	90	95	159	170	183	192	250

Source: ABC

The readership of *Hindustan Times* in Punjab/ Haryana/ Chandigarh/ Himachal Pradesh is set forth below *(Source: NRS 2002, NRS 2003, NRS 2005):*

	2002	2003	2005
Readership ('000s)	372	512	637

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 Punchkula. The edition printed at Mohali has grown its readership by approximately 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 *(Source: ABC July-December 2004)* for *Hindustan Times* and circulation figures and readership figures *(Source: NRS 2005)* 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 ('000s)(1)	Readership('000s)
The Tribune	216	702
Hindustan Times	**210**	**637**
The Times of India	76(2)	343

(1) Includes circulation for the states of Punjab, Haryana, Chandigarh, Himachal Pradesh, Jammu and Kashmir

(2) 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 ('000s)	-	25	25	26	23	32	39	43	41	46

Source: ABC

The readership of Hindustan Times in UP & Uttranchal is set forth below *(Source: NRS 2002, NRS 2003 and NRS 2005)*

	2002	2003	2005
Readership ('000s)	358	448	600

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

Newspaper	Circulation ('000s)	Readership ('000s)
The Times of India	75(1)	232
Hindustan Times	**46**	**147**

(1) 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 *(Source: ABC)* 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 ('000s)	25	24	23	23	-	NC	NC	32	41	59

Source: ABC

The readership of *Hindustan Times* in Bihar and Jharkhand is set forth below *(Source: NRS 2002, NRS 2003, NRS 2005)*

	2002	2003	2005
Readership ('000s)	343	399	196

Hindustan Times is the number one English language newspaper in the Bihar and Jharkhand region. Its only competition is *The Times of India*. The following table sets forth *Hindustan Times*' and *The Times of India's* circulation *(Source: ABC July-December 2004)* and readership in Bihar *(Source: NRS 2005)*

Newspaper	Circulation ('000s)	Readership ('000s)
Hindustan Times	**59**	**196**
The Times of India	32[(1)]	272

(1) ABC July – December 2003. No circulation figures are available for January – June 2004 & 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. The following table sets forth the circulation for newspapers printed in Kolkata *(Source: ABC)* and readership of newspapers in the city of Kolkata, *(Source: NRS 2005)*

Newspaper	Circulation ('000s)	Readership ('000s)
The Telegraph[(1)]	376	723
The Statesman[(2)]	163	249
The Times of India[(2)]	202	286
Hindustan Times[(3)]	**118**	**96**

(1) Circulation figures for The Telegraph are for July – December 2004

(2) The Times of India and The Statesman are for the period January – June, 2004

(3) Circulation figures for Hindustan Times and The Statesman are for the period July-December 2003 being the last information available.

Hindustan

Hindustan, our Hindi daily, is the third largest Hindi newspaper 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 focused on local news and targets a wider cross-section of readers. Readership for Hindi is higher than English as a multiple of circulation.

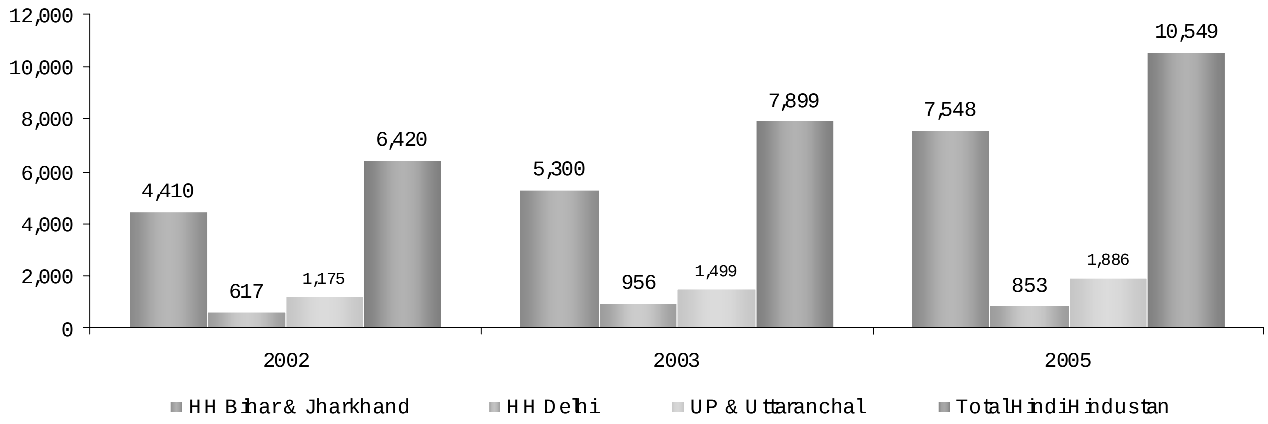
We publish supplements to the main paper. Supplements form an integral part of our product base as they address specific reader needs, while offering advertisers a focused reach to a target audience. Supplements largely capture local advertisement revenues.

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

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

Editions

The readership of *Hindustan*, is set forth below (Source: NRS 2002, NRS 2003 and NRS 2005)



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 ('000s)	304	329	350	385	396	410	437	469	531	568

Source: ABC

Set forth below is the combined readership in the states of Bihar & Jharkhand *(Source: NRS 2002, NRS 2003 and NRS 2005)*

	2002	**2003**	**2005**
Readership ('000s)	4,410	5,300	7,548

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 three Hindi newspapers in Bihar by circulation *(Source: ABC July-December 2004)* and readership *(Source: NRS 2005).*

Newspaper	Circulation ('000s)	Readership ('000s)
Hindustan	**568**	**7548**
Dainik Jagran	201	3820
Aaj	190	- (1)
Prabhat Khabar	218	1136

(1) Data not available

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

The Lucknow edition of *Hindustan* 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. *(Source: ABC)*

	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 ('000s)	86	-	97	127	140	153	170	182	200	195

The Readership of *Hindustan* in Uttar Pradesh is set forth below *(Source: NRS 2002, NRS 2003, NRS 2005)*

	2002	2003	2005
Readership ('000s)	1,175	1,499	1,886

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.

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

The circulation of *Hindustan*, New Delhi edition for the last five years is set forth below: *(Source: ABC)*

	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 ('000s)	92	NR-	119	147	136	152	147	NC	226	222

The Readership of *Hindustan* in the state of Delhi is set forth below (Source: NRS 2002, NRS 2003 andNRS 2005):

	2002	2003	2005
Readership ('000s)	617	956	853

The following table provides a comparison of the top four Hindi newspapers in Delhi by circulation *(Source: ABC July-December 2004)* and readership of Delhi state *(Source: NRS 2005):*

Newspaper	Circulation ('000s)	Readership ('000s)
Hindustan	**206**	**853**
Punjab Kesari	193	930
Navbharat Times	NR/ UC (1)	1,710
Dainik Jagran	121	580

(1) UC – July December -04, NR January June-04 andJuly December-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 favor.

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

Our 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.

HT Tabloid.com

It is an e -Tabloid focusing 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 Mr. Vir Sanghvi as its editorial director supported by Mr. Shekhar Bhatia for all editions. They are assisted by resident editors for each edition.

The editorial team at *Hindustan* is headed by Ms. 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 judgment 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 fiscal 2005, our circulation revenue constituted 19.8% of our total revenues.

The circulation of *Hindustan Times* was approximately 1.19 million copies *(Source: ABC July-December 2004)* and of *Hindustan* was approximately 0.98 million copies *(Source: ABC July-December 2004)*. Detailed information on the circulation of each edition is given above in the section entitled "Our Business — Our Products—Our Editions" on page 47 of this Red Herring Prospectus.

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 the New Delhi edition's weekday 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 centers	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-coordinating reader promotion contests.

Our Media Marketing

Overview

Our advertisement revenue constitutes a substantial portion of our total income. For fiscal 2005, advertisement revenue constituted 77.8% 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 to 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 Category	Fiscal 2005	Nine months ended March 31, 2004
	(% of total volume of ads published)	
Display Advertisements colour	19%	16%
Display Advertisements black & white	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 centimeters although column centimeter 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 (e.g. 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 fiscal 2005, we derived approximately 77.8% of our total income from advertisements of which our top 10 advertisers contributed approximately 7.0% of our total ad revenue and our top 20 advertisers contributed approximately 10.0% 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 underlying 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 focused 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 instill 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 17 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 June 30, 2005, we had incurred capital expenditure of Rs. 2,217.5 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 own printing centres at Mumbai, 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 these arrangements, we provide the content and newsprint and the printer prints the newspaper. Except for Jaipur, the printer's 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	265,000	Owned
Gurgaon	4	160,000	Owned
Noida	4	135,000	Owned
Greater Noida	3	255,000	Owned
Mumbai (1)	4	120,000	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 (2)	1	45,000	Owned
Kolkata	1	30,000	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	30,000	Subcontractor
Jamshedpur (2)	1	30,000	Subcontractor
Varanasi	1	30,000	Subcontractor
Sub-total	**4**	**120,000**	
Total	**38**	**1,545,000**	

(1) We are printing our own edition from July14, 2005 and for third parties also.

(2) 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.

We entered into agreements with Bennett Coleman & Co., dated June 15, 2005 and June 22, 2005 to provide adequate capacities to print copies of approximately 250,000 of its publication every night at each of our Noida and Mumbai printing facilities. The agreements are valid for a period of one year.

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;
- E-payment gateway for online payments. and
- 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 fiscal 2005 newsprint costs totaled Rs. 2,721.4 million or 42.9% of our total revenues and for the nine months ended March 31, 2004 newsprint costs totaled 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 (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 endeavors to extract the best terms and prices.

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

- ***UPM-Kymmene Corporation.*** UPM is based in Finland and was the world's fourth largest producer of newsprint in 2003. For fiscal 2005, UPM met 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 a supply contract with Kruger that expires on December 31, 2006. In the event that we do not purchase the agreed upon volume of newsprint from Kruger, the Company 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 . We have been sourcing newsprint from Kruger since 1992. For fiscal 2005, we sourced approximately 30% of our newsprint requirements from Kruger.
- ***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 Business— Our Products—Our Editions” on page 47 of this Red Herring Prospectus for further information. For information on competition in Mumbai, see “Our Business – Our Strategy - Mumbai Market Entry” on page 44 of this Red Herring Prospectus.

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. 37 of these employees availed the option to retire under a voluntary retirement scheme of HTL. The cost of such voluntary retirement by these 37 persons amounting to Rs. 19.0 million was borne by us. In addition, we have borne the cost of terminal and other like payments for 362 persons whose services came to an automatic end under section 25FF of the Industrial Disputes Act, 1947 aggregating to Rs. 87.4 million.

For fiscal 2006, we have implemented a voluntary retirement scheme for our employees and have agreed to pay the costs of HTL’s voluntary retirement scheme for its employees seconded to us. Pursuant to these schemes, our employees, including employees seconded to us by HTL, with 10 years’ or more service (including service with HTL) or who have attained 40 years of age as on March 31, 2005 will be eligible to volunteer for retirement and if we accept their offer they will be paid compensation as provided in the schemes. We plan to accept the voluntary retirement offers of approximately 300 employees during fiscal 2006 at a budgeted cost of Rs. 140 million.

In addition to employees seconded to us by HTL, we also employ other subcontractors from a number of companies. We consider our 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 between us and the Promoter dated March 5, 2004, which expires on March 4, 2009. Under the terms of the agreement the total consideration payable by us to HTL is Rs.122.6 million for the period of the arrangement.

We have the following printing facilities, 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 metres 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 Limited, vide Conveyance Deed dated October 15, 2003.
Plot at Greater Noida	Industrial Plot measuring 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. The original lease deed was executed between HTL 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 metres, 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. The original lease was executed between HTL and New Okhla Industrial Development Authority 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 vide Lease Deed dated January 28, 2005.
Plot at Mumbai	Leasehold land bearing plot no. GEN-6, measuring 35,310 square metres. 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 Limited. on July 20, 2004. The Conveyance Deed was signed on July 20, 2004.

REGULATIONS AND POLICIES

The Government of India has over the years formulated various regulations and policies for the development of the print media sector in India.

Foreign Investment Regulations:

Foreign investment in the print media sector is regulated by the Government of India. The limits of foreign investments in India are provided in the Industrial Policy by the Government of India. In addition, the MIB lays guidelines for investment in Indian entities publishing newspapers and periodicals dealing with news and current affairs.

The MIB has laid down regulations governing foreign investments in the Indian entities publishing newspapers/ periodicals dealing with news and current affairs. The MIB Guidelines dated July 13, 2005, have superceded the previous guidelines of the MIB issued through Press Note dated November 21, 2002 ("Previous Guidelines"). The Previous Guidelines had restrictions on the foreign investments in the print media sector. This change of policy by the Government of India is for liberalizing foreign participation in this sector.

The MIB Guidelines:

FDI and portfolio investments by recognized FIIs, together is allowed towards the subscription of up to 26% of paid-up equity capital of an Indian entity publishing newspapers/ periodicals dealing with news and current affairs. The MIB Guidelines states that FDI (which includes foreign direct investments by NRIs, PIOs) and portfolio investments by recognized FIIs, together up to a ceiling of 26% of paid-up equity capital, in an Indian entity publishing newspapers dealing with news and current affairs. Such investments are permissible by foreign entities having sound credentials and international standing, subject to certain conditions.

Eligibility Criteria

The eligibility criteria for foreign invesment in Indian entity publishing newspapers and periodicals dealing with news and current affairs, include the following:

- Foreign Investment is considered only where the resultant entity is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.
- Where the equity held by the largest Indian shareholder is at least 51% of the paid-up equity excluding the equity held by Public Sector Banks and Public Financial Institutions as defined in Section 4A of the Companies Act 1956, in such entity

While calculating the 26% foreign investment in the equity of the company, the foreign holding component, if any, in the equity of the Indian shareholder companies of the entity will be duly reckoned on pro rata basis so as to arrive at the total foreign holding in the entity. Further, there is a requirement that 50% of the FDI has to be inducted by the issue of fresh equity shares. The balance of up to 50% of the foreign direct investment, maybe inducted through transfer of existing equity.

The permission of the MIB is incumbent, *inter alia*, upon:

(a) Foreign investment will be allowed only where the resultant entity is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.

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

(c) Complete disclosures to be made by the applicant at the time of making the application regarding any shareholders' agreements and loan agreements that are finalized or proposed to be entered into. Any subsequent change in theabove mentioned agreements would be disclosed to the MIB within 15 days of the date of such a change.

(d) The resultant entity shall frame its articles/memorandum of association to ensure compliance with the above eligibility criteria.

Subject to the ceiling prescribed, it will be obligatory to keep the MIB informed about any alteration in the foreign shareholding pattern as on 31st March of every year and within 15 days of the end of the financial year.

It is obligatory to take prior permission from the MIB before effecting any changes in the shareholding of the largest Indian shareholder of such entity. Within 15 days of effecting any change in the composition of its board of directors or key executives and editorial staff of any entity, the MIB requires to be informed of the same. Such a change would be subject to post-facto approval of the MIB.

Processing of Applications:

The MIB Guidelines indicate that:

(i) All applications for foreign investments in Indian entities publishing newspapers and periodicals dealing with news and current affairs, shall be processed and decided upon by the MIB on the basis of inter-ministerial consultation with the Ministry of Home Affairs, Government of India and other ministries, as may be required.

(ii) The applicant shall obtain prior clearance from the MIB of all persons not being resident Indians who are proposed to be inducted in the board of directors.

(iii) The Indian entity shall obtain prior clearance of the MIB if any foreigners/NRIs are proposed to be employed/engaged in the company either as consultants (or in any other capacity) for more than 60 days in a year, or as a regular employees.

The Industrial Policy

The Industrial Policy, 1991 of the Government of India ("Industrial Policy") specifies that FDI and portfolio investments by recognized FIIs, together up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity.

Non-residents such as NRIs, 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.

Our newspaper was first published in 1924. It was owned by our Promoter till such time as we acquired the media business of HTL.

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 20 of this 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

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 181 of this 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.
2005	Launch of the Mumbai edition of *Hindustan Times*, in July, 2005.

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, beginning on page 122 in this Red Herring Prospectus.

(Rs. in million, except per share data)

	As of March 31,		
	2005	**2004**	**2003 (unrestated)**
Equity share capital	39.86	39.86	31.36
Share Application Money	-	-	33.50
Reserves and Surplus	32.14	31.71	5.84
Total income	143.53	140.96	136.71
Profit after tax	0.43	0.37	0.82
Earnings per share (face value of Rs. 10 each) (Rs.)*	0.11	0.09	0.26
Net Asset Value per share (Rs.)*	18.06	17.96	22.54

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

Shareholders Agreement

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.

Salient features of the 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.

9. On and from the date of the final listing approval for the Issue and so long as the SHA is operative and in force with respect to HPC or Citicorp, as the case may be, HPC and Citicorp (as the case may be) shall each have the right to nominate and maintain in office one non retiring Director on the Board each and to appoint alternate directors to such nominee directors.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we cannot have fewer than four directors or more than 12 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 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. ● HTL Investment and Trading Company Limited. ● Udit (India) Limited. ● Yashovardhan Investment and Trading Company Limited. ● HTBC Limited (Bermuda)
Mr. Y. C. Deveshwar, 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.

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
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. ● India Glycols Limited. ● Global Educational Management Systems Private Limited (GEMS India).
Mr. Sanjiv Kapur, Director. **S/ o.** Mr. Tilak Raj Kapur. Business Executive. **Term:** Non-retiring Director.	47	11, Ardmore Park, # 13-01, Singapore, 259 957.	● HPC (Mauritius) Limited. ● Henderson Private Capital (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) ● Monnet Ispat Limited.
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.	● Taj GVK Hotel Limited.

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
Mr. S.M. Agarwal, Director. **S/ o.** (Late) Mr. T.R. Agarwal. Business Executive. **Term:** Liable to retire by rotation.	84	C 246, Defence Colony, New Delhi, 110 024.	• 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.
Mr. Shamit Bhartia, Whole time Director. **S/ o.** Mr. Shyam Sunder Bhartia. Industrialist. **Term:** Tenure ends on August 31, 2008.	27	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 is also currently the president of Confederation of Indian Industry (CII). 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 (27 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.

Dr. K.K. Birla, Mrs. Shobhana Bhartia and Mr. Shamit Bhartia are related to each other. None of our other Directors are related to each other.

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. 8.76 million per annum.	July 1, 2003 to June 30, 2008.
Mr. Shamit Bhartia	Resolution of the Board of Directors dated December 26, 2002.	Up to Rs.1.65 million per annum.	September 1, 2003 to August 31, 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. All our Directors are independent except Dr. K.K. Birla, Mrs. Shobhana Bhartia and Mr. Shamit Bhartia.

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) (Independent and Non-Executive), Mr. Sanjiv Kapur (Independent and Non-Executive), Mr. Ajay Relan (Alternate Chairman) (Independent and Non-Executive) and Mr. Shamit Bhartia (Whole time Director).

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 (Independent and Non-Executive), Mr. K.N. Memani (Independent and Non-Executive), Mr. Sanjiv Kapur (Independent and Non-Executive), Mr. Ajay Relan (Independent and Non-Executive) and Mr. N.K. Singh (Independent and Non-Executive).

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 (Independent and Non-Executive), Mr. S.M. Agarwal (Independent and Non-Executive) and Mr. Shamit Bhartia (Wholetime Director).

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.

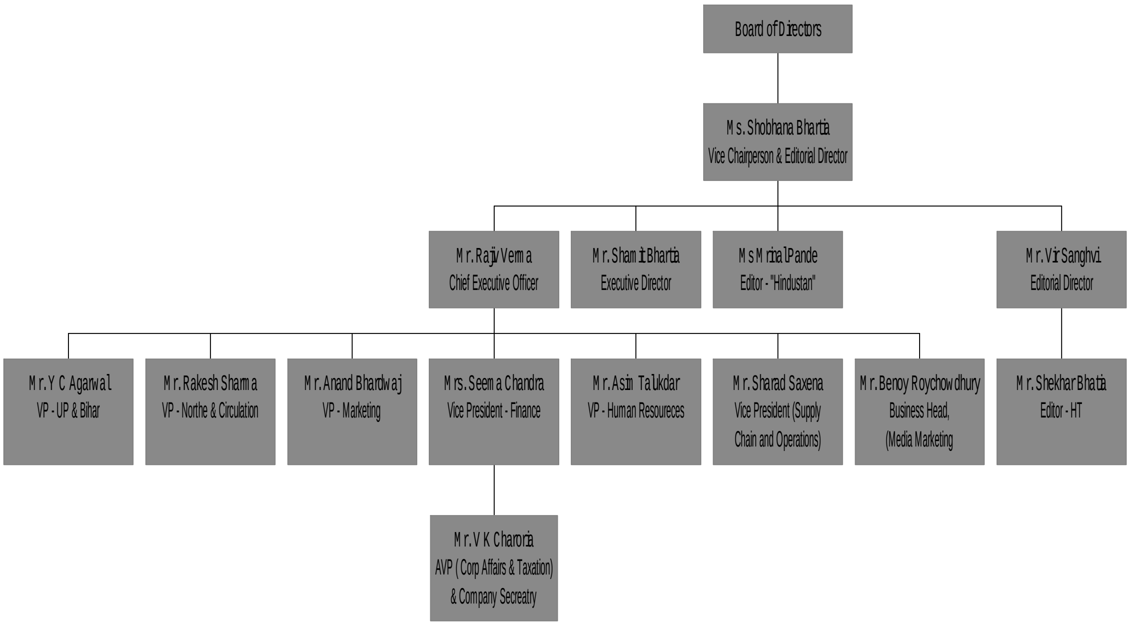
All our Directors may be interested in the Equity Shares already held by them or that may be Allotted to them pursuant to the Issue and/ or that may be Allotted to companies, firms and trusts in which they are directors, members, partners or trustees, as the case may be.

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. His compensation for fiscal 2005, including all benefits was Rs. 10.56 million.

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 Sunday, 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. His compensation for fiscal 2005, including all benefits was Rs 2.81 million.

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. His compensation for fiscal 2005, including all benefits was Rs. 3.00 million.

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. Her compensation for fiscal 2005, including all benefits was Rs. 1.45 million.

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. His compensation for fiscal 2005, including all benefits was Rs. 4.67 million. Mr. Seth has resigned from our Company and is serving notice period.

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. His compensation for fiscal 2005, including all benefits was Rs.3.44 million.

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. His compensation for fiscal 2005, including all benefits was Rs. 2.32 million.

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.His compensation for fiscal 2005, including all benefits was Rs. 2.18 million.

Mr. Asim Talukdar, Vice President – Human Resources and Administration (48 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. His compensation for fiscal 2005, including all benefits was Rs. 3.86 million.

Ms. Seema Chandra, Vice President (Finance) (45 years) is a commerce graduate and has a masters degree in business administration, with specialization in finance from Delhi University. She started her career as a management trainee with Ranbaxy Laboratories Limited, in 1993 where she worked for five years. Her last assignment prior to joining us was with Nestle India Limited where she worked in various areas including finance, financial accounting, treasury, etc. She has joined our Company in July 2005 and no remuneration had been paid to her in fiscal 2005.

Mr. Benoy Roychowdhury, Business Head, (Media Marketing), (44 years), holds an honors degree in Economics from Presidency college Calcutta University and has a post graduate degree in business management from XLRI, Jamshedpur. He has 20 years of experience and has been the Vice President (Sales, Trade Marketing and Logistics) in India and Regional Director (Market Development-Asia) in Hong Kong for Whirlpool. He has also worked with Procter & Gamble as Divisional Manager and Godrej Soaps Limited where he was General Manager Sales. He joined our Company in December 2004. The compensation received by him for fiscal 2005 is Rs. 2.06 million.

Mr. Sharad Saxena, Vice President (Supply Chain and Operations), (44 years) holds a degree in engineering from Birla Institute of Technology, Mesra, Ranchi. He has 23 years of experience of working in companies like Pepsi Foods Limited, Pepsico India Holdings Limited, Eicher Motors Limited and Escorts Limited. He joined our Company in January 2005. The compensation received by him for fiscal 2005 is Rs. 1.81 million .

Mr. V.K. Charoria, Asst Vice President (Corporate Affairs, Taxation) and 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. His compensation for fiscal 2005, including all benefits was Rs. 1.85 million.

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 of the Red Herring Prospectus.

Name, Designation	Date of Appointment as Key Managerial Employees	Date of Cessation	Reason
Ms. Mrinal Pande, Editor, Hindustan.	April 1, 2002	Continuing	Appointment.
Mr. Asim Talukdar, Vice President HRD and Administration.	August 22, 2003	Continuing	Appointment.
Mr. Anand Bharadwaj, Vice President – Marketing	September 15, 2003	Continuing	Appointment.
Mr. Shekhar Bhatia, Editor, Hindustan Times.	December 8, 2003	Continuing	Appointment
Mr. Rajiv Verma, Chief Executive Officer.	September 20, 2004	Continuing	Appointment.
Mr. Benoy Roychoudhary, Business Head (Media Marketing).	December 1, 2004	Continuing	Appointment
Mr. Sharad Saxena, Vice President (Supply Chain and Operations).	January 1, 2005	Continuing	Appointment
Ms. Seema Chandra, Vice President- Finance.	July 1, 2005	Continuing	Appointment
Mr. Ajay Upadhyay Editor – Hindustan	February 23, 2000	August 31, 2002	Resignation.
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. Rajan Kohli, Chief Executive Officer.	January 3, 2000	December 31, 2004	Resignation.
Mr. Ravi Seth, Director (Finance).	August 4, 2000	Under notice period	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, 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 43 of this Red Herring Prospectus.

The promoters of HTL are Britex (India) Limited, Udit (India) Limited, Usha Flowell Limited and The Birla Cotton Spinning and Weaving Mills Limited.

Shareholding Pattern:

The equity shares of HTL are not listed on any stock exchange. The shareholding pattern of HTL, as of July 11, 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)
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. Further, the Promoter has confirmed that they are not detained as willful defaulters by the Reserve Bank of India or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

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 Uttar Pradesh Stock Exchange. The shareholding pattern of Britex, as of July 11, 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 July 11, 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 June 30, 2005, except the trading of 51,000 equity shares at a price of Rs.7 per share on April 8, 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 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 July 11, 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 July 11, 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 June 30, 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 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 July 11, 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 July 11, 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 June 30, 2005 except the trading of 5,000 equity shares at a price of Rs.10 per share on April 8, 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 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 (10^{th} 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 July 11, 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 July 11, 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 June 30, 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 July 11, 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 July 11, 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	1.06	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 and the Uttar Pradesh Stock Exchange. There has been no trading in the equity shares of Duke Commerce during the six-month period endingJune 30, 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 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 Duke Commerce.

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 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. The dividends declared by our Company during the last two fiscal years have been presented below:

	Fiscal 2005	Fiscal 2004
Equity Shares		
Face Value of Equity Shares (Rs. Per share)	10.00	-
Dividend Rate (%)	10.00	-
Dividend per Equity Share (Rs.)	1.00	-
Dividend on Equity Shares (Rs. in million)	38.58	-
Preference Shares		
Face value of Preference Shares (Rs.per share)	100.00	-
Dividend Rate (%)	1.00	-
Dividend per Preference Share (Rs.)	0.10	-
Dividend on Preference Shares (Rs. in million)	1.66	-
Dividend Tax on the Equity Shares and the Preference Shares (Rs. in million).	5.65	-

The amounts paid as dividend in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

FINANCIAL STATEMENTS

HT MEDIA LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2005, 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 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 March 31, 2005, March 31, 2004 and March 31, 2003 (Annexure II) and the attached statements of Profit and Loss Account for the twelve months and nine months periods ended on March 31, 2005 and March 31, 2004 respectively (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:

1. 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.
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.
5. No dividend has been declared by the Parent Company (HT Media Limited) till date, except the Board of Directors vide its meeting held on May 7, 2005 has recommended 1% dividend on non-cumulative preference shares held by the Holding Company (The Hindustan Times Limited) of the Parent Company and 10% dividend on equity shares out of profits for the financial year 2004-05.

Also attached are summary financial statements of subsidiary of the Company (Searchlight Publishing House Limited) for the year/period ended March 31, 2005 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 year/period ended March 31, 2005 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 and year ended March 31, 2005, 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 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 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: July 12, 2005.

HT MEDIA LIMITED

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

The profit/(loss) of HT Media Limited for twelve months and nine months periods ended March 31, 2005 and March 31, 2004 respectively, 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	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004
INCOME		
Turnover		
Advertisement Revenue	4,935.74	3,282.29
Sale of Publications	1,255.88	836.71
Sale of waste paper and scrap	54.18	43.77
Total	**6,245.80**	**4,162.77**
Other Income	91.16	52.21
Total Income	**6,336.96**	**4,214.98**
EXPENDITURE		
Raw Materials Consumed	2,868.30	1,929.48
Employee Cost	793.74	570.52
Other Manufacturing Costs	764.06	613.42
(Increase)/Decrease in Inventories	(0.40)	0.49
Selling and Distribution Costs	520.43	464.30
Administrative and Other Costs	552.71	449.91
Total Expenditure	**5,498.84**	**4,028.12**
Profit (EBITDA)	**838.12**	**186.86**
Interest Charges	66.87	53.22
Profit before Depreciation, Exceptional Item and Tax	**771.25**	**133.64**
Depreciation/amortization	226.63	151.51
Profit/(Loss) before Exceptional Item and Tax	**544.62**	**(17.87)**
Exceptional Item:		
Reimbursement of terminal benefits to the Holding Company	106.45	12.16
Voluntary retirement compensation to employees	-	4.13
Profit/(Loss) before Tax	**438.17**	**(34.16)**
Current Tax Expense	22.39	0.05
Deferred Tax charge/(credit)	142.43	(10.42)
Net Profit/(Loss) for the year/period	**273.35**	**(23.79)**
Brought Forward (Loss) from Previous Period	(23.79)	-
Amount available for appropriation	**249.56**	**(23.79)**
Appropriations		
- Proposed dividend on preference shares	**1.66**	**-**
- Proposed dividend on equity shares	**38.58**	**-**
- Tax on dividends	**5.65**	**-**
Profit/(Loss) carried to Balance Sheet	**203.67**	**(23.79)**

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

HT MEDIA LIMITED

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	March 31, 2005	March 31, 2004	March 31, 2003
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	4,056.37	1,591.89	-
Less : Depreciation	323.81	126.06	-
Net Block	3,732.56	1,465.83	-
Capital work in progress including capital advances	86.15	1,390.32	-
Expenditure during construction period (Pending Allocation)	4.32	29.16	0.03
	3,823.03	2,885.31	0.03
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	157.94	168.92	-
Total	**3,980.97**	**3,054.23**	**0.03**
Investments:	**1,009.16**	**436.94**	**-**
Current Assets, Loans and Advances:			
Inventories	775.59	561.31	-
Sundry Debtors	935.04	1,036.91	-
Cash & Bank Balances	488.61	614.80	0.50
Loans and Advances	115.46	112.00	-
Total (A)	**2,314.70**	**2,325.02**	**0.50**
Current Liabilities and Provisions:			
Current Liabilities	1,302.80	1,071.63	0.26
Provisions	84.47	22.93	-
Total (B)	**1,387.27**	**1,094.56**	**0.26**
Net Current Assets (A-B)	**927.43**	**1,230.46**	**0.24**
Miscellaneous Expenditure	**-**	**-**	0.23
Total	**5,917.56**	**4,721.63**	**0.50**

Amount (Rs. in million)

As at	**March 31, 2005**	**March 31, 2004**	**March 31, 2003**
SOURCES OF FUNDS			
Deferred Tax Liabilities/(Assets)	132.01	(10.42)	-
Loan Funds			
Secured Loans	1,716.01	1,875.41	-
Total	**1,848.02**	**1,864.99**	**-**
Net worth	**4,069.54**	**2,856.64**	**0.50**
Represented by			
Equity Share Capital	417.54	371.43	0.50
Preference Share Capital	200.00	100.00	
Securities Premium Account	3,248.33	2,409.00	-
Profit & Loss Account	203.67	(23.79)	-
Net worth	**4,069.54**	**2,856.64**	**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

1. Significant Accounting Policies

1.1 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.

1.2 Fixed Assets

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

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

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

1.3 Depreciation

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

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

In respect of Fixed Assets acquired during the year from the holding company, depreciation is provided on Straight Line Method over a period of 5 years as technically assessed by an independent expert.

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

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

1.4 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.

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

Cost relating to other software licenses which are purchased is capitalized and amortized on a Straight Line Basis over their estimated useful lives of six years.

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

1.5 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 adjusted against the total of the indirect expenditure.

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

1.6 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.

1.7 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.

1.8 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.

1.9 Revenue recognition

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

Advertisements

Revenue is recognized as and when advertisement is published /displayed and is disclosed net of 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 if the right to receive payment is established by the balance sheet date.

1.10 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 acquisition of Fixed Assets from outside India, 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 in the statement of profit and loss in the year in which the rate changes. 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 from outside India, which is adjusted to the carrying amount of Fixed Assets.

1.11 Retirement and other employee benefits

i. 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.

ii. Liability in respect of Gratuity is provided for as per actuarial valuation carried out by an independent actuary as at year end and is contributed to Gratuity Fund created by the holding company.

iii. Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation carried out by an independent actuary at the year end.

1.12 Impairment

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

1.13 Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at the each 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.

1.14 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 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.

1.15 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.

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 year ended March 31, 2005, acquired the printing undertaking at Delhi of its holding company on Slump Sale basis for a consideration of Rs. 50 million. This transfer is subject to decision of Delhi High Court in a writ petition filed by the employees of the holding company against the sale of the printing undertaking by the holding company. There is however, no restriction in the court order as far as, 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 March 31, 2005, March 31, 2004 and March 31, 2003**

Particulars	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)	As at March 31, 2003 (Rs. in million)
Authorised Capital			
Equity Shares	525.00	375.00	10.00
Preference Shares	200.00	200.00	-
Issued, Subscribed and Paid up Capital			
Equity Shares	417.54	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 from Banks as at March 31, 2005 and March 31, 2004**

		As at March 31, 2005 (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 to be secured by way of pari passu first charge on fixed assets, present and future with the existing and proposed lenders. Modification of charges is yet to be filed with the Registrar of Companies. 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% and 8% respectively.	345.71	343.69
b)	The Company has during the year ended March 31, 2005 taken a rupee term loan from Punjab National Bank, which is secured by way of hypothecation of entire block of assets which are lying at all work place/office of the Company, consisting of plant & machinery, computers, furniture'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%.	750.00	-
c)	The Company has during the year ended March 31, 2005 taken a rupee term loan from State Bank of Patiala, which is secured by way of pari-pasu first charge on fixed assets, present and 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%.	317.56	-
d)	The Company has during the year ended March 31, 2005 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 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%.	250.00	-
e)	The Company is availing a cash credit facility of Rs. 700 million from Central Bank of India, 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.	52.74	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 debentureholders and Company's existing and proposed lenders. The loan carried interest payable at 8.5%.	-	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 debentureholders and Company's existing and proposed lenders. The loan carried interest payable at 8.5%.	-	873.79
	Total	**1,716.01**	**1,875.41**

4 Schedule of Investments as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (Rs. in million)		**As at March 31, 2004 (Rs. in million)**	
Long Term Investments (At cost)	**Cost**	**Market Value***	**Cost**	**Market Value***
A. Trade Investments (Unquoted)				
457 equity shares of Rs. 100/- each fully paid up in Press Trust of India Limited	0.05		0.05	
738 equity shares of Rs. 100/- each fully paid up in United News of India	0.07		0.07	
B. In Subsidiary Company (Unquoted)				
39,74,771 equity shares of Rs.10/- each fully paid in Searchlight Publishing House Limited	86.71		86.71	

	As at March 31, 2005 (Rs. in million)		As at March 31, 2004 (Rs. in million)	
Current Investments (At lower of cost and market value)	**Cost**	**Market Value***	**Cost**	**Market Value***
Other than Trade Investments (Quoted)				
1,01,46,152.640 units of Birla Cash Plus Institutional Premium Dividend Reinvest Plan of Rs. 10 each	101.66	101.67	-	-
1,53,79,794.313 units of Standard Chartered GCCW GCF - Super Institutional Plan C – Weekly Dividend Reinvest Plan of Rs. 10 each	153.87	153.96	-	-
1,53,89,081.969 units of HSBC Cash Fund- Institutional Plus- Weekly Dividend Reinvest Plan of Rs.10 each	153.92	154.14	-	-
66,45,706.908 units of Reliance-Treasury Plan-Institutional option - Weekly Dividend Reinvest Plan of Rs.10 each	101.54	101.62	-	-
1,71,61,347.322 units of ICICI Prudential Institutional Liquid Fund - Dividend Reinvest Plan of Rs.10 each	203.26	203.31	-	-
1,52,210.290 units of Templeton India Treasury Management Plan -Institutional Plan – Weekly Dividend reinvest of Rs.1,000 each	152.31	152.40	-	-
55,152.309 units of UTI Liquid Cash Plan Institutional- Weekly Dividend Reinvest Plan of Rs.1,000 each	55.77	55.96	-	-
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
Nil (Previous year 58,53,909.826 units of Birla Cash Plus Institutional Plan: Growth of Rs.10 each)	-	-	100.00	100.26
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
Nil (Previous year 46,95,893.333 units of HSBC Cash Fund- Institutional -Growth of Rs.10 each)	-	-	50.11	50.24
	1,009.16		**436.94**	

** Market Value denotes Net Asset value of respective current investments. The net asset value of current investments as at March 31, 2005 is Rs. 923.06 millions (Previous year Rs. 351.02 millions), the cost of which is Rs. 922.33 millions (Previous year Rs. 350.11 millions).*

5 Schedule of Sundry Debtors as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Debts outstanding for a period exceeding six months		
Secured, considered good	0.12	0.06
Unsecured, considered good	138.36	150.12
Unsecured, considered doubtful	89.24	38.49
Other debts		
Secured, considered good	61.82	54.95
Unsecured, considered good	734.74	831.78
Unsecured, considered doubtful	4.32	7.08
	1,028.60	1,082.48
Less: Provision for doubtful debts	(93.56)	(45.57)
Total	**935.04**	**1,036.91**

6 Schedule of Loans and Advances as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Secured, considered good		
Advances recoverable in cash or kind or for value to be received	2.31	3.80
Deposits – others	1.70	1.79
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	57.74	52.09
Deposits – others	53.71	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	-
	116.89	112.00
Less: Provision for doubtful advances	(1.43)	-
Total	**115.46**	**112.00**

7 Schedule of Deferred Taxes as at March 31, 2005 and March 31, 2004.

Significant components of deferred tax liabilities/assets are shown in the following table:

	As at March 31, 2005 (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	248.09	108.99
Gross Deferred Tax Liabilities	**248.09**	**108.99**
Deferred Tax Assets		
Carry forward of unabsorbed depreciation	73.74	99.50
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	10.85	3.56
Provision for doubtful debts	31.49	16.35
Gross Deferred Tax Assets	**116.08**	**119.41**
Net Deferred Tax (Liability)/Asset	(132.01)	10.42
Charge/(Credit) to the Profit and Loss Account	142.43	(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 March 31, 2005 and March 31, 2004.

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)	As at March 31, 2003 (Rs. in million)
Current Liabilities			
Sundry creditors (including Rs. Nil (Previous year Rs. 9.45 million) payable to holding company)	1,072.48	758.05	0.26
Business purchase consideration payable to holding company	-	69.99	-
Payable to a Subsidiary	9.91	3.52	-
Customers and Agents Balances	48.80	76.77	-
Income received in advance	40.61	41.50	-
Sundry deposits	131.00	121.80	-
	1,302.80	**1,071.63**	**0.26**
Provisions:			
For staff benefit schemes (leave encashment)	34.56	22.93	-
For taxation (net of advance tax)	4.02	-	-
For Proposed dividend – on preference shares	1.66	-	-
– on equity shares	38.58	-	-
For Tax on proposed dividends	5.65	-	-
	84.47	**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.14.58 million (Previous year Rs. 19.99 million) have been adjusted against securities premium account as permitted under Section 78 of the Companies Act, 1956.

11 In terms of Agreement dated March 5, 2004 with The Hindustan Times Limited, the holding company, for carrying out printing and news gathering job and other administrative/accounting services, in addition to the annual payment, the Company is liable to reimburse on actual basis the amounts paid/payable by the holding company to its employees as terminal benefits and other like payments. During the year the Company has reimbursed Rs. 106.45 million (previous year Rs. 12.16 million) to the holding company towards such amounts paid/payable by the holding company. The same has been disclosed under exceptional items in the Summary Statement of Profit and 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 and corporate dividend tax 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 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 key management personnel or their relatives	The Press Trust of India Limited, Audit Bureau of Circulation, 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:

1. * The Company had during the year, availed loans of Rs. 1,317.56 million (Previous year Rs. 1,317.56 million) from Central Bank of India (since repaid), 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 (since revoked).
2. 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			Subsidiary/Fellow Subsidiaries			Key Management personnel		
Transactions during the year	**March 2005**	**March 2004**	**March 2003**	**March 2005**	**March 2004**	**March 2003**	**March 2005**	**March 2004**	**March 2003**
Sale of goods									
- Stores Material									
- Searchlight Publishing House Limited	-	-	-	0.28	0.50	-	-	-	-
- Waste Papers									
- Searchlight Publishing House Limited	-	-	-	0.34	0.25	-	-	-	-
Income from Furniture hire charges	-	0.13	-	-	-	-	-	-	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	-	-	-	-	-	-
- The Hindustan Times Limited	25.50	41.63	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	138.07	104.46	-	-	-	-
Sitting fee	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	0.50	0.09	-	-	-	-
- Go4Cricket.com (India) Private Limited	-	-	-	-	0.02	-	-	-	-
Purchase of Printing and Publishing Undertakings	50.00	1,649.90	-	-	-	-	-	-	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	1.20	1.45	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	0.60	1.85	-	-	-	-

Payment for Employees on Deputation									
- The Hindustan Times Limited	179.05	173.94	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	21.36	15.47	-	-	-	-
Reimbursement of terminal benefits to The Hindustan Times Limited	106.45	12.16	-	-	-	-	-	-	-
Contribution of gratuity for employees on deputation	3.43	6.21	-	-	-	-	-	-	-
Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	5.23	-	-
- To Mr. Shamit Bhartia	-	-	-	-	-	-	0.70	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		-	-	-	-	-	-	-	-
Travelling Expenses									
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-
Rent Paid									
- Searchlight Publishing House Limited	-	-	-	0.16	-	-	-	-	-
- The Hindustan Times Limited	4.50	3.38	-	-	-	-	-	-	-
Subscription									
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Searchlight Publishing House Limited	-	-	-	7.32	1.22	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.25	0.65	-	-	-	-
- Go4Cricket.com (India) Private Limited	-	-	-	0.31	0.13	-	-	-	-
- The Hindustan Times Limited	36.98	38.13	-	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Searchlight Publishing House Limited	-	-	-	1.12	-	-	-	-	-

- Go4i.com (India) Private Limited	-	-	-	-	0.05	-	-	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
Investments made									
Share Capital issued	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 year									
Investment in Shares (including premium)									
- Searchlight Publishing House Limited	-	-	-	86.71	86.71	-	-	-	-
- The Press Trust of India Limited	-	-	-	-	-	-	-	-	-
Share Capital									
Equity Share Capital	321.97	314.29	0.50	-	-	-	-	-	-
Preference Share Capital	200.00	100.00	-	-	-	-	-	-	-
Receivable as Advances / Debtors									
- Air Travel Bureau Limited	-	-	-	-	-	-	-	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	-	0.02	-	-	-	-
Payable as Creditors									
- The Hindustan Times Limited	-	9.45	0.23	-	-	-	-	-	-
- Searchlight Publishing House Limited	-	-	-	9.91	3.52	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.96	-	-	-	-	-
- 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	**March 2005**	**March 2004**	**March 2003**	**March 2005**	**March 2004**	**March 2003**	**March 2005**	**March 2004**	**March 2003**
Sale of goods									
- Stores Material									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.28	0.50	-
- Waste Papers									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.34	0.25	-
Income from Furniture hire charges	-	-	-	-	-	-	-	0.13	-
Printing & Service Charges paid									
- Paxton Trexim Private Limited	-	-	-	15.60	34.32	-	15.60	34.32	-
- The Hindustan Times Limited	-	-	-	-	-	-	25.50	41.63	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	138.07	104.46	-
Sitting fee	0.06	-	-	-	-	-	0.06	-	-
Purchase of Fixed Assets									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.50	0.09	-
- Go4Cricket.com (India) Private Limited	-	-	-	-	-	-	-	0.02	-
Purchase of Printing and Publishing Undertakings	-	-	-	-	-	-	50.00	1,649.90	-
News Message									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	1.20	1.45	-
- The Press Trust of India Limited	-	-	-	21.85	16.62	-	21.85	16.62	-
Maintenance Expenses									
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.60	1.85	-
Payment for Employees on Deputation									
- The Hindustan Times Limited	-	-	-	-	-	-	179.05	173.94	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	21.36	15.47	-
Reimbursement of terminal benefits to The Hindustan Times Limited	-	-	-	-	-	-	106.45	12.16	-
Contribution of gratuity for employees on deputation	-	-	-	-	-	-	3.43	6.21	-

Remuneration paid to Key managerial personnel									
- To Mrs. Shobhana Bhartia	-	-	-	-	-	-	5.23	-	-
- To Mr. Shamit Bhartia	-	-	-	-	0.39	-	0.70	0.78	-
- To Mr. S.M. Agarwal	-	-	-	-	0.30	-	-	0.61	-
Gratuity contribution to Gratuity trust of employees									
- The HT Limited Working Journalist Gratuity Fund	-	-	-	1.57	2.96	-	1.57	2.96	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	2.88	0.54	-	2.88	0.54	-
Travelling Expenses									
- Air Travel Bureau Limited	-	-	-	8.84	7.66	-	8.84	7.66	-
Rent Paid									
- Searchlight Publishing House Limited	-	-	-	-	-	-	0.16	-	-
- The Hindustan Times Limited	-	-	-	-	-	-	4.50	3.38	-
Subscription									
- Audit Bureau of Circulation	-	-	-	0.22	0.17	-	0.22	0.17	-
Reimbursement of expenses incurred on behalf of the company by parties									
- Searchlight Publishing House Limited	-	-	-	-	-	-	7.32	1.22	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	0.25	0.65	-
- Go4Cricket.com (India) Private Limited	-	-	-	-	-	-	0.31	0.13	-
- The Hindustan Times Limited	-	-	-	-	-	-	36.98	38.13	-
Reimbursement of expenses incurred on behalf of the parties by company									
- Searchlight Publishing House Limited	-	-	-	-	-	-	1.12	-	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
- Audit Bureau of Circulation	-	-	-	0.24	-	-	0.24	-	-
Investments made									
Share Capital issued	-	-	-	-	-	-	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 year									
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									
Equity Share Capital	-	-	-	-	-	-	321.97	314.29	0.50
Preference Share Capital	-	-	-	-	-	-	200.00	100.00	-
Receivable as Advances / Debtors									
- Air Travel Bureau Limited	-	-	-	1.10	0.41	-	1.10	0.41	-
- Audit Bureau of Circulation	-	-	-	-	0.09	-	-	0.09	-
- Searchlight Publishing House Limited	-	-	-	-	-	-	-	0.02	-
Payable as Creditors									
- The Hindustan Times Limited	-	-	-	-	-	-	-	9.45	0.23
- Searchlight Publishing House Limited	-	-	-	-	-	-	9.91	3.52	-
- Go4i.com (India) Private Limited	-	-	-	-	-	-	-	0.96	-
- Go4icricket.com (India) Private Limited	-	-	-	-	-	-	-	0.05	-
- The Press Trust of India Limited	-	-	-	0.29	0.34	-	0.29	0.34	-
- Paxton Trexim Private Limited	-	-	-	1.08	6.87	-	1.08	6.87	-
Payable against Purchase Consideration	-	-	-	-	-	-	-	69.99	-
Security Deposits given by the Company									
- The Press Trust of India Limited	-	-	-	0.35	0.35	-	0.35	0.35	-
- Air Travel Bureau Limited	-	-	-	1.25	1.25	-	1.25	1.25	-

15. 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 and generally restrict for further leasing.

b. Lease payments for the year are Rs. 57.37 million (Previous year Rs. 43.50 million).

c. The future minimum lease payments under non-cancellable operating leases;

- not later than one year is Rs. 6.87 million (Previous year Rs. 8.49 million);
- later than one year but not later than five years is Rs. 14.42 million (Previous year Rs. 19.83 million);
- later than five years is Rs. 1.44 million (Previous year Rs.2.89 million).

16 Earnings per share (EPS) is computed in accordance with Accounting Standard-20

	Year ended March 31, 2005 (Rs. in million)	Year ended March 31, 2004 (Rs. in million)
Net profit/(loss) before exceptional item	**544.62**	(17.87)
Less: Adjustment for Deferred Tax (Charge)/Credit	**(178.26)**	4.58
Less: Provision for tax	**(27.89)**	(0.06)
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**(1.89)**	-
	336.58	(13.35)
Net profit/(loss) after exceptional item	**438.17**	(34.16)
Less: Adjustment for Deferred Tax (Charge)/Credit	**(142.43)**	10.42
Less: Provision for tax	**(22.39)**	(0.05)
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**(1.89)**	-
Net profit/(loss) for calculation of basic and diluted EPS (Rs. in million)	**271.46**	**(23.79)**
Weighted average number of equity shares in calculating basic and diluted EPS	38,583,274	2,380,972
Basic and Diluted earning per share before exceptional item	**8.72**	(5.60)
Basic and Diluted earning per share after exceptional item	**7.04**	(9.99)

Note: 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.

17 Capital Commitment

	As at March 31, 2005 (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	**49.86**	626.79

18 Contingent Liabilities not provided for

		As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
a)	Bank Guarantees given by the Company	**0.58**	0.05
b)	Claims against the Company not acknowledged as debts The Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by the Company.	**1.18**	0.17
c)	In respect of various labour and defamation cases pending. (In view of large number of cases, it is impracticable to disclose the details of each case).	**Amount not ascertainable**	Amount not ascertainable

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Directors' Remuneration*		
Salaries	**3.60**	0.58
Contribution to provident fund	**0.43**	0.07
Contribution to Gratuity fund	**0.15**	-
Perquisites	**1.75**	0.05
	5.93	0.70

* *Excluding provision for leave encashment*

20 Previous Year comparatives

The Summary Statement of Profit & Loss Account for the current year reflects transactions for the year ended March 31, 2005 and the Summary Statement of Profit & Loss Account for the previous year reflected transactions for the nine months period ended March 31, 2004, hence, current year's figures are not strictly comparable with those of the previous year.

ANNEXURE IV

HT MEDIA LIMITED

CASH FLOW STATEMENT AS PER UNCONSOLIDATED FINANCIAL STATEMENTS

		March 31, 2005 (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	**438.17**	(34.16)	**-**
	Adjustments for:			
	Depreciation/amortisation	**226.63**	151.51	-
	Miscellaneous Expenditure (net)	**(14.58)**	(19.76)	(0.23)
	Loss on disposal of fixed assets (net)	**1.77**	0.19	-
	Profit on sale of current investments (net)	**(6.69)**	(0.54)	-
	Dividend income	**(18.23)**	-	-
	Interest income	**(8.99)**	(0.97)	-
	Interest expense	**66.87**	53.23	-
	Provision for doubtful debts and advances	**49.41**	45.58	-
	Operating profit before working capital changes	**734.36**	195.08	(0.23)
	Movements in working capital :			
	(Increase)/Decrease in sundry debtors	**53.89**	(251.81)	-
	(Increase)/Decrease in inventories	**(213.24)**	(97.37)	-
	(Increase)/Decrease in loans and advances	**(5.88)**	20.07	-
	Increase in current liabilities and provisions	**242.80**	114.77	0.26
	Cash generated from/(used in) operations	**811.92**	(19.26)	0.03
	Direct taxes paid	**(17.97)**	(0.45)	-
	Net cash from/(used in) operating activities	**793.95**	(19.70)	0.03
B.	**Cash flows from investing activities**			
	Purchase of Printing and Publishing undertakings	**(50.00)**	(30.00)	-
	Purchase of fixed assets	**(1,039.00)**	(1,567.58)	(0.03)
	Proceeds from sale of fixed assets	**3.70**	2.85	-
	Purchase of investments	**(1,982.18)**	(800.26)	-
	Sale of investments	**1,416.65**	455.43	-
	Dividend received	**18.23**	-	-
	Interest received	**9.60**	0.36	-
	Net cash used in investing activities	**(1,623.00)**	(1,939.21)	(0.03)

		March 31, 2005 (Rs. in million)	March 31, 2004 (Rs. in million)	March 31, 2003 (Rs. in million)
C.	**Cash flows from financing activities**			
	Proceeds from issuance of share capital	**1,000.03**	1,350.00	0.50
	Proceeds from long-term borrowings	**1,318.70**	1,005.03	-
	Repayment of long-term borrowings	**(1,317.56)**	-	-
	Proceeds from/(repayment of) short-term borrowings	**(151.96)**	208.05	-
	Interest paid	**(146.34)**	(86.52)	-
	Net cash from financing activities	**702.86**	2,476.56	0.50
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(126.18)**	517.65	0.50
	Cash and cash equivalents at the beginning of the year	**614.80**	0.50	-
	Add: Acquired from Holding Company	**-**	96.65	-
	Cash and cash equivalents at the end of the year	**488.61**	614.80	0.50
	Components of cash and cash equivalents at the end of the year			
	Cash and cheques on hand	**271.50**	244.79	-
	With Scheduled banks - on current accounts	**56.97**	74.98	0.50
	- on deposit accounts	**160.15**	295.03	-
		488.61	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. 1,549.91 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

	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004	Period ended March 31, 2003
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	8.72	(5.60)	Not Applicable
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	7.04	(9.99)	Not Applicable
Cash Earnings per share (Rs.)	15.83	49.29	Not Applicable
Return on net worth before adjusting exceptional item %	8.70%	-0.48%	Not Applicable
Return on net worth after adjusting exceptional item %	7.02%	-0.86%	Not Applicable
Net asset value per equity share (Rs.)	100.29	1,157.78	10.00
Weighted average number of equity shares outstanding during the year/period	**38,583,274**	**2,380,972**	**50,000**
Total number of shares outstanding at the end of the year / period	**41,753,900**	**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 year

Basic and Diluted Earnings per share after adjusting exceptional item (Rs) * = Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders / Weighted average number of equity shares outstanding during the year

Cash Earnings per share (Rs) = Net profit/(loss) (after income tax, before depreciation/ amortisation and deferred taxes) attributable to equity shareholders / Weighted average number of equity shares outstanding during the year

Return on net worth before adjusting exceptional item (%) = Net profit/(loss) after tax as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)

Return on net worth after adjusting exceptional item (%) = Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)

Net asset value per equity share (Rs) = $\dfrac{\text{Net worth excluding preference share capital at the end of the year}}{\text{Weighted average number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

3. Net profit, as appearing in the summary profit and loss account of the respective years, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis 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.

5. The Company has made allottment of equity shares of Rs. 10/- each on the following dates:

Date of Allottment	**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
March 30, 2005	973,241
	41,753,900

ANNEXURE VI

CAPITALISATION STATEMENT BASED ON UNCONSOLIDATED

FINANCIAL STATEMENTS OF HT MEDIA LIMITED

(Rs. in million)

	Pre Issue			Post Issue *
	Twelve months period ended March 31, 2005	**Nine months period ended March 31, 2004**	**Period ended March 31, 2003**	
Short term debt (Working capital loan)	52.74	204.70	-	-
Long term debt	1,663.27	1,670.71	-	-
Total debt	**1,716.01**	**1,875.41**	**-**	-
Shareholders' funds				
- Equity Share capital	417.54	371.43	0.50	-
- Preference Share capital	200.00	100.00	-	-
- Securities Premium Account	3,248.33	2,409.00	-	-
- Profit and Loss Account	203.67	(23.79)	-	-
Total shareholders' funds	**4,069.54**	**2,856.63**	**0.50**	**-**
Long term debt / equity	0.41	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 = $\dfrac{\text{Long Term Debt}}{\text{Total Shareholders' Funds}}$

ANNEXURE VII

TAX SHELTER STATEMENT BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF HT MEDIA LIMITED

(Rs. in million)

	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004 *
Profit/(Loss) before tax as per books (A)	438.17	(34.16)
Weighted average tax rate (%)	38.952	35.875
Tax expense at weighted average rate	170.68	(12.26)
Adjustments		
Permanent Differences		
Fees for increase in share capital	(0.86)	(3.67)
Provision for doubtful advances	(1.43)	-
Depreciation on leasehold land	(0.76)	(0.47)
Other Permanent Differences	0.23	(0.96)
Sub Total (A)	**(2.82)**	**(5.11)**
Dividend income exempt u/s 10(34) of the Income Tax Act, 1961	18.23	-
Sub Total (B)	**18.23**	**-**
Grand Total (A+B)	**15.41**	**(5.11)**
Net Adjustment		
Tax impact of adjustments of dividend	7.57	-
Tax impact of expenses disallowed (permanent differences) for deferred tax	(0.95)	(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	164.82	(10.42)
Provision for current domestic tax being made in round off	(0.03)	-
Provision for current wealth tax included in current tax expense	(0.09)	-
Total tax expenses	**170.68**	**(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	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004	Nature	Arising out of
Interest received on				
- Bank Deposits	8.71	0.71	Non Recurring	Other than normal business activities
- Others	0.28	0.26	Recurring	Normal business activities
Dividend received on current investments	18.23	-	Non Recurring	Other than normal business activities
Exchange gain, net	5.71	18.65	Recurring	Normal business activities
Profit on sale of current investments (net)	6.69	0.54	Non Recurring	Other than normal business activities
Unclaimed balances/unspent liabilities written back (net)	22.92	6.60	Non Recurring	Other than normal business activities
Miscellaneous Income	17.72	15.03	Non Recurring	Other than normal business activities
Miscellaneous Income	10.90	10.43	Recurring	Normal business activities
Total	**91.16**	**52.21**		

Working Notes

Particulars	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004
Other income (A)	91.16	52.21
Net profit/(Loss) before tax (B)	438.17	(34.16)
Percentage (A/B)%	21%	-

Searchlight Publishing House Limited

I. Summary Statement of Profit and Loss Account

The profit/(loss) of Searchlight Publishing House Limited for the twelve and nine months periods ended March 31, 2005 and March 31, 2004 respectively, 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)

	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004
INCOME		
Turnover		
Printing Charges	138.04	103.62
Sale of scrap	3.08	2.30
Total	**141.12**	**105.93**
Other Income	2.41	1.69
Total Income	**143.53**	**107.61**
EXPENDITURE		
Raw Materials Consumed	21.15	12.48
Employee Cost	58.69	44.00
Other Manufacturing Costs	41.11	34.00
(Increase) in Inventories	(0.24)	-
Administrative and Other Costs	15.80	10.58
Total Expenditure	**136.51**	**101.06**
Profit (EBITDA)	**7.02**	**6.55**
Interest Charges	0.01	0.01
Profit before Depreciation and Tax	**7.01**	**6.55**
Depreciation	5.73	4.20
Profit before Tax	**1.28**	**2.34**
Adjustment of taxes for earlier years	0.30	(0.38)
Current Tax Expense	0.81	-
Deferred Tax charge/(credit)	(0.27)	0.55
Net Profit/(Loss) for the year/period	**0.43**	**2.17**
Brought Forward Profit from Previous Period	2.97	0.80
Profit carried to Balance Sheet	**3.40**	**2.97**

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 year/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	March 31, 2005	March 31, 2004
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	91.51	89.79
Less : Depreciation	35.76	35.24
Net Block	55.75	54.55
Capital work in progress including capital advances	0.65	0.49
Total	**56.40**	**55.04**
Deferred Tax Assets (net)	0.33	0.06
Current Assets, Loans and Advances:		
Inventories	9.34	7.30
Sundry Debtors	9.93	3.78
Cash & Bank Balances	3.63	2.72
Loans and Advances	7.22	10.97
Total (A)	**30.12**	**24.77**
Current Liabilities and Provisions:		
Current Liabilities	12.51	12.33
Provisions	3.48	3.69
Total (B)	**15.99**	**16.02**
Net Current Assets (A-B)	**14.13**	**8.75**
Miscellaneous Expenditure	**1.14**	**7.73**
Total	**72.00**	**71.57**
SOURCES OF FUNDS		
Net worth	**72.00**	**71.57**
Represented by		
Equity Share Capital	39.86	39.86
Capital Reserve (Rs. 3,000/- only)	0.00	0.00
Capital Redemption Reserve	0.05	0.05
General Reserve	3.19	3.19
Share Premium Account	25.50	25.50
Profit & Loss Account	3.40	2.97
Net worth	**72.00**	**71.57**

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 A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies

1.1 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.

1.2 Fixed Assets

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

1.3 Depreciation

Depreciation on assets is provided on Written Down Value Method at the rates computed based on estimated useful life of the assets, which are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

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

1.4 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.

1.5 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.

1.6 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.

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.

1.7 Retirement and other employee benefits

i. 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.

ii. Liability in respect of Gratuity is provided for as per actuarial valuation carried out by Life Insurance Corporation of India at the year end and is contributed to them as and when the same is due.

iii. Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation carried out by an independent actuary at the year end.

1.8 Miscellaneous Expenditure (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.

1.9 Impairment

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

1.10 Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at the each 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.

1.11 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 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.

1.12 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.

III B 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, Summary Statement of Profit and Loss Account for the previous period had been prepared for the nine months period from July 1, 2003 to March 31, 2004.

2. Segment Information

Business Segments:

The Company is engaged in a single business i.e. printing 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 segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment reporting.

Geographical Segments:

There is no geographical segment as the entire operations of the Company are limited to India alone.

3. 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. Based on discussions with the solicitors, the management believes that the Company has a strong chance of success in above mentioned case and hence no provision thereagainst is considered necessary.

4. 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	**March 2005**	**March 2004**	**March 2005**	**March 2004**	**March 2005**	**March 2004**	**March 2005**	**March 2004**
Reimbursement of expenses incurred on behalf of parties by Company	7.32	2.85	-	-	-	-	7.32	2.85
Reimbursement of expenses incurred on behalf of Company by parties	1.12	-	-	-	-	-	1.12	-
Printing charges received for:								
- Newspaper	138.07	136.05	-	-	-	-	138.07	136.05
- Others	-	1.182	-	-	-	-	-	1.182
Purchase of store material	0.28	0.64	-	-	-	-	0.28	0.64
Purchase of Fixed Assets	-	-	0.20	-	-	-	0.20	-
Printing and Stationery	-	0.08	-	-	-	-	-	0.08
Purchase of waste paper	0.34	0.26	-	-	-	-	0.34	0.26
Payment to employees sent on deputation	21.36	17.74	-	-	-	-	21.36	17.74
Director's Remuneration	-	-	-	-	0.82	-	0.82	-
Travelling expenses	-	0.76	-	-	-	-	-	0.76
Rent paid	0.16	-	-	-	-	-	0.16	-
Balance outstanding at the period end								
As Debtor	9.91	3.52	-	-	-	-	9.91	3.52

5. 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 renewable by mutual consent and generally restrict for further leasing.

Lease payments for the year are Rs. 1.15 million (Previous period Rs. 1.00 million).

6. Schedule of Share Capital as at March 31, 2005 and March 31, 2004

Particulars	**As at March 31, 2005 (Rs. in million)**	**As at March 31, 2004 (Rs. in million)**
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
	39.86	39.86
Out of above, number of Equity shares held by HT Media Limited, the Holding Company	3,974,771	3,974,771

7. Schedule of Sundry Debtors as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (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. 9.91 million (Previous year Rs. 3.52 million) receivable from holding company)	9.93	3.60
Less: Provision for doubtful debts	(0.18)	-
Total	**9.93**	**3.78**

8. **Schedule of Loans and Advances as at March 31, 2005 and March 31, 2004**

	As at March 31, 2005 (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	1.63	2.64
Deposits – others	2.59	2.67
Advance payment of income tax/ tax deducted at source	3.00	5.66
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	0.07	-
	7.29	10.97
Less: Provision for doubtful advances	(0.07)	-
Total	7.22	10.97

9. **Schedule of Deferred Taxes as at March 31, 2005 and March 31, 2004**

Significant components of deferred tax assets are shown in the following table:

	As at March 31, 2005 (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	3.26	2.13
Provision for doubtful debts and advances	0.09	-
Gross Deferred Tax Assets	**3.35**	**2.58**
Deferred Tax Liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	3.02	2.52
Gross Deferred Tax Liabilities	**3.02**	**2.52**
Net Deferred Tax Asset	0.33	0.06
Charge/(Credit) to the Profit and Loss Account	(0.27)	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.

10. **Schedule of Current Liabilities and Provisions as at March 31, 2005 and March 31, 2004**

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Current Liabilities		
Sundry Creditors	**12.42**	12.33
Customers and Agents Balances	**0.03**	-
Sundry deposits	**0.06**	-
	12.51	12.33
Provisions		
For staff benefit schemes	**2.67**	3.45
For taxation	**0.81**	0.24
	3.48	3.69

11. **Earnings per share (EPS) is computed in accordance with Accounting Standard-20**

	Year ended March 31, 2005 (Rs. in million)	Period ended March 31, 2004 (Rs. in million)
Net profit/(loss) before tax	**1.28**	2.34
Less: Deferred Tax (Charge)/Credit	**0.27**	(0.55)
Less: Provision for tax	**(1.11)**	0.38
Net Profit/(Loss) for the year	**0.44**	2.17
Weighted average number of equity shares in calculating basic and diluted EPS	3,986,250	3,553,523
Basic earning per share	**0.11**	0.61
Diluted earning per share	**0.11**	0.54

12. **Capital Commitment**

	As at March 31, 2005 (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	**1.94**	4.70

13. **Contingent Liabilities not provided for**

	Amount (Rs. in million)	Amount (Rs. in million)
a) In respect of various labour cases pending	**Amount not ascertainable**	Amount not ascertainable

14. Directors' Remuneration*

Salaries	**0.75**	-
Contribution to provident fund	**0.04**	-
Perquisites	**0.03**	-
	0.82	-

** Excluding provision for leave encashment*

15. Previous Year comparatives

The Summary Statement of Profit & Loss Account for the current year reflects transactions for the year ended March 31, 2005 and the Summary Statement of Profit & Loss Account for the previous year reflected transactions for the nine months period ended March 31, 2004. Hence current year's figures are not strictly comparable with those of the previous year.

IV. STATEMENT OF ACCOUNTING RATIOS BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF SEARCHLIGHT PUBLISHING HOUSE LIMITED

	Twelve months period ended March 31, 2005	**Nine months period ended March 31, 2004**
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	0.11	0.61
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	0.11	0.61
Cash earnings per share (Rs.)	1.04	1.74
Return on net worth before adjusting exceptional item %	0.60%	3.04%
Return on net worth after adjusting exceptional item %	0.60%	3.03%
Net asset value per equity share (Rs.)	18.06	17.95
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 year
Basic and Diluted Earnings per share after adjusting exceptional item (Rs) *	=	Net profit/(loss) (after tax, after adjusting exceptional item) attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
Cash Earnings per share (Rs)	=	Net profit/(loss) (after income tax, before depreciation/amortisation and deferred taxes) attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
Return on net worth before adjusting exceptional item (%)	=	Net profit/(loss) after tax as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	=	Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)
Net asset value per equity share (Rs)	=	Net worth excluding preference share capital at the end of the year / Weighted average number of equity shares outstanding at the end of the year

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

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.

V. TAX SHELTER STATEMENT BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS OF SEARCHLIGHT PUBLISHING HOUSE LIMITED

(Rs in million)

	Twelve months period ended March 31, 2005	**Nine months period ended March 31, 2004**
Profit/(Loss) before tax as per books (A)	1.28	2.34
Weighted average tax rate (%)	36.59	36.59
Tax expense at weighted average rate	0.47	0.86
Adjustments		
Permanent Differences		
Other Differences	(0.24)	0.85
Sub Total (A)	(0.24)	**0.85**
Net Adjustment		
Tax impact of expenses disallowed for deferred tax	(0.08)	0.30
Provision for tax as per the books of accounts	0.85	0.17
Adjustment for taxes of earlier years	(0.30)	0.38
Total tax expenses as per the books of accounts	**0.47**	**0.86**

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:

(Rs. in million)

Sources of Income	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004	Nature	Arising out of
Interest received on				
- Others	0.33	0.19	Non Recurring	Other than normal business activities
Miscellaneous Income	2.08	1.50	Recurring	Normal business activities
Total	**2.41**	**1.69**		

Working Notes:

	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004
Other Income (A)	2.41	1.69
Net profit before tax (B)	1.28	2.34
Percentage(A/B)%	188%	72%

Searchlight Publishing House Limited

VII. Cash Flow Statement for the year ended March 31, 2005

		March 31, 2005 (Rs. in million)	March 31, 2004 (Rs. in million)
A.	**Cash flow from operating activities**		
	Profit/(Loss) before taxation	**1.28**	2.34
	Adjustments for:		
	Depreciation	**5.73**	4.20
	Miscellaneous Expenditure (net)	**6.59**	(0.24)
	Interest income	**(0.33)**	(0.19)
	Interest expense	**0.01**	0.01
	Provision for doubtful debts and advances	**0.25**	-
	Operating profit before working capital changes	**13.53**	6.12
	Movements in working capital :		
	(Increase)/Decrease in sundry debtors	**(6.33)**	10.05
	(Increase)/Decrease in inventories	**(2.04)**	1.24
	Decrease in loans and advances	**1.03**	2.82
	(Decrease) in current liabilities and provisions	**(0.61)**	(12.09)
	Cash generated from operations	**5.58**	8.14
	Direct taxes (paid)/refund received	**2.11**	(2.01)
	Net cash from operating activities	**7.69**	6.13
B.	**Cash flows from investing activities**		
	Purchase of fixed assets	**(7.10)**	(0.49)
	Interest received	**0.33**	0.19
	Net cash used in investing activities	**(6.77)**	(0.30)
C.	**Cash flows from financing activities**		
	(Refund) of share capital/share application money	**-**	(5.00)
	Interest paid	**(0.01)**	(0.01)
	Net cash from financing activities	**(0.01)**	(5.01)
	Net increase in cash and cash equivalents (A + B + C)	**0.91**	0.82
	Cash and cash equivalents at the beginning of the year/period	**2.72**	1.90
	Cash and cash equivalents at the end of the year/period	**3.63**	2.72
	Components of cash and cash equivalent at the end of the year/period		
	Cash in hand	**0.33**	0.21
	With Scheduled banks - on current accounts	**3.30**	2.51
		3.63	2.72

Note:

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

HT MEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED MARCH 31, 2005 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 "HT Media 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 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 HT Media Group as at March 31, 2005 and March 31, 2004 (Annexure II) and the attached Consolidated Statements of Profit and Loss Account for the twelve months and nine months periods ended on March 31, 2005 and March 31, 2004 respectively (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 year/period.

We did not audit the financial statements of the subsidiary of HT Media Limited whose financial statements reflect total assets of Rs. 87.99 millions as at March 31, 2005 (Rs. 87.60 millions as at March 31, 2004) and total revenues of Rs. 143.53 millions for the year ended March 31, 2005 (Rs. 107.62 millions for the nine months period ended March 31, 2004) and cash flows amounting to Rs. 0.91 million for the year ended March 31, 2005 (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 HT Media 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.
5. No dividend has been declared by the Parent Company (HT Media Limited) till date, except the Board of Directors vide its meeting held on May 7, 2005 has recommended 1% dividend on non-cumulative preference shares held by the Holding Company (The Hindustan Times Limited) of the Parent Company and 10% dividend on equity shares out of profits for the financial year 2004-05.

B. Other financial information

We have examined the following consolidated financial information relating to the HT Media Group proposed to be included in the 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 HT Media 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 HT Media 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 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: July 12, 2005

ANNEXURE I

HT MEDIA LIMITED

SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

The consolidated profit/(loss) of HT Media Limited for twelve months and nine months periods ended March 31, 2005 and March 31, 2004 respectively, 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	**Twelve months period ended March 31, 2005**	**Nine months period ended March 31, 2004**
INCOME		
Turnover		
Advertisement Revenue	4,935.74	3,282.29
Sale of Publications	1,255.87	836.71
Sale of waste paper and scrap	56.92	45.87
Total	**6,248.53**	**4,164.87**
Other Income	93.55	52.91
Total Income	**6,342.08**	**4,217.78**
EXPENDITURE		
Raw Materials Consumed	2,889.45	1,941.96
Employee Cost	845.84	611.34
Other Manufacturing Costs	666.76	539.05
(Increase)/Decrease in Inventories	(0.64)	0.49
Selling and Distribution Costs	520.43	464.30
Administrative and Other Costs	568.52	464.04
Total Expenditure	**5,490.36**	**4,021.18**
Profit (EBITDA)	**851.72**	**196.60**
Interest Charges	66.88	53.24
Profit before Depreciation, Exceptional Item and Tax	**784.84**	**143.36**
Depreciation/amortization	237.47	159.50
Profit/(Loss) before Exceptional Item and Tax	**547.37**	**(16.14)**
Exceptional Item:		
Reimbursement of terminal benefits to the Holding Company	106.45	12.16
Voluntary retirement compensation to employees	-	7.54
Profit/(Loss) before Tax	**440.92**	**(35.84)**

Current Tax Expense	23.21	0.05
Taxes for earlier years	0.30	(0.38)
Deferred Tax charge/(credit)	142.16	(9.87)
Net Profit/(Loss) for the year/period	**275.25**	**(25.64)**
Add: Pre-Acquisition losses adjusted against goodwill	**-**	0.67
Less: Share of minority interest in profits	(0.02)	(0.01)
Brought Forward (Loss) from Previous Period	(24.97)	-
Amount available for appropriation	**250.26**	**(24.97)**
Appropriations		
- Proposed dividend on preference shares	**1.66**	**-**
- Proposed dividend on equity shares	**38.58**	**-**
- Tax on dividends	**5.65**	**-**
Profit/(Loss) carried to Balance Sheet	**204.37**	**(24.97)**

The accompanying Significant Accounting Policies and Notes to Accounts (Annexure-III below) form an integral part of this statement.

ANNEXURE II

HT MEDIA LIMITED

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	March 31, 2005	March 31, 2004
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	4,147.88	1,681.68
Less : Depreciation	359.57	161.31
Net Block	3,788.31	1,520.37
Capital work in progress including capital advances	86.80	1,390.81
Expenditure during construction period (Pending Allocation)	4.32	29.16
	3,879.43	2,940.34
Goodwill (net of amortisation)	16.67	21.79
Intangible Assets (net of amortisation and including capital work in progress, capital advances and expenditure during development stage)	157.93	168.92
Total	**4,054.03**	**3,131.05**
Investments:	**922.45**	**350.23**
Current Assets, Loans and Advances:		
Inventories	784.93	568.60
Sundry Debtors	935.06	1,037.17
Cash & Bank Balances	492.24	617.52
Loans and Advances	119.68	122.74
Total (A)	**2,331.91**	**2,346.03**
Current Liabilities and Provisions:		
Current Liabilities	1,305.38	1,080.44
Provisions	84.95	26.39
Total (B)	**1,390.33**	**1,106.83**
Net Current Assets (A-B)	**941.58**	**1,239.20**
Total	**5,918.06**	**4,720.48**

SOURCES OF FUNDS		
Deferred Tax Liabilities/(Assets)	131.68	(10.48)
Minority Interest	0.12	0.10
Loan Funds		
Secured Loans	1,716.01	1,875.41
Total	**1,847.81**	**1,865.03**
Net worth	**4,070.25**	**2,855.45**
Represented by		
Equity Share Capital	417.54	371.43
Preference Share Capital	200.00	100.00
Securities Premium Account	3,248.34	2,409.00
Profit & Loss Account	204.37	(24.97)
Net worth	**4,070.25**	**2,855.45**

The accompanying Significant Accounting Policies and Notes to Accounts (Annexure-III below) form an integral part of this statement.

ANNEXURE III

HT Media Limited

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 March 31, 2005, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

1. Principles of Consolidation

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

(i) The financial statements of the Parent Company and its Subsidiary 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, if any, as per Accounting Standard – 21, Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

(ii) The financial statements of the Subsidiary Company used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March 31, 2005.

(iii) 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 Company	Percentage of Ownership as at March 31, 2005
Searchlight Publishing House Limited	India	99.71

(iv) Goodwill represents the difference between the Parent Company's share in the net worth of the Subsidiary Company and the cost of acquisition at the time of making the investment in the Subsidiary Company. For this purpose, the Parent Company's share of net worth of the Subsidiary Company is determined on the basis of the latest financial statements of the Subsidiary Company prior to acquisition, after making the necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill is amortised pro-rata over a period of 5 years from the date of acquisition.

(v) Minorities' interest in net profit of consolidated Subsidiary Company 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 Summary Consolidated Statement of Assets and Liabilities separately.

(vi) 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.164.99 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 Holding Company of the Parent Company (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 year ended March 31, 2005, acquired the printing undertaking at Delhi of its holding company on Slump Sale basis for a consideration of Rs. 50 million. This transfer is subject to decision of Delhi High Court in a writ petition filed by the employees of the holding company of the parent company against the sale of the printing undertaking by the holding company of the parent company. There is however, no restriction in the court order as far as, 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 computed based on estimated useful life of the assets, which are greater than or equal to the corresponding rates prescribed in Schedule XIV to Companies Act, 1956, whereas depreciation on fixed assets of subsidiary company is provided on Written Down Value Method at the rates computed based on estimated useful life of the assets, which are greater than or equal to the corresponding rates prescribed in Schedule XIV to 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.

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 HT Media Group and are consistent with those used in the previous year.

(b) Fixed Assets

Value for individual Fixed Assets acquired by the parent company from its Holding Company has been allocated based on the valuation carried out by independent experts.

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

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

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

(d) Depreciation

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

Goodwill arising out of acquiring share in the Subsidiary Company is amortised pro-rata over a period of 5 years from the date of acquisition.

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

In respect of Fixed Assets acquired during the year by the Parent Company from its holding company, depreciation is provided on Straight Line Method over a period of 5 years as technically assessed by an independent expert.

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

Depreciation on other assets (except those acquired by the Parent Company from its holding company) of the parent company is provided on Straight Line Method at the rates computed based on estimated useful life of the assets, which are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Fixed Assets of the Subsidiary Company is provided on Written Down Value Method at the rates computed based on estimated useful life of the assets, which are greater than or equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. (2.19% of total fixed assets).

(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.

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.

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.

(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 adjusted against the total of the indirect expenditure.

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

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

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

(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 a temporary one 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 HT Media Group and the revenue can be reliably measured.

Advertisements

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

Sale of Publications , Waste Paper & Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed 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 if 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 acquisition of Fixed Assets from outside India, which is adjusted to the carrying amount of the Fixed Assets.

Forward Exchange Contracts not intended for trading or speculation purposes

Where the HT Media 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 in the statement of profit and loss in the year in which the rate changes. 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 from outside India, which is adjusted to the carrying amount of Fixed Assets.

(l) Retirement and other employee benefits

i. 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.

ii. Liability in respect of Gratuity of employees of parent company is provided for as per actuarial valuation carried out by an independent actuary as at year end and is contributed to Gratuity Fund created by the its holding company. The liability towards gratuity of employees of Subsidiary Company is ascertained based on demand received from Life Insurance Corporation of India (LIC) with whom a Group Gratuity Policy has been taken and is paid to them. LIC has ascertained the gratuity liability on actuarial valuation basis at the year end.

iii. Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation carried out by an independent actuary at the year end.

(m) Impairment

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

(n) Provisions

A provision is recognised when the HT Media Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at the each 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.

(o) 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. 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.

(p) 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.

6. **Schedule of Secured Loans from Banks as at March 31, 2005 and March 31, 2004**

		As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
a)	The Parent Company has taken Rupee and Foreign currency Term Loans from Corporation Bank, which are to be secured by way of pari passu first charge on fixed assets, present and future with the existing and proposed lenders. Modification of charges is yet to be filed with the Registrar of Companies. 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% and 8% respectively.	345.71	343.69
b)	The Parent Company has during the year ended March 31, 2005 taken a rupee term loan from Punjab National Bank, which is secured by way of hypothecation of entire block of assets which are lying at all work place/office of the Parent Company, consisting of plant & machinery, computers, furniture's, fixtures fittings & furnishers, vehicles, (present & future) which now or hereafter from time to time during the continuance of this security, belonging to the Parent Company wherever situated including in-transit. It is further secured by way of equitable mortgage by deposit of title deeds of immovable property belonging to the Parent Company situated at Noida 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%.	750.00	-
c)	The Parent Company has during the year ended March 31, 2005 taken a rupee term loan from State Bank of Patiala, which is secured by way of pari-pasu first charge on fixed assets, present and 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%.	317.56	-
d)	The Parent Company has during the year ended March 31, 2005 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 of the Parent 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%.	250.00	-
e)	The Parent Company is availing a cash credit facility of Rs. 700 million from Central Bank of India, 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 Parent Company.	52.74	204.70

f)	The Parent 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 Parent Company wherever may be situated including in transit and additionally secured by a Corporate guarantee of the Holding Company of the Parent Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company of the Parent 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 Parent Company's existing and proposed lenders. The loan carried interest payable at 8.5%.	-	453.23
g)	The Parent 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 Parent 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 of the Parent Company. It was to be further collaterally secured by equitable mortgage by deposit of title deeds of property of the Holding Company of the Parent 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 Parent Company's existing and proposed lenders. The loan carried interest payable at 8.5%.	-	873.79
	Total	**1,716.01**	1,875.41

7 Schedule of Investments as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (Rs. in million)		As at March 31, 2004 (Rs. in million)	
Long Term Investments (At cost)	**Cost**	**Market Value***	**Cost**	**Market Value***
A. Trade Investments (Unquoted)				
457 equity shares of Rs. 100/- each fully paid up in Press Trust of India Limited	0.05		0.05	
738 equity shares of Rs. 100/- each fully paid up in United News of India	0.07		0.07	
Current Investments (At lower of cost and market value)				
Other than Trade Investments (Quoted)				
1,01,46,152.640 units of Birla Cash Plus Institutional Premium Dividend Reinvest Plan of Rs. 10 each	101.66	101.67	-	-
1,53,79,794.313 units of Standard Chartered GCCW GCF - Super Institutional Plan C – Weekly Dividend Reinvest Plan of Rs. 10 each	153.87	153.96	-	-
1,53,89,081.969 units of HSBC Cash Fund-Institutional Plus- Weekly Dividend Reinvest Plan of Rs.10 each	153.92	154.14	-	-
66,45,706.908 units of Reliance-Treasury Plan-Institutional option - Weekly Dividend Reinvest Plan of Rs.10 each	101.54	101.62	-	-
1,71,61,347.322 units of ICICI Prudential Institutional Liquid Fund - Dividend Reinvest Plan of Rs.10 each	203.26	203.31	-	-
1,52,210.290 units of Templeton India Treasury Management Plan -Institutional Plan – Weekly Dividend reinvest of Rs.1,000 each	152.31	152.40	-	-
55,152.309 units of UTI Liquid Cash Plan Institutional- Weekly Dividend Reinvest Plan of Rs.1,000 each	55.77	55.96	-	-
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
Nil (Previous year 58,53,909.826 units of Birla Cash Plus Institutional Plan: Growth of Rs.10 each)	-	-	100.00	100.26
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
Nil (Previous year 46,95,893.333 units of HSBC Cash Fund- Institutional -Growth of Rs.10 each)	-	-	50.11	50.24
Total	922.45		350.23	

** Market Value denotes Net Asset value of respective current investments. The net asset value of current investments as at March 31, 2005 is Rs. 923.06 millions (Previous year Rs. 351.02 millions), the cost of which is Rs. 922.33 millions (Previous year Rs. 350.11 millions).*

8 **Schedule of Sundry Debtors as at March 31, 2005 and March 31, 2004**

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Debts outstanding for a period exceeding six months		
Secured, considered good	0.12	0.06
Unsecured, considered good	138.36	150.30
Unsecured, considered doubtful	89.42	38.50
Other debts		
Secured, considered good	61.82	54.95
Unsecured, considered good	734.76	831.86
Unsecured, considered doubtful	4.31	7.08
	1,028.79	1,082.75
Less: Provision for doubtful debts	(93.73)	(45.58)
Total	935.06	1,037.17

9 **Schedule of Loans and Advances as at March 31, 2005 and March 31, 2004**

	As at March 31, 2005 (Rs. in million)	As at March 31, 2004 (Rs. in million)
Secured, considered good		
Advances recoverable in cash or kind or for value to be received	2.30	6.44
Deposits – others	1.70	1.79
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	59.37	52.10
Deposits – others	56.30	55.99
Advance payment of income tax/ tax deducted at source (net of provision for tax)	-	5.81
Interest accrued on deposits	-	0.61
Unsecured, considered doubtful		
Advances recoverable in cash or kind or for value to be received	1.50	-
	121.17	122.74
Less: Provision for doubtful advances	(1.50)	-
Total	**119.67**	**122.74**

10 Schedule of Current Liabilities and Provisions as at March 31, 2005 and March 31, 2004

	As at March 31, 2005 (Rs. in million)	**As at March 31, 2004 (Rs. in million)**
Current Liabilities		
Sundry creditors (including Rs. Nil (Previous year Rs. 9.45 million) payable to holding company)	1,084.90	770.38
Business purchase consideration payable to holding company	-	69.98
Customers and Agents Balances	48.82	76.78
Income received in advance	40.61	41.50
Sundry deposits	131.06	121.80
	1,305.39	**1,080.44**
Provisions		
For staff benefit schemes (leave encashment)	37.22	26.39
For taxation (net of advance tax)	1.84	-
For Proposed dividend – on preference shares	1.66	-
– on equity shares	38.58	-
For Tax on proposed dividend	5.65	-
	84.95	**26.39**

11. Earnings per share (EPS) is computed in accordance with Accounting Standard-20

	Year ended March 31, 2005 (Rs. in million)	**Period ended March 31, 2004 (Rs. in million)**
Net profit/(loss) before exceptional item	**547.37**	(16.14)
Less: Deferred Tax (Charge)/Credit	**(177.99)**	4.58
Less: Provision for tax	**(29.01)**	(0.06)
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**(1.89)**	-
Net profit/(loss) before exceptional item for calculation of basic and diluted EPS (Rs. in millions)	**338.48**	(11.60)
Net profit/(loss) after exceptional item	**440.92**	(35.84)
Less: Deferred Tax (Charge)/Credit	**(142.16)**	9.87
Less: Provision for tax	**(23.51)**	0.32
Add: Pre-Acquisition Losses Adjusted Against Goodwill	-	0.67
Less: Share of Minority Interests in profits	**(0.02)**	(0.01)
Less: Dividend on non-cumulative redeemable preference shares and tax thereon	**(1.89)**	-
Net profit/(loss) for calculation of basic and diluted EPS (Rs. in millions)	**273.34**	**(24.98)**
Weighted average number of equity shares in calculating basic and diluted EPS	38,583,274	2,380,972
Basic and Diluted earning per share before exceptional item	**8.77**	(4.88)
Basic and Diluted earning per share after exceptional item	**7.08**	(10.49)

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 HT Media 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 HT Media 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.14.58 million (Previous year Rs. 19.99 million) have been adjusted against securities premium account as permitted under Section 78 of the Companies Act, 1956.

14. In terms of Agreement dated March 5, 2004 with The Hindustan Times Limited, the holding company of the Parent Company, for carrying out printing and news gathering job and other administrative/accounting services, in addition to the annual payment, the Parent Company is liable to reimburse on actual basis the amounts paid/payable by the holding company to its employees as terminal benefits and other like payments. During the year the Parent Company has reimbursed Rs. 106.45 million (previous year Rs. 12.16 million) to the holding company towards such amounts paid/ payable by the holding company. The same has been disclosed under exceptional items in the Summary Consolidated Statement of Profit and 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 and corporate dividend tax 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. 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. Based on discussions with the solicitors, the management believes that the Subsidiary Company has a strong chance of success in above mentioned case and hence no provision thereagainst is considered necessary.

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 Circulation, 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 (since repaid), 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 (since revoked).

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

(Rs. in million)

	Holding company		Fellow Subsidiaries		Key Management personnel	
Transactions during the year	**March 2005**	**March 2004**	**March 2005**	**March 2004**	**March 2005**	**March 2004**
Income from Furniture hire charges	-	0.13	-	-	-	-
Printing & Service Charges paid						
- Paxton Trexim Private Limited	-	-	-	-	-	-
- The Hindustan Times Limited	25.50	41.63	-	-	-	-
Sitting fee	-	-	-	-	-	-
Purchase of Fixed Assets						
- Go4i.com (India) Private Limited	-	-	0.70	0.09	-	-
- Go4Cricket.com (India) Private Limited	-	-	-	0.02	-	-
Purchase of Printing and Publishing Undertakings	50.00	1,649.90	-	-	-	-
News Message						
- Go4i.com (India) Private Limited	-	-	1.20	1.45	-	-
- The Press Trust of India Limited	-	-	-	-	-	-
Maintenance Expenses						
- Go4i.com (India) Private Limited	-	-	0.60	1.85	-	-

Payment for Employees on Deputation						
- The Hindustan Times Limited	179.05	173.94	-	-	-	-
Reimbursement of terminal benefits to The Hindustan Times Limited	106.45	12.16	-	-	-	-
Contribution of gratuity for employees on deputation	3.43	6.21	-	-	-	-
Remuneration paid to Key managerial personnel						
- To Mrs. Shobhana Bhartia	-	-	-	-	5.23	-
- To Mr. Shamit Bhartia	-	-	-	-	0.70	0.39
- To Mr. S.M. Agarwal	-	-	-	-	0.82	0.30
Gratuity contribution to Gratuity trust of employees						
- The HT Limited Working Journalist Gratuity Fund	-	-	-	-	-	-
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	-	-	-	-
Travelling Expenses						
- Air Travel Bureau Limited	-	-	-	-	-	-
Rent Paid						
- The Hindustan Times Limited	4.50	3.38	-	-	-	-
Subscription						
- Audit Bureau of Circulation	-	-	-	-	-	-
Reimbursement of expenses incurred on behalf of the company by parties						
- Go4i.com (India) Private Limited	-	-	0.25	0.65	-	-
- Go4Cricket.com (India) Private Limited	-	-	0.31	0.13	-	-
- The Hindustan Times Limited	36.98	38.13	-	-	-	-
Reimbursement of expenses incurred on behalf of the parties by company						
- Go4i.com (India) Private Limited	-	-	-	0.05	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-
Investments made						
Share Capital issued	250.00	1,899.91	-	-	-	-
Balance outstanding at the end of the year	-	-	-			
Investment in Shares (including premium)						
- The Press Trust of India Limited	-	-	-	-	-	-
Share Capital						
Equity Share Capital	321.97	314.29	-	-	-	-
Preference Share Capital	200.00	100.00	-	-	-	-

Receivable as Advances / Debtors						
- Air Travel Bureau Limited	-	-	-	-	-	-
- Audit Bureau of Circulation	-	-	-	-	-	-
Payable as Creditors						
- The Hindustan Times Limited	-	9.45	-	-	-	-
- Go4i.com (India) Private Limited	-	-	-	0.96	-	-
- 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	**March 2005**	**March 2004**	**March 2005**	**March 2004**	**March 2005**	**March 2004**
Income from Furniture hire charges	-	-	-	-	-	0.13
Printing & Service Charges paid						
- Paxton Trexim Private Limited	-	-	15.60	34.32	15.60	34.32
- The Hindustan Times Limited	-	-	-	-	25.50	41.63
Sitting fee	0.06	-	-	-	0.06	-
Purchase of Fixed Assets						
- Go4i.com (India) Private Limited	-	-	-	-	0.70	0.09
- Go4Cricket.com (India) Private Limited	-	-	-	-	-	0.02
Purchase of Printing and Publishing Undertakings	-	-	-	-	50.00	1,649.90
News Message						
- Go4i.com (India) Private Limited	-	-	-	-	1.20	1.45
- The Press Trust of India Limited	-	-	21.85	16.62	21.85	16.62
Maintenance Expenses						
- Go4i.com (India) Private Limited	-	-	-	-	0.60	1.85
Payment for Employees on Deputation						
- The Hindustan Times Limited	-	-	-	-	179.05	173.94
Reimbursement of terminal benefits to The Hindustan Times Limited	-	-	-	-	106.45	12.16
Contribution of gratuity for employees on deputation	-	-	-	-	3.43	6.21
Remuneration paid to Key managerial personnel						
- To Mrs. Shobhana Bhartia	-	-	-	-	5.23	-
- To Mr. Shamit Bhartia	-	-	-	0.39	0.70	0.78
- To Mr. S.M. Agarwal	-	-	-	0.30	0.82	0.61
Gratuity contribution to Gratuity trust of employees						
- The HT Limited Working Journalist Gratuity Fund	-	-	1.57	2.96	1.57	2.96
- The HT Limited Non Journalist Employee Gratuity Fund	-	-	2.88	0.54	2.88	0.54
Travelling Expenses						
- Air Travel Bureau Limited	-	-	8.84	7.66	8.84	7.66

Rent Paid						
- The Hindustan Times Limited	-	-	-	-	4.50	3.38
Subscription						
- Audit Bureau of Circulation	-	-	0.22	0.17	0.22	0.17
Reimbursement of expenses incurred on behalf of the company by parties						
- Go4i.com (India) Private Limited	-	-	-	-	0.25	0.65
- Go4Cricket.com (India) Private Limited	-	-	-	-	0.31	0.13
- The Hindustan Times Limited	-	-	-	-	36.98	38.13
Reimbursement of expenses incurred on behalf of the parties by company						
- Go4i.com (India) Private Limited	-	-	-	-	-	0.05
- Audit Bureau of Circulation	-	-	0.24	-	0.24	-
Investments made						
Share Capital issued	-	-	-	-	250.00	1,899.91
Balance outstanding at the end of the year						
Investment in Shares (including premium)						
- The Press Trust of India Limited	-	-	0.05	0.05	0.05	0.05
Share Capital						
Equity Share Capital	-	-	-	-	321.97	314.29
Preference Share Capital	-	-	-	-	200.00	100.00
Receivable as Advances / Debtors						
- Air Travel Bureau Limited	-	-	1.10	0.41	1.10	0.41
- Audit Bureau of Circulation	-	-	-	0.09	-	0.09
Payable as Creditors						
- The Hindustan Times Limited	-	-	-	-	-	9.45
- Go4i.com (India) Private Limited	-	-	-	-	-	0.96
- Go4icricket.com (India) Private Limited	-	-	-	-	-	0.05
- The Press Trust of India Limited	-	-	0.29	0.34	0.29	0.34
- Paxton Trexim Private Limited	-	-	1.08	6.87	1.08	6.87
Payable against Purchase Consideration	-	-	-	-	-	69.99
Security deposits given by the Company						
- The Press Trust of India Limited	-	-	0.35	0.35	0.35	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 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 HT Media Group has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent and generally restrict for further leasing.

b) Lease payments for the year are Rs. 58.51 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. 6.87 million (Previous year Rs. 8.49 million);
- later than one year but not later than five years is Rs. 14.42 million (Previous year Rs. 19.83 million);
- later than five years is Rs. 1.44 million (Previous year Rs. 2.90 million).

20. Schedule of Deferred Taxes as at March 31, 2005 and March 31, 2004

Significant components of deferred tax liabilities are shown in the following table:

	As at March 31, 2005 (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	251.11	111.52
Gross Deferred Tax Liabilities	**251.11**	**111.52**
Deferred Tax Assets		
Carry forward of unabsorbed depreciation	73.73	99.95
Effect of expenditure debited to profit and loss account in the current year but allowable for tax purposes in following years	14.12	5.70
Provision for doubtful debts and advances	31.58	16.35
Gross Deferred Tax Assets	**119.43**	**122.00**
Net Deferred Tax (Liabilities)/Assets	(131.68)	10.48
(Charge)/Credit to the Profit and Loss Account	(142.16)	9.87

Note:

Based on the future profitability projections, the HT Media Group is confident 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 March 31, 2005 (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	**51.80**	631.50

22. Contingent Liabilities not provided for

a)	Bank Guarantees given by the HT Media Group	**0.58**	0.05
b)	Claims against the HT Media Group not acknowledged as debts The Parent Company has received a demand of sales tax for the leased assets from the lessor and the same is disputed by the Parent Company.	**1.18**	0.17
c)	In respect of various labour and defamation cases pending. (In view of large number of cases, it is impracticable to disclose the details of each case).	**Amount not ascertainable**	Amount not ascertainable

23. Directors' Remuneration*

Salaries	**4.35**	0.58
Contribution to provident fund	**0.47**	0.07
Contribution to Gratuity fund	**0.15**	
Perquisites	**1.78**	0.05
	6.75	0.70

** Excluding provision for leave encashment*

24. Previous Year comparatives

The Summary Consolidated Statement of Profit & Loss Account for the current year reflects transactions for the year ended March 31, 2005 and the Summary Consolidated Statement of Profit & Loss Account for the previous year reflected transactions for the nine months period ended March 31, 2004, hence, current year's figures are not strictly comparable with those of the previous year.

ANNEXURE IV

HT Media Limited

Consolidated Cash Flow Statement for the year ended March 31, 2005

		March 31, 2005 (Rs. in million)	March 31, 2004 (Rs. in million)
A.	**Cash flow from operating activities**		
	Profit/(Loss) before taxation	440.92	(35.84)
	Adjustments for:		
	Depreciation/amortisation	237.47	159.50
	Miscellaneous Expenditure (net)	(14.58)	(19.76)
	Loss on disposal of fixed assets (net)	1.77	0.19
	Profit on sale of current investments (net)	(6.69)	(0.54)
	Dividend income	(18.23)	-
	Interest income	(9.32)	(1.16)
	Interest expense	66.88	53.24
	Provision for doubtful debts and advances	49.66	45.58
	Operating profit before working capital changes	747.88	201.21
	Movements in working capital :		
	(Increase)/Decrease in sundry debtors	53.95	(252.76)
	(Increase) in inventories	(215.28)	(96.12)
	(Increase)/Decrease in loans and advances	(4.86)	22.89
	Increase in current liabilities and provisions	235.79	113.68
	Cash generated from/(used in) operations	817.48	(11.10)
	Direct taxes paid	(15.86)	(2.46)
	Net cash from/(used in) operating activities	**801.62**	**(13.56)**
B.	**Cash flows from investing activities**		
	Purchase of Printing and Publishing undertakings	(50.00)	(30.00)
	Purchase of fixed assets	(1,046.10)	(1,568.10)
	Proceeds from sale of fixed assets	3.71	2.85
	Purchase of investments	(1,982.18)	(805.26)
	Sale of investments	1,416.65	455.43
	Dividend received	18.23	-
	Interest received	9.93	0.56
	Net cash used in investing activities	**(1,629.76)**	**(1,944.52)**

C.	**Cash flows from financing activities**		
	Proceeds from issuance of share capital	1,000.03	1,350.00
	Proceeds from long-term borrowings	1,318.70	1,005.03
	Repayment of long-term borrowings	(1,317.56)	-
	Proceeds from/(repayment of) short-term borrowings	(151.96)	208.05
	Interest paid	(146.35)	(86.53)
	Net cash from financing activities	**702.86**	**2,476.55**
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	(125.28)	518.47
	Cash and cash equivalents at the beginning of the year	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 year	**492.24**	**617.52**
	Components of cash and cash equivalents at the end of the year		
	Cash and cheques on hand	271.82	245.00
	With Scheduled banks - on current accounts	60.27	77.49
	- on deposit accounts	160.15	295.03
		492.24	**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. 1,549.91 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

	Twelve months period ended March 31, 2005	Nine months period ended March 31, 2004
Basic and Diluted Earnings per share before adjusting exceptional item (Rs.)	8.77	(4.88)
Basic and Diluted Earnings per share after adjusting exceptional item (Rs.)	7.08	(10.77)
Cash Earnings per share (Rs.)	16.14	52.08
Return on net worth before adjusting exceptional item %	8.75%	-0.42%
Return on net worth after adjusting exceptional item %	7.06%	-0.93%
Net asset value per equity share (Rs.)	100.31	1,157.28
Weighted average number of equity shares outstanding during the year/period	**38,583,274**	**2,380,972**
Total number of shares outstanding at the end of the year / period	**41,753,900**	**37,142,856**

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 year
Basic and Diluted Earnings per share after exceptional item (Rs.) *	=	Net profit/(loss) (after tax, after adjusting exceptional item) adjusting attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
Cash Earnings per share (Rs.)	=	Net profit/(loss) (after income tax, before depreciation/amortisation and deferred taxes) attributable to equity shareholders / Weighted average number of equity shares outstanding during the year
Return on net worth before adjusting exceptional item (%)	=	Net profit/(loss) after tax as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)
Return on net worth after adjusting exceptional item (%)	=	Net profit/(loss) (after tax, before exceptional item) as per Profit and Loss Account / Net worth at the end of the year (excluding preference share capital)
Net asset value per equity share (Rs)	=	Net worth excluding preference share capital at the end of the year / Weighted average number of equity shares outstanding at the end of the year

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-

weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

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 Parent Company has made allottment 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
March 30, 2005	973,241
	41,753,900

ANNEXURE VI

CAPITALISATION STATEMENT BASED ON CONSOLIDATED

FINANCIAL STATEMENTS OF HT MEDIA LIMITED

(Rs. in million)

	Pre Issue		Post Issue *
	Twelve months period ended March 31, 2005	**Nine months period ended March 31, 2004**	
Short term debt (Working capital loan)	52.74	204.70	-
Long term debt	1,663.27	1,670.71	-
Total debt	**1,716.01**	**1,875.41**	-
Shareholders' funds			
- Equity Share capital	417.54	371.43	-
- Preference Share capital	200.00	100.00	-
- Securities Premium Account	3,248.34	2,409.00	-
- Profit and Loss Account	204.37	(24.97)	-
Total shareholders' funds	**4,070.25**	**2,855.45**	**-**
Long term debt / equity	0.41	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 = $\frac{\text{Long Term Debt}}{\text{Total Shareholders' Funds}}$

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	**Twelve months period ended March 31, 2005**	**Nine months period ended March 31, 2004**	**Nature**	**Arising out of**
Interest received on				
- Bank Deposits	8.71	0.71	Non Recurring	Other than normal business activities
- Others	0.33	0.19	Non Recurring	Other than normal business activities
- Others	0.28	0.26	Recurring	Normal business activities
Dividend received on current investments	18.23	-	Non Recurring	Other than normal business activities
Exchange gain, net	5.71	18.65	Recurring	Normal business activities
Profit on sale of current investments (net)	6.69	0.54	Non Recurring	Other than normal business activities
Unclaimed balances/unspent liabilities written back (net)	22.92	6.60	Non Recurring	Other than normal business activities
Miscellaneous Income	17.72	15.04	Non Recurring	Other than normal business activities
Miscellaneous Income	12.96	10.93	Recurring	Normal business activities
Total	**93.55**	**52.91**		

Working Notes

Particulars	**Twelve months period ended March 31, 2005**	**Nine months period ended March 31, 2004**
Other income (A)	93.55	52.91
Net profit/(Loss) before tax (B)	440.92	(35.84)
Percentage (A/B)%	21%	-

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND US GAAP

The consolidated and unconsolidated financial statements included in this Prospectus have been prepared in accordance with applicable Indian GAAP and the applicable provisions of the Companies Act, 1956 and the SEBI Guidelines. Indian GAAP differs in certain respects from US GAAP.

The following table summarizes the significant differences between Indian GAAP and US GAAP in so far as they are relevant to the consolidated and unconsolidated financial statements of the Company. The following summary may not include all the differences that exist between US GAAP and Indian GAAP. US GAAP is generally more prescriptive and comprehensive than Indian GAAP regarding recognition and measurement of transactions, account classification and disclosure requirements. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto. Various US GAAP and Indian GAAP pronouncements, including guidance provided by the US Securities and Exchange Commission, have been issued for which the mandatory application date is later than March 31, 2005. These together with standards that are in the process of being developed in both jurisdictions could have a significant impact on future comparisons between Indian GAAP and US GAAP.

	Particulars	Indian GAAP	US GAAP
1	Contents of financial statements	Companies are required to present balance sheets and profit and loss accounts for two years along with the relevant accounting policies and notes. Additionally all listed companies(including companies in the process of getting listed), companies with turnover exceeding Rs. 500 million and insurance companies are required to present cash flow statements. (Applicable for financial years beginning on April 1, 2005 for other than listed companies). There is no standard or requirement for comprehensive income statement.	Companies are required to present balance sheets, statements of operations, statements of cash flows and statements of changes in stockholders equity for two years along with the relevant accounting policies and notes to accounts. Public companies are required to present statements of operations, statements of cash flows and statements of changes in stockholders equity for three years. They need not present the balance sheet for the third year. A statement of comprehensive income (comprising primarily of unrealized gains and losses) is required and is generally presented as part of stockholder's equity.
2	Changes in accounting policies	The effect of a change in accounting policy must be recorded in the income statement of the period in which the change is made except as specified in certain standards where the change resulting from adoption of the standard has to be adjusted against opening retained earnings.	The effect of a change in accounting policy is generally included (net of taxes) in the current year income statement, after extraordinary items. Pro-forma comparatives reflecting the impact of the change is generally disclosed.

3	Correction of errors	The effect of correction of errors must be included in the current year income statement with appropriate disclosure as a prior period item.	The correction of material errors usually results in the restatement of relevant prior periods.
4	Consolidation and Joint Ventures	In accordance with AS 27, “Financial reporting of Interests in joint ventures” the venturer recognizes in its separate and consolidated financial statements its share of jointly controlled assets, any liabilities it has incurred, its share of any liabilities incurred jointly with other venturers in relation to the joint venture, any income from sale or use of its share of output of the joint venture, together with its share of expenses incurred by joint venture and any expenses which it has incurred in respect of interest in joint venture. There is no specific guidance with respect to Variable Interest Entities. For financial statements, disclosure is required for the share of interest in the Joint Venture.	Investment in Joint Ventures is generally accounted for under the equity method of accounting. Companies are required to evaluate if they have any interest in Variable Interest Entities, as defined by the standard. Consolidation of such entities may be required if certain conditions are met.
5	Business Combinations	Restricts the use of pooling of interest method to circumstances which meet the criteria listed for an amalgamation in the nature of a merger. In all other cases, the purchase method is used.	Business combinations are accounted for by the purchase method only (except as discussed below). Several differences can arise in terms of date of combination, calculation of share value to use for purchase price, especially if the Indian GAAP method is ‘amalgamation’ or pooling. In the event of combinations of entities under common control, the accounting for the combination is done on a historical cost basis in a manner similar to a pooling of interests for all periods presented.

6	Goodwill	Goodwill is capitalized amortized over its useful life, except for: Enterprises whose equity or debt securities are listed on a recognized stock exchange in India, and enterprises that are in the process of issuing equity or debt securities that will be listed on a recognized stock exchange in India as evidenced by the board of directors' resolution in this regard, or All other commercial, industrial and business reporting enterprises, whose turnover for the accounting period exceeds Rs. 500 millions. (Applicable for financial years beginning on April 1, 2005 for other than listed companies). Goodwill is tested for impairment annually.	Goodwill is not amortized but, tested for impairment annually.
7	Negative Goodwill (i.e., the excess of the fair value of net assets acquired over the aggregate purchase consideration)	Negative goodwill is computed based on the book value of assets (not the fair value) of assets taken over/acquired and is credited to the capital reserve account, which is a component of shareholders funds.	Negative goodwill is allocated to reduce proportionately the fair value assigned to non-current assets. Any remaining excess is considered to be an extraordinary gain.
8	Intangible assets	Intangible assets are capitalized if specific criteria are met and are amortized over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 10 years should be reviewed at least at each financial year-end even if there is no indication that the asset is impaired.	When allocating purchase price of a business combination, companies need identify and allocate such purchase price to intangible assets, based on specific criteria. Intangibles that have an indefinite useful life are required to be tested, at least annually, for impairment. Intangible assets that have finite useful life are required to be amortized over their estimated useful lives.

9	Segment Information	Specific requirements govern the format and content of a reportable segment and the basis of identification of a reportable segment. The information for disclosure is to be prepared in conformity with the accounting standards used for the company as a whole.	Public companies are required to report information about operating segments in annual financial statements and selected information about operating segments in interim financial reports issued to shareholders. There are requirements for related disclosures about products and services, geographic areas, and major customers. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments.
10	Dividends	Dividends are reflected in the financial statements of the year to which they relate even if proposed or approved after the year end.	Dividends are accounted for when approved by the board/shareholders. If the approval is after year end, the dividend is not considered to be a subsequent event that needs to be reflected in the financial statements.
11	Property, Plant and Equipment	Fixed assets are recorded at the historical costs or revalued amounts. Foreign exchange gains or losses relating to the procurement of property, plant and equipment can be capitalized as part of the asset. Depreciation is recorded over the asset's useful life. Schedule XIV of the Companies Act prescribes minimum rates of depreciation and typically companies use these as the basis for useful life. Interest cost on specified or identifiable borrowings is capitalized to qualifying assets during its construction period.	Revaluation of fixed assets is not permitted under US GAAP. All foreign exchange gains or losses relating to the payables for the procurement of property, plant and equipment are recorded in the income statement. Depreciation is recorded over the asset's useful life. Therefore the useful life may be different from the useful life based on Schedule XIV. The interest cost, if material, eligible for capitalization shall be the interest cost recognized on borrowings and other obligations. The amount capitalized is an allocation of the interest cost incurred during the period required to complete the asset. The interest rate for capitalization purposes is to be based on the rates on the company's outstanding borrowings.

12	Investment in Marketable Securities	Unrealized appreciation on available for sale securities or trading securities is not recognized. Unrealized depreciation on available for sale securities and trading securities is recognized in the income statement.	Unrealized gains and losses on available for sale securities are recorded as other comprehensive income, which is a component of stockholders' equity. Unrealized gains and losses on trading securities are recognized in the income statement.
13	Impairment of assets, other than goodwill	Applicable for accounting periods beginning from April 1, 2004 onwards for: Enterprises whose equity or debt securities are listed on a recognized stock exchange in India, and enterprises that are in the process of issuing equity or debt securities that will be listed on a recognized stock exchange in India as evidenced by the board of directors' resolution in this regard, or All other commercial, industrial and business reporting enterprises, whose turnover for the accounting period exceeds Rs. 500 millions. (Applicable for financial years beginning on April 1, 2005 for other than listed companies). If impairment is indicated, the assets must be written down to higher of net selling price and the value in use based on discounted cash flows.	An impairment analysis is performed if impairment indicators exist. An impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value (which is determined based on discounted cash flows).
14	Pension / Gratuity / Post Retirement Benefits	The liability for defined benefit plans like gratuity and pension is determined as per actuarial valuation. There is no defined method of expense determination, the discount rate determination criteria, and guidance for valuation of plan assets and the choice is left to the discretion of actuary. Actuarial gains or losses are recognized immediately in the statement of income.	The liability for defined benefit schemes is determined using the projected unit credit actuarial method. The discount rate for obligations is based on market yields of high quality corporate bonds. The plan assets are measured using fair value or using discounted cash flows if market prices are unavailable. If at the beginning of the year, the actuarial gains or losses exceeds 10% of the greater of the projected benefit obligation or the market-related value of plan assets, then such amount is not recognized immediately, but amortized over the average remaining service period of active employees expected to receive benefits under the plan.

15	Leases	Leases are classified as finance or operating in accordance with specific criteria. Judgement is required to determine if the criteria are met or not.	The criteria to classify leases as capital or operating include specific quantitative thresholds.
16	Derivatives and other financial instruments – measurement of derivative instruments and hedging activities	The accounting for derivative instruments has not clearly emerged in the Indian context. Currently what is applicable is the Guidance Note on Accounting for Equity Index and Equity Stock Futures and Options are the pronouncements, which address the accounting for derivatives. However, the accounting treatment recommended in the guidance note is applicable to all contracts entered into for Equity Derivative Instruments irrespective of the motive. The impact of derivative instruments are correlated with the movement of the underlying assets and liabilities and accounted pursuant to the principles of hedge accounting. The related amount receivable from and payable to the swap counter parties is included in the other assets or liabilities in the balance sheet. When there is no correlation of movements between derivatives and the underlying asset or liability, or if the underlying asset or liability specifically related to the derivative instrument is matured, sold or terminated, the derivative instrument is closed out or marked to market as an element of non interest income on an outgoing basis. There is no specific guidance with respect to the documentation that must be maintained for hedge accounting.	There is specific accounting guidance required for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (fair value hedge), (b) a hedge of the exposure to variable cash flows of a forecasted transaction (cash flow hedge), or (c) a hedge of the foreign currency exposure of a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign-currency-denominated forecasted transaction (net investment hedge). The accounting for changes in the fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation. ● Fair value hedge: the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. ● Cash Flow hedge and Net investment hedge: the effective portion of the derivative's gain or loss is initially reported as a

		component of other comprehensive income and subsequently reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of the gain or loss is reported in earnings immediately. ● For a derivative not designated as a hedging instrument, the gain or loss is recognized in earnings in the period of change. An entity that elects to apply hedge accounting is required to establish at the inception of the hedge the method it will use for assessing the effectiveness of the hedging derivative and the measurement approach for determining the ineffective aspect of the hedge. Those methods must be consistent with the entity's approach to managing risk	
17	Deferred taxes	Deferred tax asset/liability is classified as long term. The tax rate applied on deferred tax items is the substantially enacted tax rate.	Deferred tax asset/liability is classified as current and long-term depending upon the timing difference and the nature of the underlying asset or liability. The tax rate applied on deferred tax items is the enacted tax rate.
18	Revenue recognition	Revenues are recognized when all significant risks and rewards of ownership are transferred.	US GAAP has extensive literature on revenue recognition topics and application of these guidelines could result in revenue recognition that is different from Indian GAAP.
19	Stock based compensation	There is no specific guidance on accounting for employee stock compensation under Indian GAAP. SEBI has issued the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999, which are effective for listed companies for all stock-option schemes established after 19 June, 1999. In accordance with these guidelines, the excess of the market price/fair valuation of underlying equity shares as of the date of grant of the options over the exercise price of the options, including up-front payments, if any, is to be recognized and amortized on a straight-line basis over the vesting period	Entities have a choice of accounting methods for determining the costs of benefits arising from employees stock compensation plans. They may either follow an intrinsic value method or a fair value method. Under the intrinsic value method, the compensation cost is the difference between the market price of the stock at the measurement date and the price to be contributed by the employee (exercise price). The measurement date is typically the date of the grant, on which date, both the number of shares and the exercise price would be known. This method is widely used in practice.

			The fair value method is based on the fair value of the option at the grant date. This is estimated using an option-pricing model. If an entity chooses to follow the intrinsic value method, it must make pro-forma disclosures of net income and earnings per share as if the fair value method had been applied. There is a new standard effective 2005, which requires a fair value method to be used for all options (June 15, 2005 for Public companies and December 15, 2005 for Private companies).
20	Options to Non-employees	No specific guidance	Complex guidance with respect to measurement date and timing of recognition of expense. All options to non-employees are recognized at fair value.
21	Start up costs and organization costs	No specific guidance. Companies expense start up costs.	Requires costs of start-up activities and organization costs to be expensed as incurred.
22	Advertising Barter Transactions	No specific guidance, although generally revenue from barter transactions is recognized at the fair value of the item received or given, whichever is more readily determinable.	Revenue and expense should be recognized at fair value from an advertising barter transaction only if the fair value of the advertising surrendered in the transaction is determinable based on the entity's own historical practice of receiving cash, marketable securities, or other consideration that is readily convertible to a known amount of cash for similar advertising from buyers unrelated to the counterparty in the barter transaction.
23	Mandatorily redeemable preferred shares	Instruments characterized as preferred shares are recorded as equity, even if they are mandatorily redeemable.	Mandatorily redeemable preferred shares are classified as a liability and any payments related to them, even if characterized as a dividend, are recorded as interest expense.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF CONSOLIDATED 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 Red Herring Prospectus. You are also advised to read the section titled "Risk Factors" beginning on page x of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. The following discussion relates to 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.

The following discussion does not relate to our unconsolidated results of operations for the quarter ended June 30, 2005. For a discussion on our unconsolidated results of operations for the quarter ended June 30, 2005 please see the section titled "Recent Developments for HT Media Limited" on page 11 of this Red Herring Prospectus.

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 newspaper companies. We have two daily newspapers, the *Hindustan Times* in English and the *Hindustan* in Hindi. We publish the *Hindustan Times* in six editions: New Delhi; Lucknow; Patna, Ranchi; Kolkata and Mumbai. The New Delhi edition is also printed in Mohali, Bhopal and Jaipur. Our *Hindustan* newspaper is published in four editions: Patna; Ranchi; Lucknow; and New 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*.

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 12-month period ended March 31, 2005 ("fiscal 2005") are included in this 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 owns 77.11% of our Equity Shares prior to this Issue.

Launch of Hindustan Times, Mumbai Edition

As part of our strategy to grow our newspapers' national footprint, we launched Hindustan Times in the Mumbai market on July 14, 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. 205.5 million as of June 30, 2005.

We expect that our Mumbai business will incur losses in its early years of operation, and our Mumbai operations may not achieve profitability. 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 fiscal 2005 and the nine months ended March 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 how we price and collect our advertisement revenue, see "Our Business-Our Media Marketing" on page 56 of this Red Herring Prospectus.

Sale of Publications (Circulation Revenue)

We also earn revenues from selling our newspapers and magazines (circulation). For fiscal 2005 and the nine months ended March 31, 2004, sale of our publications accounted for 19.8% and 19.8% of our income, respectively.

We recognize revenue from the sale of publications when the significant risks and rewards of ownership have passed to the buyer, which is generally when we sell our newspapers and magazines to our agents. Our sale of publications 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 55 of this 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 fiscal 2005 newsprint costs totalled Rs. 2,721.4 million or 42.9% 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 two long-term supply contracts with UPM and Kruger, both of them are international suppliers of repute, for the supply of a fixed amount of newsprint. The remainder of our newsprint requirements are sourced from international suppliers such as 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 62 of this 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, consumables and fixed assets. 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.

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

12-month Period Ended March 31, 2005 Compared to Nine-month Period Ended March 31, 2004

The 12-month period ended March 31, 2005 is not comparable with nine-month period ended March 31, 2004 due to differences in the accounting periods.

Some of the key developments during fiscal 2005 were:

- Pricing of the Jodi scheme (which offered both our *Hindustan Times* and our *Hindustan* newspapers together) was increased over the period. This led to a reduction in circulation, which resulted in a decrease in production costs but did not adversely impact our advertising revenue and, therefore, had a positive effect on our results of operations.;
- Enhancement of colour advertisement revenues with an increase in our colour 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.

Some of the key developments during the nine months ended March 31, 2004 and major reasons for our loss in this period were:

- The Delhi Market witnessed intense competition amongst dailies for increasing market share during the nine months ended March 31, 2004. In June 2003, we launched a subscription scheme called "Jodi", which offered our *Hindustan Times,* New Delhi edition and *Hindustan, New* Delhi edition together at a considerable discount to the cover price of both newspapers. We also increased the page-levels of *Hindustan* to make it a more attractive product, which also increased our costs. The introduction of the Jodi scheme and the increased page-levels helped increase the circulation of our *Hindustan,* Delhi edition by almost 100%. An increase in circulation enables us to increase our advertising rates. However, circulation is only calculated twice a year, so there was a lag before we started to receive increased advertising revenue. The lag between these cost increases and the receipt of increased advertising revenues was the major reason for our loss in this period. The benefits of increased circulation were reflected in our results for fiscal 2005.
- The Mohali edition of *Hindustan Times* was in its growth phase during the nine months ended March 31, 2004 and we incurred considerable costs on this edition to make it the market leader.
- The Kolkata edition of *Hindustan Times* was also in a growth phase, which also contributed to higher costs.

Income. Income for fiscal 2005 was Rs. 6,342.1 million, comprising Rs. 6,248.5 million of turnover income and Rs. 93.6 million of other income. Our turnover income is comprised of advertisement revenue, sale of publications and sale of waste paper and scrap. Turnover income benefited from advertisement revenue of Rs. 4,935.7 million in fiscal 2005, which reflected greater volume of ad-space sold and improved yields in our *Hindustan Times,* New Delhi edition, including from the edition printed at Mohali, as well as improved advertisement revenue from our Patna and Ranchi editions. In addition, turnover income benefited from circulation revenue of Rs. 1,255.9 million in fiscal 2005, which reflected primarily our better realization per copy sold in Delhi and a growth in the number of copies of *Hindustan* sold in Bihar. Other income is comprised of interest, dividends, foreign exchange difference, profit on sale of investments, unclaimed balances/unspent liabilities written back and other miscellaneous income.

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 sale of publications 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 the Delhi edition of *Hindustan* in light of the launch of our Jodi scheme. In addition, our sale of publications also benefited from market expansion in our Patna and Ranchi editions.

Expenditure. Our expenditure was Rs. 5,794.7 million for fiscal 2005 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 fiscal 2005 and 101.7% for the nine months ended March 31, 2004.

Raw Materials Consumed. Our raw materials consumed were Rs. 2,889.5 million for fiscal 2005 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 45.6% for fiscal 2005 and 46.0% for the nine months ended March 31, 2004. Our raw materials consumed in fiscal 2005 reflected price increases for newsprint and increased page volumes of our *Hindustan Times,* New 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 for our *Hindustan Times,* New Delhi edition and *Hindustan,* New Delhi edition due to our Jodi scheme and higher print volumes for our *Hindustan,* Patna edition.

Employee Costs. Our employee costs were Rs. 845.8million for fiscal 2005 and were Rs. 611.3 million for the nine months ended March 31, 2004. As a percentage of total income, employee costs were 13.3% for fiscal 2005 and 14.5% for the nine months ended March 31, 2004.

Other Manufacturing Costs. Other manufacturing costs comprise consumption of stores and spares which includes printing plates, films, chemicals etc.; printing and service charges, news services and despatches, power and fuel and repair and maintenance plant and machinery and buildings. Other manufacturing costs were *Rs. 666.76 million for fiscal 2005 and Rs. 539.05* million for the nine months ended March 2004. As a percentage of total income, other manufacturing costs were 10.5% for fiscal 2005 and 12.8% for the nine months ended March 31, 2004. This decrease as a percentage of total income was due to lower monthly rent payable to HTL in respect of the lease of our offices in Hindustan Times House and other small properties and a decrease in production costs due to the shifting of printing from New Delhi to our Greater Noida facility.

Selling and Distribution Costs. Selling and distribution costs comprise advertising, sales promotion and freight and forwarding charges. Selling and distribution costs were Rs. 520.4 million for fiscal 2005 and Rs. 464.3 million for the nine months ended March 31, 2004. As a percentage of total income, selling and distribution *costs* were 8.2% for fiscal 2005 and 11.0% for the nine months ended March 31, 2004. This decrease as a percentage of total income was due to relatively reduced advertising and sales promotion expenses when compared to the nine months ended March 31, 2004 due to reduced promotional activity during fiscal 2005.

Administrative and Other Costs. Administrative and other costs comprise rent, rates and taxes, insurance, repair and maintenance others (furniture repair), travelling and conveyance, communication costs, legal and professional fees, Directors' sitting fees, Auditor's remuneration, exchange difference (net), donations, provision for doubtful debts and advances, loss on disposal of fixed assets(net), expenditure during construction period (Greater Noida) written off and miscellaneous expenses. Administrative and other costs were Rs. 568.52 million for fiscal 2005 and Rs. 464.04 million for the nine months ended March 2004. As a percentage of total income, administrative and other costs were 9% for fiscal 2005 and 11% for the nine months ended March 31, 2004. This decrease as a percentage of total income was due to relatively lower travelling and conveyance expenses when compared to the nine months ended March 31, 2004 (on an annualized basis) because editorial travel was higher during the nine months ended March 31, 2004 for events in India and internationally (including the Olympics in Athens) and relatively lower miscellaneous expenses in fiscal 2005 when compared to the nine months ended March 31, 2004 (on an annualized basis) due to our control of overhead for items like stationery costs, courier expenses and gifts.

Interest Charges. Interest charges comprise interest on term loans and other loans. Interest charges were Rs. 66.88 million for fiscal 2005 and Rs. 53.24 million for the nine months ended March 31, 2004. Average interest expense was lower in fiscal 2005 compared to the nine months ended March 31, 2004 due to a reduction in our net debt and a decrease in the average interest rate of our net debt.

Depreciation and Amortization. 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. Amortization pertains to the amortization of the Rs. 25.6 million in goodwill that represented the excess of the purchase consideration of investment over the Company's share in the net assets of its subsidiary, which is being amortized on a pro-rata basis over five years from the date of the acquisition. Depreciation and amortization was Rs. 237.47million for fiscal 2005 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. 547.3 million for fiscal 2005. 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 fiscal 2005.

Net Profit/ Loss. For fiscal 2005, we made a net profit of Rs. 275.3 million. For the nine months ended March 31, 2004, we made a net loss of Rs. 25.6 million.

Our net profit for fiscal 2005 was reduced by a one-time charge of Rs. 106.5 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.142.2 million deferred tax liability in fiscal 2005 in respect of our profits during this period.

Our net loss for the nine months ended March 31, 2004 was increased by a one-time charge of Rs. 12.1 million due to payments made to HTL in respect of the severance payments to certain employees that had been seconded to us and by a one-time charge of Rs 7.5 million in respect of severance payments to certain of our former employees. These charges were partly offset by a Rs. 9.9 million deferred tax credit.

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 March 31, 2005, we had Rs. 492.24 million in cash and cash equivalents on hand and Rs. 647.3 million unutilised on our Rs. 700.0 million overdraft facility with Central Bank of India and ABN Amro Bank.

We expect to incur capital expenditures of Rs. 500 million in respect of the launch of our Hindustan Times, Mumbai edition and Rs. 2,520 million in respect of our Greater Noida facility by the end fiscal 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 the issue of equity shares.

Debt Obligations

(Rs. in million)

	As at March 31, 2005	**As at March 31, 2004**
Loans from Banks		
Rupee and Foreign currency Term Loans from Corporation Bank	**344.8**	343.7
Secured by way of pari passu first charge on fixed assets, present and future with existing and proposed lenders. Modification of charges is yet to be filed with the Registrar of Companies. (Repayable within a year: Rs. 34.4 million; previous year: nil).		

(Rs. in million)

	As at March 31, 2005	As at March 31, 2004
Rupee Term Loan from Punjab National Bank	**750.0**	0.0
Secured by way of hypothecation of the entire block of assets that are lying at all work place/office of the Company, consisting of plant and machinery, computers, furniture, fixtures, fittings and furnishers, 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 an equitable mortgage by deposit of title deeds of immovable property belonging to the Company situated at Noida and Greater Noida. All the charges rank pari-pasu with existing and proposed lenders. (Repayable within a year: nil).		
Rupee Term Loan from State Bank of Patiala	**317.6**	0.0
Secured by way of pari-pasu first charge on fixed assets, present and future, at Noida, Greater Noida and Mumbai with existing and proposed lenders. (Repayable within a year:. Nil).		
Rupee Term Loan from The Jammu & Kashmir Bank Limited	**250.0**	0.0
Secured by first pari-pasu charge over the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future. All the charges rank pari-pasu with existing and proposed lenders. (Repayable within a year: nil).		
Rupee Term Loan from Central Bank of India-I	**0.0**	450.0
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 belonging to the Company wherever may be situated including in transit and additionally secured by a corporate guarantee of the Holding Company. It was further collaterally secured by equitable mortgage by deposit of title deeds of property of the Promoter, situated at 18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Promoter's existing debenture-holders and the Company's existing and proposed lenders.		
Rupee Term Loan from Central Bank of India-II	**0.0**	867.6
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 the Company's locations at Greater Noida and Noida and IT Project (SAP and others) and additionally secured by a corporate guarantee of the Promoter. It was further collaterally secured by equitable mortgage by deposit of title deeds of property of the Promoter situated at 18-20, K.G. Marg, New Delhi ranking pari-pasu with the charges created/to be created in favour of the Promoter's existing debenture-holders and the Company's existing and proposed lenders.		
Rs. 700 million Cash Credit Facility from Central Bank of India and ABN Amro Bank	**52.7**	204.7
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.		
Interest accrued and due	**0.9**	9.5
	1,716.0	1,875.5

Off-Balance Sheet Arrangements

As of March 31, 2005, we were not a financial guarantor of obligations of any entity, and we were not a party to any material off-balance sheet obligation or arrangement.

Significant Developments after March 31, 2005 that may Affect the Future of our Operations

The launch of our Hindustan Times, Mumbai edition in July 2005 will affect our future results of operations. For more information, see "Risk Factors-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" and "Our Business-Our Strategy-Mumbai Market Entry" on pages x and 44 of this Red Herring Prospectus, respectively.

Except as stated elsewhere in this 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 Red Herring Prospectus which materially and adversely affect or are likely to affect, the profitability of the Company and its 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 Red Herring Prospectus, there are no subsequent developments after the date of the Auditor's report dated July 12, 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 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 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.

Increase in our Revenue

In addition to increase in our revenues on account of increase in circulation and advertising revenue, introduction of our products in new locations, would contribute to increase in our revenue

Total turnover in each major industry segment

We do not report industry segments in our financial statements prepared in accordance with Indian GAAP.

New Products or Business Segment

Other than as described in this Red Herring Prospectus in the section entitled "Our Business-Strategy" beginning on page 44 of this Red Herring Prospectus, there are no new products or business segments.

Seasonality of Business

The newspaper publishing industry in India is seasonal with respect to advertising revenues, which are generally higher during the period from October to March. However, our business is not seasonal.

Dependence on few customers

We have a large number of customers and we are not dependant on a few customers for our revenues.

Competitive Conditions

Refer to the sections titled “Our Business-Our Products”, “Our Business-Our Competition” and “Risk Factors regarding competition on pages 47, 63 and x of this 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 Red Herring Prospectus.

I. Litigation against our Company

A. Contingent liabilities not provided for as of March 31, 2005 are as follows:

As of March 31, 2005, our contingent liabilities not provided for comprised the following:

a) Bank Guarantees given by our Company and the Subsidiary : Rs. 0.58 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. 1.18 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 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 but no date of hearing has been fixed.

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). The petition has been admitted but no date of hearing has been fixed.

(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). The matter is listed before the trial court for complainant's evidence and the next date of hearing has been fixed for July 28, 2005.

(d) 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. The next date of hearing is fixed for August 23, 2005.

(e) 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 complainant expired on May 3, 2005 and the matter is listed before the court of the District and Sessions Judge, Pauri Garhwal the next date has been fixed for July 30, 2005.

(f) 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 and the next hearing is scheduled for October 21, 2005.

(g) 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 and the next hearing has been scheduled for October 21, 2005.

(h) 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 and the next hearing has been scheduled for September 12, 2005.

(i) 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 but no date of hearing has been fixed.

(j) 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 but no date of hearing has been fixed.

(k) 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.. A criminal revision petition (Petition No. 1035 of 2002) is pending for admission before the Patna High Court but no date has been fixed. The next date of hearing in the trial court the has been fixed as August 4, 2005.

(l) 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 but no date has been fixed. The next date of hearing in the trial court the has been fixed as July 25, 2005.

(m) 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. The next date of hearing in the trial court is July 18, 2005.

(n) 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 and the next hearing has been fixed for September 1, 2005.

(o) 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 and the next hearing has been fixed for September 2, 2005.

(p) 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 and next hearing has been listed for September 12, 2005.

(q) 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 and the next hearing is listed for August 2, 2005.

(r) 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 and the next hearing is listed for July 30, 2005.

(s) 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 and the next hearing is listed for July 28, 2005.

(t) 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 and the next hearing is listed for July 22, 2005.

(u) 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. The next hearing is listed for July 29, 2005.

(v) 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 and the next hearing is listed for September 16, 2005.

(w) 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 and the next hearing is listed for July 25, 2005.

(x) 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 and the next hearing is listed for August 1, 2005.

(y) 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 pending before the High Court. No date has been fixed for the next hearing.

(z) 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 other co-accused.. The quashing petition is pending disposal before the High Court. The matter is listed before the trial court for hearing on August 9, 2005.

(aa) Mr. Baljeet Singh filed a criminal defamation complaint against Mr. V.N. Narayanan, our editor and others 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 pending before the trial court for framing of charges and was last heard on June 1, 2005. The next hearing has been scheduled for October 6, 2005.

(bb) 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 and the next hearing has been scheduled for October 19, 2005.

(cc) 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. The next hearing has been scheduled for July 25, 2005.

(dd) 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.

(ee) 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. No date of hearing has been fixed in this regard.

(ff) 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). The matter is presently listed before the trial court for further proceedings and the date for next hearing has been fixed as August 9, 2005.

(gg) 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 matter is listed for arguments before the High Court on July 25, 2005. The matter is listed for hearing before the trial court on August 5, 2005.

(hh) 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. 555 of 1996) 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. 6083 of 2005) 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. The next date of hearing before the High Court has not been scheduled.

(ii) 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. 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. The next date of hearing before the High Court has not been scheduled.

(jj) 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). The matter is listed before the Judicial Magistrate, First Class, Ambala for taking on record the complainant's evidence and the next hearing has been fixed for February 10, 2006.

(kk) Mr. Ved Pal filed a criminal defamation complaint against Mr. 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. The next date of hearing is September 8, 2005 before the High Court at Chandigarh and the next date of hearing in the court at Karnal is July 16, 2005.

(ll) 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 one of the other co-accused before the Delhi High Court. The next date of hearing is August 23, 2005 in the trial court.

(mm)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. The date of hearing has not been fixed.

(nn) 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 on August 2, 2005.

(oo) 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. The matter is listed for trial before the Special Judicial Magistrate, Ghaziabad. The next date of hearing is September 3, 2005.

(pp) 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. The matter is listed for trial before the Special Judicial Magistrate, Ghaziabad. The next date of hearing is September 3, 2005.

(qq) 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 listed before the trial court and the next hearing is listed for July 16, 2005.

(rr) 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.

(ss) 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 and the next hearing is listed for July 21, 2005.

(tt) 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 and the next hearing is listed for August 17, 2005.

(uu) 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 and the next hearing is listed for July 16, 2005.

(vv) 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 and the next date of hearing is yet to be fixed.

(ww)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 and the next date of hearing is August 4, 2005.

(xx) Mr. R.K.Sayal has filed a criminal defamation complaint against Mr.Kanwar Sandhu resident editor of the *Hindustan Times* in Chandigarh, and Mr Virender Bhatia correspondent in the court of Chief Judicial Magistrate, Chandigarh, (Complaint Case No 122 of 2003) in relation to an article published in the *Hindustan Times* on April 3, 2003. The matter is listed on October 13, 2005 for complainant's evidence.

(yy) Mr. Vidya Ram Yadav has filed a filed a criminal defamation complaint against Mr.Rajan Kohli, our then executive president, Mr. Ajay Upadhyay, our then editor, Mr. Alok Mehta, our then executive editor of *Hindustan* in the court of Chief Judicial Magistrate, Baharaich.

(zz) Dr. Nageshwar Prasad Sharma has filed a criminal defamation case no. 1440(C) of 1998 against Mr. C.K. Naidu, our resident editor, Mr. B.P.Jhunjhunwala, the printer of *Hindustan Times* in the court of Judicial Magistrate (First Class), Patna. The accussed were convicted and orders dated June 25, 2002 were passed against them. We have filed an appeal , criminal appeal no. 128 of 2002 against the same in the appellate court. The next date of hearing is August 2, 2005.

3. Other Criminal Cases

There are six criminal cases or show cause notices, 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). The matter is being heard by the High Court and no date has been fixed for the next hearing.

(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 and the High Court. The next date of hearing before the trial court is fixed for December 17, 2005 and before the High Court is August 7, 2005.

(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. The next date of hearing has been fixed as August 9, 2005.

(d) 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 Kolkata for quashing the proceedings before the trial court, in which petition the High Court has stayed the proceedings before the trial court. The next date of hearing is August 19, 2005.

(e) Mr. Vijay Kumar Chaudhury had 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, had been accused of defamation and an offence under the Schedule Castes and Schedule Tribes (Prevention of Atrocities) Act, 1989. Subsequently, the defamation proceedings had been withdrawn. A petition (Criminal Miscellaneous Petition No. 1490/ 2003) was moved before the Delhi High Court in relation to the allegations under the the Schedule Castes and Schedule Tribes (Prevention of Atrocities) Act, 1989, praying that the summoning order issued by the trial court may be quashed. The next date of hearing is August 9, 2005 before the trial court and October 24, 2005 for the High Court.

(f) The Assistant Commissioner of Police (Fraud and Cheating Section), Economic Offences Wing, Crime Branch, Delhi has issued a letter dated February 12, 2005 requesting us to furnish information all schemes, competition, games for promotion activities. We have filed a reply dated March 3, 2005. The Assistant Commissioner of Police (Fraud and Cheating Section), Economic Offences Wing, Crime Branch, Delhi has sought further details in this regard dated June 13, 2005.

4. Cases by Statutory Authorities

(a) 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.

(b) The Assistant Provident Fund Commissioner, Patna through letters dated April 11, 2005, June 23, 2005 and June 27, 2005 has issued show cause notices for extension of provident fund benefitd to contract workers and trainees under applicable laws. We are in the process of replying to the same.

(c) The inspector of factories, Delhi has issued a show cause notice no. FD/2950/IF/SW dated July 5, 2005 to our Company for alleged violation of the provisions of the Factories Act, 1948 and the rules thereunder in HT House New Delhi which is registered under the Factories Act, 1948 with no. FD 2950. The show cause notice, inter alia, alleges that the factory license has not been renewed. The Company is in the process of filing a reply to the same.

(d) The Assistant Provident Fund Commissioner, Delhi through letter dated June 14, 2005 has issued notice for payment of interest and damages for the deleted remittance under section 70 and 14 (b) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. We have been given time till July 25, 2005 to file our reply.

5. Civil Defamation Cases

There are 29 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. 1,310 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 have filed a revision petition (Civil Revision No. 69 of 2005) against the same, which is pending for admission before the Patna High Court but no date of hearing has been fixed.

(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 and the next date of hearing is August 3, 2005.

(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. The next date of hearing is August 30, 2005.

(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. The next date of hearing is August 30, 2005.

(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 and the next date of hearing is July 27, 2005.

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 ten 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.

(h) Mr. B.R. Tripathi has filed a complaint with the Press Council of India in relation to an article published in the *Hindustan* in relation to an article published in the Hindustan on June 27, 2004, alleging that the same contained false information. The Editor of the *Hindustan* has been asked to appear before the Press Council of India to put forth his submissions against the complaint.

(i) Mr. Alok Kumar Roy has filed a complaint with the Press Council of India in relation to an article published in the *Hindustan Times* on October 5, 2003 alleging that the same contained false misleading information. The Company has been asked to file its reply in the matter.

(j) The National Commission for Minorities, New Delhi has filed a complaint with the Press Council of India in relation to an article published in the *Hindustan Times* on February 27, 2005, which hurt the sentiments of the Sikh minority community and made misleading comments in relation to the role performed by the National Commission for Minorities. The Editor of the *Hindustan Times* has been called upon by the Press Council of India to show cause why action should not be taken by the Press Council against the newspaper in relation to the complaint.

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). The next date of hearing has not been fixed.

(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. The next date of hearing is July 21, 2005.

(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 and the next date of hearing has been fixed for July 12, 2005.

(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. The next date of hearing is August 2, 2005.

(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 and no date has been fixed.

(f) The Hindustan Times Employees Union has filed a claim for declaration of their office bearers as protected workmen as per the provisions of the Industrial Disputes Act, 1947 before the Assistant Labour Commissioner, New Delhi. We have filed our reply. The date of next hearing is July 19, 2005.

(g) The Hindustan Times Employees Union has filed an application under section 25(t) and (u) for prohibition from resorting to unfair labour practices by the management. We have filed a reply. The date of next hearing is July 19, 2005.

8. Consumer Cases

There are 13 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. 2.2 million.

9. Other Civil Cases

In addition, there are 12 civil suits pending. 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 not been granted leave to defend, and further proceedings are pending in the High Court. The next date of hearing is September 21, 2005.

10. Motor Accident Claims

There are four claims pending before the Motor Accident Claims Tribunals for an aggregate amount of Rs. 3.52 million. These cases have been filed in relation to accidents in which our vehicles and employees were involved.

11. Contempt Petitions

There are seven contempt matters pending before various courts in India. The details thereof 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. The next date has been fixed for July 27, 2005.

(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. The next date of hearing is August 12, 2005.

(c) 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. No date has been fixed for the next hearing.

(d) 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.

(e) The Delhi High Court has issued a notice in a contempt petition, CC(c)84/04 in CS (OS) 682 of 2004, filed by FIIT JEE Limited for publishing an advertisement of Narayana IIT Academy. FIIT JEE Limited has alleged that we had published the said advertisement inspite of an injunction against publishing or advertising by Narayana IIT Academy by the Delhi High Court. The matter is currently pending before the Delhi High Court and the next hearing is scheduled for July 22, 2005.

(f) The Kolkata High Court has issued a notice, CPAN 731 of 2005 arising out of CRM 8217 of 2004, to Mr. Sekhar Basu against Mr. Rakesh Sharma, our printer and publisher, Mr. Sekhar Bhatia, our editor, and Mr. Rajiv Bagchi, our resident editor, pursuant to a letter submitted by Mr. Sekhar Basu in relation to an article published in 'HT Kolkata Live' section of the Hindustan Times. The Kolkata High Court has asked Mr. Rakesh Sharma, Mr. Sekhar Bhatia and Mr. Rajiv Bagchi to show cause as to why a rule for suo motu proceeding for contempt should not be issued. The matter was listed to be heard on June 14, 2005, whereon it was adjourned. The next hearing has not been fixed.

(g) The Allahabad High Court, Lucknow Bench, issued notice dated September 6, 2001 to our resident editor in Lucknow, Ms. Sunita Aron, our printer and publisher, Mr. Rakesh Sharma and our the then editor, Mr. Vir Sanghvi asking them as to why a show cause notice stating why they should not be punished for committing contempt of court should not be issued. Ms. Aron apologized to the court and no further proceedings have taken place in this regard as of date.

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 yet to file its reply in the matters. No date has been fixed for the next hearing.

(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. No date has been fixed for the next hearing.

(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. The next date of hearing is August 11, 2005.

(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. The next date of hearing is July 16, 2005.

(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. The next date of hearing is September 12, 2005.

(g) Inner Circle Advertising Pvt. Ltd., an advertising agent, has filed a suit (Suit No. 520 of 2004) against Audit Bureau of Circulation and others (including HTL) before the City Civil Court of Kolkata. The plaintiff has sought injunction in relation to the certificates of circulation issued by Audit Bureau of Circulation in favour of HTL and our Company for a specified period. The matter was last heard on June 14, 2005 and has been adjourned. The next date of hearing has been fixed at August 20, 2005.

(h) Avi Industries Ltd. has filed a civil suit before the Court of Civil Judge, Chandigarh against M/s Image Ads & Communications Pvt. Ltd. and others (including HTL) in relation to certain sums paid for publication of advertisement in *Hindustan Times*. The plaintiff has sought injunction restraining *Hindustan Times* from refusing to accept advertisements for publication on payment of publication charges. The matter is pending before the Court of Civil Judge, Chandigarh and date for service of summons to other repsondent has been fixed for October 5, 2005.

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 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) 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.

(d) Mr. K.N.Memani, was a non executive chairman of Platinum Finance Limited and was served with a show cause notice for violation of section 146(2) of the Companies Act and appears as a willful defaulter in the list of such defaulters of the RBI.

(e) Mr. Y.C.Deveshwar, was the Chairman of Air India Limited from 1991 to 1994. During this period Air India Limited provided certain loans to Vayudoot Limited and he was nominated as ex-officio, non executive director of Vayudoot Limited. Vayudoot Limited and its directors appear as a willful defaulter in the list of such defaulters of the RBI.

IV. Litigation against our Subsidiary - Searchlight Publishing House Limited

A. Contingent liabilities not provided for as of March 31, 2005:

Searchlight has filed a petition before the Patna High Court against an initial claim for additional contribution of Rs. 7.34 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 May 16, 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 and the next date is yet to be fixed.

(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 has been referred to the government and the next date has not been fixed.

(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 and no date of hearing has been fixed.

(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. The next date of hearing has not been fixed.

(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. The next date of hearing has not been fixed.

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**	

Sl. No	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
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	
		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**	

Sl. No	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
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 revenue expenditure in earlier years	882,405	
		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	

Sl. No	Accounting Year	Nature of Dispute	Amount Disallowed (Rs.)	Pending Before
		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	CIT (A)
		Previous year expenses	1,480,019	
		Foreign traveling 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 causing nuisance to some of our directors outside their residence (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. The next date of hearing is August 2, 2005.

(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. The matter is listed for final arguments. The next date of hearing is July 19, 2005.

(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. The date of next hearing has been fixed as July 18, 2005.

(e) The Hindustan Times Employees Union has filed a claim for declaration of their office bearers as protected workmen as per the provisions of the Industrial Disputes Act, 1947 before the Assistant Labour Commissioner, New Delhi. HTL has filed a reply. The next date of hearing is July 19, 2005.

(f) The Hindustan Times Employees Union has filed an application under section 25(t) and (u) for prohibition from resorting to unfair labour practices by the management. HTL has filed a reply. The next date of hearing is July 19, 2005.

(g) The Commissioner of Customs (Imports), Mumbai has summoned HTL vide show cause notice dated July 6, 2005, for a personal hearing on July 22, 2005 or July 28, 2005 regarding finalisation of Project Capital Registration in terms of the Project Import Regulations, 1986. In the event HTL fails to submit the required documents in the show cause notice, the differential duty required to be paid by HTL shall be Rs. 67.03 million.

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.

Litigation against the Birla Cotton Spinning & Weaving Mills Limited as of May 16, 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. The next date of hearing is July 23, 2005.

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.

The MIB has, vide letter dated July 8, 2005 granted permission for the inclusion of recognized FIIs as one of the entities participating in the Issue and has indicated to the Company that the final shareholding pattern should be indicated to the MIB post finalisation of the same.

The RBI, vide letter number FE.CO.FID/1213/10.1.07.02.200(668)/2005-06 dated July 15, 2005 has granted the permission for transfer of Equity Shares from Non Residents (Selling Shareholder) to resident Indians and permitted us to issue shares to FII's through letter number FE.CO.FID/1404/10.02.40 (H-9107)/2005-06.

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

Sl. No.	Publication	Language	Periodicity	Place of Publication	Date of Registration	Registration Number
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 Times*	English	Weekly	Kolkata, West Bengal	January 16, 2004	WBENG/ 2002/ 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
18.	*Hindustan Times*	English	Daily	Mumbai, Maharashtra	May 6, 2005	MAHENG10005/13/1/ 2005-TC
19.	*Sunday Hindustan Times*	English	Weekly	Mumbai, Maharashtra	May 6, 2005	MAHENG09999/13/1/ 2005-TC

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.

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
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
4.	Registration under the Central Sales Tax Act, 1956.	Registration Number PTW -5101(C)(Central)	June 15, 2004	Valid from December 19, 2003 until cancelled
5.	Licence under the Factories Act, 1948.	Registration Number 00701/ BR/MZB	January 31, 2005	December 31, 2005

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.

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.
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.	Consent from the Jharkhand State Pollution Control Board under Section 25 and 26 of of the Water Act.	Reference Number RA/ 0321/W/ 2807	June 23, 2005	June 30, 2006
5.	Authorisation under the Hazardous Wastes (Management and Handling) Rules, 1989.	Reference no. 1216	June 2, 2005	June 1, 2008
6.	Registration under Bihar Finance Act, 1981 (Central).	Registration Number 1126C	May 5, 2001	Valid from April 20, 2001 until cancelled
7.	Registration under the Contract Labour (Regulation and Abolition) Act, 1970.	Registration Number 165	March 17, 2005	February 28, 2006
8.	Licence under the Factories Act, 1948	Registration Number 67590/ RCH	January 31, 2005	December 31, 2005
9.	Registration under Bihar Finance Act, 1981 (Local).	RN(E) 1444(R)	July 2, 2005	March 31, 2006

5.2 Approvals/ Licences for which renewals have been applied

- An application dated January 25,2005 has been made for registration for service tax under Section 69 of the Finance Act, 1994.

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

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
3.	Registration under the Bihar Shops and Establishments Act, 1953	Number 31072/ 29711/ 3907	April 19, 2005	December 31, 2005
4.	Consent from the Jharkhand State Pollution Control Board under Section 25 and 26 of of the Water Act.	Reference Number JA/ 2632/W/ C-506	July 5, 2005	March 31, 2006.
5.	Consent from the Jharkhand State Pollution Control Board under Section 21 of the Air Act.	Reference Number JA/ 2631/W/ C-505	August 24, 2004	June 30, 2005
6.	Authorisation under the Hazardous Wastes (Management and Handling) Rules, 1989.	Reference no. 1936	June 23, 2005	April 12, 2008
7.	Registration under Bihar Finance Act, 1981 (Local).	RN(E) 1444(R)	July 2, 2005	March 31, 2006
8.	Registration under Bihar Finance Act, 1981 (Central).	RN(E) 1126(C)	July 2, 2005	March 31, 2006

6.2 Approvals/ Licences for which renewals have been applied

- 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
3.	Authorisation under the Hazardous Wastes (Management and Handling) Rules, 1989.	Number HW/DB-RO/1442	April 19, 2005	April 11, 2006
4.	Registration under Bihar Finance Act, 1981 (Local).	RN(E) 1444(R)	July 2, 2005	March 31, 2006
5.	Registration under Bihar Finance Act, 1981 (Central).	RN(E) 1126(C)	July 2, 2005	March 31, 2006
6.	Consent from the Jharkhand State Pollution Control Board under Section 25 and 26 of of the Water Act.	Reference Number DB/ 8506/W/ C-509	July 9, 2005	June 30, 2006.

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
7.	Consent from the Jharkhand State Pollution Control Board under Section 21 of the Air Act.	Reference Number DB/ 8504/W/ C-508	July 9, 2005	December 31, 2005.
8.	License under the Factories Act, 1948.	Registration No. 69100/DNB	April 12, 2005	December 31, 2005.

7.2 Approvals/ Licences for which renewals have been applied

- 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
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

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
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

10.1Approvals/ 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

11.1Approvals/ 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

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
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 Tax Act, 1956.	Registration Number 2444(PS)(Central)	September 11, 2001	Valid until 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

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
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.	License under Factories Act, 1948.	H-10/ 551	N.A	December 31, 2005.
7.	Registration for service tax under Section 69 of the Finance Act, 1994.	Registration Number AABCH3165PS7002	February 21, 2005	Valid until activity carried on
8.	Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970.	Registration number 299/ 2K/ 996	December 22, 2003	December 31, 2005

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 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.

16.1Approvals/ 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 by the Income Tax Department, Department of Revenue, Ministry of Finance, Government of India under the Income Tax Act, 1961.	Number DELT00132G	January 15, 2001	N.A.
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 – 400 028

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

19.1Approvals/ Licences obtained

Sl. No.	Description	Reference/ Licence No.	Issue Date	Expiry Date
1.	No-objection certificate from the Maharashtra Industrial Development Corporation for establishing industrial unit at Plot No. 6, TTC Industrial Area, Navi Mumbai, District Thane.	Number MIDC/ TA/ BMR 6/ 8609/ 2004/ 393	June 17, 2004	N.A.
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 azardous Wastes (Management and Handling) Rules, 1989

19.2 Approvals/ Licences for which renewals have been applied

- An application dated June 18, 2005 has been made to the Maharashtra Pollution Control Board for consent to operate under Water Act, Air Act and Hazardous Wastes (Management and Handling) Rules, 1989.
- An application dated June 30, 2005 has been made for renewal of license under the Factories Act, 1948.

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

Sl. No.	Publication	Language	Periodicity	Place of Publication	Registration Number
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.

The MIB has vide permission granted on July 8, 2005 granted permission for the inclusion of recognized FIIs as one of the entities participating in the Issue and has indicated to the Company that the final shareholding pattern should be indicated to the MIB post finalisation of the same.

The RBI, vide letter number FE.CO.FID/1213/10.1.07.02.200(668)/2005-06 dated July 15, 2005 has granted the permission for transfer of Equity Shares from Non Residents (Selling Shareholders) to resident Indians and also permitted issue of shares of FII's throughletter number FE.CO.FID/1404/10.02.40 (H-9107)/2005-06.

Our Company has further 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 199 of this 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. 463.9 million (without the Green Shoe Option), which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we 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 APRIL 21, 2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE 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 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 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, pension funds and to FIIs). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) 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 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 Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Accordingly, the Equity Shares are being issued or transferred in the U.S. only to entities that are "qualified institutional buyers" as defined in Rule 144 A under the U.S.Securities Act, 1933 ("the Securities Act").

Disclaimer clause of the NSE

As required, a copy of this Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated May 10, 2005 permission to us to use NSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs.10 crores and the market capitalization shall not be less than Rs. 25 crores at the time of listing). The NSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of the BSE

As required, a copy of this Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated May 5, 2005 permission to the Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was 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, has been 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. BSE 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 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 Members, 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 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 Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated elsewhere in this 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

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 Members

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 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 20 of this 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 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 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 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, Asst Vice President (Corporate Affairs and Taxation) and 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 Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees since incorporation of our Company.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our 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 exercised in full, will aggregate 7,691,000 Equity Shares amounting to Rs. [●] million.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares in the event the Green Shoe Option is not exercised*	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.
Number of Equity Shares in the event the Green Shoe Option is exercised in full	At least 4,614,600 Equity Shares.	Up to 769,100 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 2,307,300 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.	12 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 lot	12 Equity Shares and in multiples of 12 Equity Shares	12 Equity Shares and in multiples of 12 Equity Shares	12 Equity Shares and in multiples of 12 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, FIIs, 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.	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 overallot up to 696,000 Equity Shares at a price of Rs. [●] per share aggregating Rs. [●] million representing upto 9.95 % 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. The allotment of the Over Allotment Shares shall be done pro-rata with respect to the proportion of Allottment in the Issue to various categories.

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	**:**	**AUGUST 4, 2005**
BID/ ISSUE CLOSES ON	**:**	**AUGUST 10, 2005**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) on all working days except **Saturdays** when they shall be accepted **only between 10 a.m and 1 p.m** (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. 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 bidding terminals of the Syndicate.

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, bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this 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.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public	White
FIIs, applying on a repatriation basis	Blue

Please note:

As per applicable laws, in calculating the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding component, if any, in the equity capital of the Indian shareholder company applying for Equity Shares in the Issue, requires to be duly reckoned on a pro rata basis. For further details in this regard, please see the section titled "Regulations and Policies" on page 65 of this Red Herring Propsectus.

Therefore, Bidders (who consider this condition applicable to them) are requested to compulsorily provide this data in the appropriate column and in the manner indicated for such purpose in the Bid cum Application Form. In the event Bidders provide inadequate or incorrect data in this regard and the same is brought to the notice of the Company, the Company reserves the right to reverse or rescind the allocation to such Bidder and rectify its register of members according to the procedure indicated in its articles of association of the Company and as under the Companies Act, 1956.

IT IS THE BIDDER'S SOLE RESPONSIBILITY TO ENSURE THAT THE ABOVE MENTIONED INFORMATION IS PROVIDED CORRECTLY.

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. FIIs registered with SEBI on a repatriation basis;
4. State industrial development corporations;
5. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
6. 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;
7. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
8. Companies, bodies corporate and societies registered under the applicable laws in India and authorised to invest in equity shares;
9. Venture Capital Funds registered with SEBI;
10. Mutual funds registered with SEBI;
11. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
12. 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
13. Scientific and/ or industrial research organisations authorised to invest in equity shares.

Note: The BRLM, the Syndicate Members and any associate of the BRLM and Syndicate Members (except asset management companies on behalf of mutual funds, insurance companies, Indian financial institutions and public sector banks) cannot participate in that portion of the Issue where allocation is discretionary. Further, the BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders: The Bid must be for a minimum of 12 Equity Shares and in multiples of 12 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.

(b) 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 12 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) We have filed 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 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 disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of theSyndicate 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 226 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 229 of this Red Herring Prospectus.

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding/ 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 228 of this Red Herring Prospectus.

Bids at Different Price Levels

(a) 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.

(b) 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.

(c) 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.

(d) The Bidder can bid at any price within the Price Band in multiples of Re. 1. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIB Bidders and Non-Institutional Bidders shall be rejected.

(e) 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 members of the Syndicate. 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 respective Refund Account.

(f) 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 members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) 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 respective Refund Account.

(h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 12 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/ or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks 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 Accounts to the Issue Account and the Refund Account as per the terms of the Escrow Agreement.The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Selling Shareholder, the Syndicate, the Escrow Collection Banks 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 Banks (for details refer to the paragraph "Payment Instructions" on page 234 of this 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 Banks, which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account of the Company shall be transferred to the Refund Account.

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 221 of this 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 Members 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 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, FII, 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 on page 236 of this 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 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 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 Red Herring Prospectus. In case of QIB Bidders, 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 allocated 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. Further, if the Green Shoe Option is exercised, the allotment of the Over Allottment Shares shall be done pro-rata with respect to the proportion of Allotment in the Issue to various categories.

(d) Undersubscription, if any, in any category, 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 Members 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, where the Margin Amount is less than 100%.

(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 and the Refund 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 specified Bid cum Application Form (white or blue 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) If the Bidder is an Indian body corporate which has foreign equity shareholding, please disclose the current foreign shareholding in the Bidder body corporate as instructed in the Bid cum Application Form;

f) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

g) Ensure that you have been given a TRS for all your Bid options;

h) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS; and

i) 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 card or PAN allotment letter 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 235 of this Red Herring Prospectus.);

j) If you are a Specified Investor making a bid in this Issue ensure that you provide your UIN. If you have made an application for allotment of a UIN before December 31, 2004, but UIN has not been allotted, or where an appeal has been filed but not disposed of, ensure that you provide such information in the Bid cum Application Form (See section titled "Issue Procedure - Unique Identification Number" on page 236 of this Red Herring Prospectus); and

k) 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.

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 and blue colour for FIIs).

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.

(d) The Bids from the Retail Individual Bidders must be for a minimum of 12 Equity Shares and in multiples of 12 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 12 Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal

Bidder's 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 FIIs

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. FIIs should bid for a minimum of such number of Equity Shares and in multiples of 12 thereafter that the Bid Amount exceeds Rs. 100,000. For further details see section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 225 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire,

will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for FIIs.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Foreign Shareholding of the Bidders

As per applicable law, in calculation of the sectoral cap of 26% of foreign investment in our Company, the indirect foreign holding compenent, if any, in the equity of the Indian shareholder companies requires to be duly reckoned on a pro rata basis. For further details in this regard, please see the section titled “Regulations and Policies” on page 65 of this Red Herring Prospectus.

Therefore, Bidders (who are Indian body corporates and consider this condition applicable to them) are requested to compulsorily provide this data in the appropriate column and in the manner indicated for such purpose in the Bid cum Application Form. In the event Bidders provide inadequate or incorrect data in this regard and the same is brought to the notice of the Company, the Company reserves the right to reverse or rescind the allocation to such Bidder and rectify its register of members according to the procedure indicated in its articles of association of the Company and as under the Companies Act, 1956.

PAYMENT INSTRUCTIONS

We shall open Escrow Accounts with the Escrow Collection Banks 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) The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident Bidders: “**Escrow Account – HT Media Limited - Issue”**

   (b) In case of FIIs: **“Escrow Account – HT Media Limited - Issue - NR”**

   - In case of Bids by FIIs, the payment should be made out of funds held in Non Resident Special Rupee Account along with documentary evidence in support of the remittance and the transaction shall be reported to the RBI in LEC(FII) statement. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Non Resident Special Rupee Account.

(iii) 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 Members by the BRLM.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

(v) The monies deposited in the Escrow 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, a member of the Syndicate may at its 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 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 of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving licence (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended 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 MAPIN Regulations, and the SEBI notifications dated November 25, 2003, July 30, 2004 and August 17, 2004, and press release dated December 31, 2004, no Specified Investor shall subscribe to securities which are proposed to be listed on any recognized stock exchange unless the Specified Investor and its promoters and directors have been allotted 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 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, the Specified Investor is exempted from the requirement of obtaining a UIN under regulation 6(2) of the SEBI 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 a Specified Investor making an application in this Issue to provide its UIN. In cases where a Specified Investor has made an application for allotment of UIN before December 31, 2004, but the UIN has not been allotted, or where an appeal has been filed but not disposed of, the investor shall provide such information in the Bid cum Application Form. A Bid cum Application Form from a Specified Investor 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, FVCIs and multilateral and bilateral development financial institutions;
5. Incorrect or inadequate information relating to the foreign shareholding in the Bidder as per the instructions provided in the Bid cum Application Form;
6. Bids by minors;
7. 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;

8. Bids for lower number of Equity Shares than specified for that category of investors;
9. Bids at a price less than lower end of the Price Band;
10. Bids at a price more than the higher end of the Price Band;
11. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
12. Bids for number of Equity Shares, which are not in multiples of 12;
13. Category not ticked;
14. Multiple Bids;
15. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
16. Bids accompanied by Stockinvest/ money order/ postal order/ cash;
17. Signature of sole and/ or joint Bidders missing;
18. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Members;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
20. Bid cum Application Form does not have the Bidder's depository account details;
21. 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;
22. 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 226 of this Red Herring Prospectus;
23. Bids by OCBs;
24. Bids by persons in the United States of America excluding "qualified institutional buyers" as defined in Rule 144A under the Securities Act; and
25. Bids by Specified Investors 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 May 27, 2005 between NSDL, us and Registrar to the Issue;
b) an agreement dated May 27, 2005 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, Asst Vice President (Corporate Affairs and Taxation) and 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

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."

DISPOSAL OF APPLICATIONS AND INTEREST IN CASE OF DELAY

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
- 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.

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.

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 2,098,500 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 2,098,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 12 Equity Shares and in multiples of 1 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 699,500 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 699,500 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 12 Equity Shares and in multiples of 1 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 less than 4,197,000 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 12 Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of 12 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

If the proportionate Allotment to a Bidder is a number that is more than 6 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. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

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.

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;
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

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 investments.

Foreign investment in the print media sector is regulated by the Government of India. The Industrial Policy specifies that FDI and portfolio investments by recognized FIIs, together up to 26% is permitted with prior Government approval in publishing news papers and periodicals dealing in news and current affairs subject to verification of antecedents of the foreign investor, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity.

Further, under the MIB Guidelines, FDI and portfolio investments by recognized FIIs, together in Indian entities publishing newspapers/ periodicals dealing with news and current affairs is allowed up to 26% of paid-up equity of such entity and on the terms and conditions specified under the MIB Guidelines.

For further details on the laws applicable to the restrictions in foreign investments in the print media sector, please see the section titled “Regulations and Policies” on page 65 of this Red Herring Prospectus.

In light of the restrictions on foreign ownership in securities in the print media sector, the Directors of our Company shall be entitled to take all necessary steps to ensure compliance with all applicable laws including, without limitation, the applicable provisions of the MIB Guidelines and subject to the provisions of section 111A of the Companies Act, 1956 and the other provisions of applicable law, the Directors may, by giving reasons, decline to register or acknowledge any transfer or transmission of shares whether fully paid or not, and the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was given to it, send to the transferee a notice of the refusal to accept such transfer or transmission of its Equity Shares.

Subscription by FIIs

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are "qualified institutional buyers", as defined in Rule 144A of the Securities Act and (ii) outside the U.S. to certain person in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue paid up capital (i.e. 10% of 46,393,900 in case the Green Shoe Option is not exercised or 47,089,900 Equity Shares in case the Green Shoe Option is exercised)

In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 26% of the total issued capital of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update the Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the 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.

3. 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.

4. 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 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 registered office of our Company situated at HT House, 18-20, Kasturba Gandhi Marg, New Delhi 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 July 12, 2005 executed by us and the Selling Shareholder with the Registrar to the Issue.
4. The Stabilisation Agreement dated April 20, 2005 between us, the Selling Shareholder and the Stabilisation Agent.
5. Shareholders' Agreement dated April 21, 2005 between us, HTL, Henderson, HPC and Citicorp.
6. 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.
7. 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.
8. 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 and resolutions of the committee of the Board dated July 16, 2005 approving the Red Herring Prospectus.
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 dated July 12, 2005, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus.
8. Copies of annual reports of our Company 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 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 Red Herring Prospectus and other related documents.
11. Consents of Auditors, Bankers to the Company, BRLM, Syndicate Members, Registrar to the Issue, Escrow Collection Banks and Bankers 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 April 27, 2005 for in-principle listing approval from the NSE and the BSE, respectively.
13. In-principle listing approval dated May 5, 2005 and May 10, 2005 from the BSE and the NSE respectively.

14. Tripartite agreement between NSDL, us and the Registrar to the Issue dated May 27, 2005.
15. Tripartite agreement between CDSL, us and Registrar to the Issue dated May 27, 2005.
16. Due diligence certificate dated April 21, 2005 to SEBI from Kotak Mahindra Capital Company Limited.
17. Certificate of the Auditors dated May 11, 2005 confirming that there has been no revaluation of assets or capitalization of intangible assets in the transaction whereby the Promoter had been issued Equity Shares for consideration other than cash.
18. Letter dated July 8, 2005 from MIB which has granted permission for the inclusion of recognized FIIs as one of the entities participating in the Issue.
19. The RBI letter number FE.CO.FID/1213/10.1.07.02.200(668)/2005-06 dated July 15, 2005 granting the permission for transfer of Equity Shares from Non Residents (Selling Shareholders) to resident Indians and letter number FE.CO.FID/ 1404/10.02.40 (H-9107)/2005-06 for issue of shares to FIIs.
20. SEBI observation letter CFD/DIL/ISSUES/PB/PR/40481/2005/ dated May 12, 2005 and the in seriatim response to the same dated July 14, 2005.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of us or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act 1956, and the guidelines issued by the Government of India or the guidelines issued the by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all statements in this 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 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.V.K.Charoria.

Signed by Mr. Rajiv Verma, the Chief Executive Officer.

-sd-

Signed by Mrs. Seema Chandra, Vice- President, Finance.

-sd-

Signed for the Selling Shareholder – HPC (Mauritius) Limited.

-sd-

Date: July 18, 2005.

Place: New Delhi.