

SPHILL

Searchlight Publishing
House Ltd., Patna

Annual Report
2006-2007

SEARCHLIGHT PUBLISHING HOUSE LIMITED

BOARD OF DIRECTORS:

SHRI S.M. AGARWAL (Whole time Director)

SHRI V. K. CHARORIA

SHRI R. K. AGRAWAL

AUDITORS:

Messers B. GUPTA & CO.

CHARTERED ACCOUNTANTS

4th FLOOR, SUKIRTI

S.P. VERMA ROAD,

PATNA.

REGISTERED OFFICE:

BUDH MARG, PATNA

SEARCHLIGHT PUBLISHING HOUSE LIMITED

NOTICE

Notice is hereby given that an Annual General Meeting of the Shareholders of Searchlight Publishing House Limited will be held on Thursday the 27th September, 2007 at 4.00 P.M. at the Registered Office of the Company at Budh Marg, Patna-800001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2007, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.K. Agrawal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board

(S.M. Agarwal)
Whole-time Director

Place: Patna
Date: 30th April, 2007

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2007

To
The Shareholders,

Your Directors are pleased to present their Report with the Audited Statements of Accounts for the financial year ended 31st March 2007.

Financial Results:

	(In Rs.)	
	2006-2007	2005-2006
Profit before depreciation & exceptional items	89,09,941	1,28,10,758
Less : Depreciation	47,95,625	58,86,314
Less: Exceptional Items (Separation Scheme Compensation)	25,13,773	51,00,509
Profit before Tax	16,00,543	18,23,935
Less :Provision for Taxation	3,21,536	9,79,010
Add : Deferred Tax Assets/ (Liabilities)	(2,70,558)	(1,756)
Profit after Tax	10,08,449	8,43,169
Profit brought forward from Previous Year	42,47,556	34,04,387
Balance Carried to Balance-Sheet	52,56,005	42,47,556

Dividend

Your Directors do not consider it appropriate to recommend dividend on Equity Shares for the financial year ended 31st March, 2007.

Deposits

The Company has not accepted Public Deposits during the year ended 31st March, 2007. There was no unclaimed or unpaid deposit as on 31st March, 2007.

Directors

Shri R.K. Agrawal, Director of the Company retires from office and being eligible, has offered himself for re-appointment.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Shri H.L. Baheti has resigned from the Board of Directors of the Company.

Yours Directors place on record their sincere appreciation for the services rendered by Shri H.L. Baheti during his tenure as Director of the Company.

Auditors

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

Statutory information

During the year, there were no employee falling under Section 217(2A) of the Companies Act,1956.

The particulars, pursuant to Section 217 (e) of the Companies Act, 1956, regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo are attached and form part of this report.

The notes on accounts are self- explanatory and therefore do not call for any further comments or explanations.

Director's Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act 1956,Your Directors state:

- i that in the preparation of the annual accounts for the financial year ended 31st March,2007,the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii that such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of Affairs of the company as 31st March,2007 and of the Profit of the Company for the year ended 31st March,2007;
- iii that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv that the Annual Accounts have been prepared on a going concern basic.

For and on behalf of Board

S.M. Agarwal
V.K. Charoria
R.K. Agrawal
Directors

Place: Patna
Date: 30th April, 2007

Disclosure of particulars with respect to Conservation of Energy & Technology Absorption, Foreign Exchange Earnings & Outgo as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, and forming part of the Report of the Board of Directors for the year ended March 31, 2007.

A CONSERVATION OF ENERGY

(a) Energy conservation measure taken

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

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

None

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

Improvement in the power factor has resulted in power saving.

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

Not Applicable

B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Not Applicable

(g) Total foreign exchange used and earned

Foreign exchange used: Nil

Foreign exchange earned: Nil

AUDITORS' REPORT

To the Shareholders of

SEARCHLIGHT PUBLISHING HOUSE LIMITED

We have audited the attached Balance Sheet of Searchlight Publishing House Limited as at 31st March, 2007 and the Profit and Loss Account of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit included examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as under.

1. As required by the Manufacturing Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs '4' and '5' of the said order.
2. Further to our comments appearing in the annexure referred to in paragraph '1' above.
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account, as required by law have been kept by the company, so far as appears from our examination of these books;
 - c. The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;

SEARCHLIGHT PUBLISHING HOUSE LIMITED

- d. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Account, 1956;
- e. As per written representations received from the Directors, taken on record by the Board of Directors in their meeting, none of the directors is disqualified u/s.274(1)(g);
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon in Schedule '19', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2007;
 - ii. in the case of the Profit and Loss Account of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement of the Cash Flow of the company for the year ended on that date.

For and on behalf of
B GUPTA & CO
Chartered Accountants

PLACE: PATNA,
DATED: *April 30, 2007*

[D. SIRCAR]
Partner

ANNEXURE TO THE AUDITORS' REPORT

As referred to in paragraph '1' of our report of even date

1. In respect of its fixed assets,
 - a. the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. the Company has carried out year-end verification, which in our opinion constitutes physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification; and
 - c. in our opinion the disposals made during the year are not substantial. Hence the question of disposals affecting the going concern does not arise.
2. In respect of its inventories,
 - a. the Company has physically verified certain items at monthly intervals in accordance with a programme of physical verification and also conducted a 100% physical verification at the year end, which in our opinion constitute physical verification at reasonable intervals.
 - b. The procedure of physical verification followed by the management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records for inventory and discrepancies, though not material, have been properly dealt with in the accounts.
3. In respect of loans, secured or unsecured, taken from or granted to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956,
 - a. the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained u/s.301 of the Act.
 - b. in absence of any loans granted or taken, the question of (i) their being prejudicial to the interest of the Company, (ii) regular repayment of principal along with interest thereon and (iii) steps for recovery of overdues in excess of Rs.1,00,000 (Rupees One Lakh) does not arise.
4. In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets. As the Company only provides services, the question of internal control on sale of goods does not arise.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956,
 - a. to the best of our knowledge and belief and according to the information and explanations given to us transactions that needed to be entered into the register have been so entered.
 - b. There were no transactions in excess of Rupees Five Lakhs during the year. Hence the question of their reasonableness with regard to prevailing market prices does not arise.
6. The Company has not accepted any deposit from the public.
7. In our opinion the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records u/s.209(1)(d) of the Companies Act for the Company's line of business.
9. In respect of statutory dues,
 - a. the Company has been regular in depositing undisputed statutory dues including Provident Fund, ESI, Sales Tax and Income-tax;
 - b. the Company has filed a petitions before the Hon'ble Patna High Court disputing claims of arrears by the Employees' State Insurance Corporation, amounting to Rs.73.37 Lakhs.
10. The Company neither has any accumulated losses as at the end of the financial year under review nor has incurred cash losses during the current and immediately preceding financial years.
11. The Company has not borrowed by way of debentures or loans from banks or financial institutions. Hence the question of default in repayment does not arise.
12. The Company has not granted any loans or advances on the basis of security by way of shares, debentures or other securities.
13. As the Company's line of business does not include chit fund, the question of compliance of special statute relating to such funds does not arise.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. To the best of our knowledge and belief and according to the information and explanations given to us the Company has not given any guarantee for any loan taken by others from banks or financial institutions.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

16. The Company has neither obtained nor applied for any term loans.
17. According to the information and explanations given to us and examination of other records, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Hence the question of creation of securities in respect thereof, does not arise.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of
B GUPTA & CO
Chartered Accountants

PLACE: PATNA,
DATED: April 30, 2007

[D. SIRCAR]
Partner

SEARCHLIGHT PUBLISHING HOUSE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	39,855,368	39,855,368
Reserves and Surplus	2	33,996,005	32,987,557
		73,851,373	72,842,925
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	97,501,663	97,138,802
Less: Depreciation		45,682,155	40,886,530
Net Block		51,819,508	56,252,272
Deffered Tax Assets (Net)	4	62,406	332,964
Current Assets, Loans and Advances			
Inventories	5	12,282,274	11,105,918
Sundry Debtors	6	10,891,961	7,869,566
Cash and bank balances	7	4,431,402	2,513,812
Loans and Advances	8	11,906,865	11,113,956
		39,512,502	32,603,252
Less: Current Liabilities and Provisions			
Current Liabilities	9	16,080,549	19,269,511
Provisions	10	4,700,143	4,999,103
		20,780,692	24,268,614
Net Current Assets		18,731,810	8,334,638
Miscellaneous Expenditure (to the extent not w/off)	11	3,237,649	7,923,051
		73,851,373	72,842,925

Notes to Accounts 19
The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date
For B. Gupta & Company
Chartered Accountants

For and on behalf of
the Board of
Directors

Per D. SIRCAR
Partner
Membership No. 73514

Place : Patna
Dated:30th April, 2007

B.P.Jhunjunwala
Secretary

S.M. AGARWAL
V.K. CHARORIA
R.K. AGRAWAL
Directors

SEARCHLIGHT PUBLISHING HOUSE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
INCOME			
Turnover	12	159,233,353	153,913,805
Other Income	13	677,215	774,856
		159,910,568	154,688,661
EXPENDITURE			
Production Expenses	14	24,668,301	21,617,168
Payments to Employees	15	61,900,946	59,295,073
Other Expenses	16	64,451,424	60,738,942
(Increase)/Decrease in inventories	17	(20,044)	226,720
		151,000,627	141,877,903
Profit before depreciation/amortisation, interest, exceptional items and tax (EBITDA)		8,909,941	12,810,758
Depreciation/amortisation		4,795,625	5,886,314
Profit/(Loss) before exceptional items & tax exceptional items		4,114,316	6,924,444
Separation Scheme Compensation (Refer Note No. 6 of Schedule 19)		2,513,773	5,100,509
Profit/(Loss) before tax		1,600,543	1,823,935
Fringe Benefit Tax		(321,536)	(370,010)
Provision for Income Tax		--	(609,000)
Provision for Minimum Alternate Income Tax	134,685	--	--
Less: MAT Credit Entitlement Account	(134,685)	--	--
Adjustment for Deferred Tax (Liability)/Asset		(270,558)	(1,756)
Total tax (expense)/income		(592,094)	(980,766)
Net Profit/(Loss) for the year		1,008,449	843,169
Balance brought forward from previous year		4,247,556	3,404,387
Loss/(Profit) for the year carried to balance sheet		5,256,005	4,247,556
Earnings per share	18	0.25	0.21
Notes to Accounts	19		

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

As per our report of even date

For B.Gupta & Co.
Chartered Accountants

For and on behalf
of the Board of
Directors

Per D. SIRCAR
Partner
Membership No. 73514
Place: Patna
Dated: 30th April, 2007

B.P. Jhunjunwala
Secretary

S.M. AGARWAL
V. K. CHARORIA
R. K. AGRAWAL
Directors

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Cash flow statement for the year ended March 31, 2007

	31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,600,543	1,823,935
Adjustments for:		
Depreciation/amortisation	4,795,625	5,886,314
Miscellaneous Expenses written off	2,513,773	5,100,509
Loss on disposal of fixed assets (net)	--	27,699
Interest income	(272,891)	(329,398)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,637,050	12,509,059
Movements in working capital:		
(Increase)/Decrease in sundry debtors	(3,022,395)	2,058,887
(Increase)/Decrease in inventories	(1,176,356)	(1,770,347)
(Increase)/Decrease in loans and advances	112,869	(224,887)
Increase/(Decrease) in current liabilities and provisions	(2,793,575)	7,634,770
CASH GENERATED FROM OPERATIONS	1,757,593	20,207,482
Direct taxes paid	(1,921,662)	(3,882,767)
Cash flow before extraordinary items	(164,069)	16,324,715
Extraordinary item	2,171,629	(11,884,576)
Net cash from operating activities	2,007,560	4,440,139
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(362,861)	(5,921,467)
Proceeds from sale of fixed assets	--	154,546
Interest received	272,891	210,610
Net cash (used) in investing activities	(89,970)	(5,556,311)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B)	1,917,590	(1,116,172)
Cash and cash equivalents at the beginning of the year	2,513,812	3,629,984
Cash and cash equivalents at the end of the year	4,431,402	2,513,812
Components of cash and cash equivalents as at	31.03.2007	31.03.2006
Cash and cheques on hand	612,814	242,648
With Scheduled banks - on current accounts	1,513,451	21,164
on deposit accounts	2,305,137	2,250,000
	4,431,402	2,513,812

Note:

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

As per our report of even date

For B. Gupta & Company
Chartered Accountants

For and on behalf of
the Board of
Directors

Per D. SIRCAR

Partner

Membership No. 73514

Place: Patna

Dated: 30th April, 2007

B.P. Jhunjunwala

Secretary

S.M. AGARWAL

V. K. CHARORIA

R. K. AGRAWAL

Directors

SEARCHLIGHT PUBLISHING HOUSE LIMITED

**BALANCE SHEET AS AT MARCH 31, 2007
SCHEDULES TO THE ACCOUNTS**

SCHEDULE-1 : SHARE CAPITAL

Authorised :

70,00,000 equity Shares of Rs. 10 each

Issued, Subscribed and Paid-Up:

39,86,250 equity shares of Rs. 10 each fully paid

Less: Calls in Arrear

Of the above:

39,74,771 equity shares are held by HT Media Limited, the Holding Company

SCHEDULE-2: RESERVES & SURPLUS

Share Premium Account
As per last Balance Sheet

General Reserve Account
As per last Balance Sheet

Capital Redemption Reserve
Profit and Loss Account Balance
Capital Reserve

31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
70,000,000	70,000,000
70,000,000	70,000,000
39,862,500	39,862,500
(7,132)	(7,132)
39,855,368	39,855,368
25,500,000	25,500,000
25,500,000	25,500,000
3,187,000	3,187,000
50,000	50,000
5,256,005	4,247,557
3,000	3,000
33,996,005	32,987,557

SEARCHLIGHT PUBLISHING HOUSE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007
SCHEDULES TO THE ACCOUNTS

SCHEDULE-3 : FIXED ASSETS

Amount in Rupees

	Land Leasehold	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
Gross Block							
At 01.04.06	3,570,918	43918418	38,588,479	10,521,075	539,912	97,138,802	91,508,941
Additions	-	-	285,537	77,324	-	362,861	6,571,467
Deductions	-	-	-	-	-	-	941,606
At 31.3.2007	3,570,918	43,918,418	38,874,016	10,598,399	539,912	97,501,663	97,138,802
Depreciation/ Amortisation							
At 01.04.06	-	10,213,111	23,347,284	6,936,459	389,676	40,886,530	35,759,577
For the year	-	1,860,423	2,193,096	703,210	38,896	4,795,625	5,886,314
Deletions/ Adjustments	-	-	-	-	-	-	759,361
At 31.3.2007	-	12,073,534	25,540,380	7,639,669	428,572	45,682,155	40,886,530
Net Block							
At 31.3.2007	3,570,918	31844,884	13,333,636	2,958,730	111,340	51,819,508	56,252,272
At 31.3.2006	3,570,918	33,705,306	15,241,195	3,584,617	150,236	56,252,272	-

SEARCHLIGHT PUBLISHING HOUSE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007 SCHEDULES TO THE ACCOUNTS

SCHEDULE-4 : DEFERRED TAX LIABILITIES/ASSETS (NET):

Deferred Tax Liabilities

Differences in depreciation in block of fixed assets as per tax books and financial books

Gross Deferred Tax Liabilities

Deferred Tax Assets

Carry forward of unabsorbed depreciation
Provision for Leave Encashment

Gross Deferred Tax Assets

Net Deferred Tax (Liability) Asset

SCHEDULE-5: INVENTORIES

Raw Materials

Stores and spares

Work-in-progress

Scrap and waste papers

SCHEDULE-6: SUNDRY DEBTORS

Debts outstanding for a period exceeding six months

Other debts

Unsecured, considered good

SCHEDULE-7: CASH AND BANK BALANCES

Cash-in-hand

Balances with scheduled banks:

On current accounts

On deposit accounts

SCHEDULE-8: LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received

Deposits - others

Advance payment of income tax/tax deducted at source

MAT Credit Entitlement Account

Interest accrued on deposits

SCHEDULE-9 : CURRENT LIABILITIES

Sundry creditors

Customers and Agents Balances

Sundry Deposits

Book Overdraft in Current Account with Bank

SCHEDULE-10: PROVISIONS

Provision for taxation (net of advance tax)

For staff benefit scheme - Leave Encashment

SCHEDULE-11: MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN-OFF)

Deferred Revenue Expenditure

As per last balance sheet

Incurred (Reversed) during the year

Less: Written off during the year

	31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
	2,464,008	2,553,663
	2,464,008	2,553,663
	1,600,486	2,093,787
	925,928	792,840
	2,526,414	2,886,627
	62,406	332,964
	4,056,831	3,917,295
	8,191,279	7,174,503
	34,164	-
	-	14,120
	12,282,274	11,105,918
	10,891,961	7,869,566
	10,891,961	7,869,566
	612,814	242,647
	1,513,451	21,165
	2,305,137	2,250,000
	4,431,402	2,513,812
	1,587,027	1,711,616
	2,730,393	2,730,393
	7,324,252	6,553,159
	134,685	-
	130,508	118,788
	11,906,865	11,113,956
	15,539,592	14,151,254
	192,859	64,849
	--	61,000
	348,098	4,992,408
	16,080,549	19,269,511
	764,663	1,459,010
	3,935,480	3,540,093
	4,700,143	4,999,103
	7,923,051	1,138,984
	(2,171,629)	11,884,576
	5,751,422	13,023,560
	2,513,773	5,100,509
	3,237,649	7,923,051

SEARCHLIGHT PUBLISHING HOUSE LIMITED

BALANCE SHEET AS AT MARCH 31, 2007
SCHEDULES TO THE ACCOUNTS

SCHEDULE-16: OPERATING AND OTHER EXPENSES

Consumption of stores and spares	
Printing and service charges	
Power and fuel	
Rent	
Rates and taxes	
Insurance	
Repairs and maintenance	
- Plant and Machinery	
- Buildings	
- Others	
Travelling and conveyance	
Communication costs	
Legal and professional fees	
Directors' sitting fees	
Auditors Remuneration	
- Audit fee	28,060
- Tax audit fee	8,418
- Taxation matters	2,806
- Certification etc.	-
	-
Loss on disposal of fixed assets (net)	
Bank Charge	
Miscellaneous expenses	

SCHEDULE-17: DECREASE/(INCREASE) IN INVENTORIES

Inventories as at April 1, 2006	
Work-in-progress	
Scrap and waste papers	
Inventories as at March 31, 2007	
Scrap and waste papers	

SCHEDULE-18: EARNINGS PER SHARE (EPS)

Net profit after exceptional items but before taxes	
Less: Provision for taxes	
Less: Fringe Benefit tax	
Less: Adjustment for Deferred Tax Liability	
Net profit after exceptional item & taxes for calculation of basic and diluted EPS	
Weighted average number of equity shares in calculating basic and diluted EPS	
Weighted average number of equity shares in calculating basic EPS	
Basic and diluted earnings per share after exceptional item	

31st March, 2007 (In Rupees)	31st March, 2006 (In Rupees)
34,662,356	29,503,859
361,921	418,947
12,857,216	12,275,744
470,814	567,925
85,289	128,735
190,689	113,328
3,382,241	3,749,398
2,247,440	2,698,353
96,396	115,792
2,017,351	2,410,806
1,110,704	1,001,016
283,647	852,026
1,400	2,400
--	28,060
--	8,418
--	2,806
39,284	--
--	27,699
71,912	48,146
6,572,764	6,785,484
64,451,424	60,738,942
34,164	--
--	14,120
34,164	14,120
14,120	240,840
14,120	240,840
(20,044)	226,720
1,600,543.00	1,823,935.00
--	609,000.00
321,536.00	370,010.00
270,558.00	1,756.00
1,008,449.00	843,169.00
3,986,250	3,986,250
3,986,250	3,986,250
0.25	0.21

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Schedules to the Accounts

Schedule 19 : Notes to the Accounts

1. Nature of Operations

Searchlight Publishing House Limited is a subsidiary of HT Media Limited. The Company provides support to the parent company in printing the Hindustan Times, a English daily and Hindustan, a Hindi daily.

The Company derives revenue from printing the publications for the parent company. The Company also derives revenue from printing job work, sale of scrap material and interest on deposits.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

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

(b) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises 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.

(c) Depreciation

Depreciation on assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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

(d) 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.

(e) 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 cost of completion and to make the goods salable.

(f) 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.

Printing Job Work

Revenue is recognised on completion of company's commitment in the printing job and raising of bills.

Interest on Deposits

Interest is recognised on a time proportion basis taking into account the amounts outstanding and rates of interest applicable

Sale of Scrap

Revenue is recognized when the significant risks and rewards of ownership have passed to the buyer.

(g) 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. The liability towards gratuity 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.
- 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 period end.

(h) 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 acceptance of employees' option for the scheme.

(i) 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 Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The same is reviewed at each balance sheet date to write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

(j) 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 number 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).

3. Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset 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.

4. Segment Information

The Company is engaged in Printing of Newspapers and Job Works. 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 Accounting Standard-17 on Segment Reporting.

The Company undertakes printing jobs within India and does not have any operations in economic environments with different risks and returns, hence, it is considered operating in a single geographic segment.

5. Related Party Disclosure

Information relating to related party transaction as per Accounting Standard-18 issued by the Institute of Chartered Accountants of India is given below:

Name of related Party	Relationship
Holding Company	The Hindustan Times Limited*
Fellow Subsidiaries	HT Media Limited Shradhanjali Investment and Trading Company Limited HTL Investment & Trading Company Limited HT Interactive Media Properties Limited HT Music & Entertainment Co. Ltd. Go4cricket.com (India) Private Limited Go4i.com (India) Private Limited Go4i.com (Mauritius) Limited Paxton Trexim Pvt. Limited

Key Management Personal

Shri S.M. Agarwal, Whole Time Director

* The Hindustan Times Limited is the ultimate Holding Company and it does not hold any direct investment. However, through its subsidiary, HT Media Limited holds the shares of the Company.

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.

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Transactions during the period	Holding Company		Fellow Subsidiaries	
	March, 2007	March, 2006	March, 2007	March, 2006
	<i>(Rs in Lacs)</i>			
Reimbursement of expenses incurred on behalf of parties by Company	50.68	25.12	-	-
Reimbursement of expenses incurred on behalf of Company by parties	112.59	64.19	-	-
Printing charges received for:				
- Newspaper	1530.48	1488.44	-	-
- Others	8.80	7.24	-	-
Purchase of store material	6.07	21.03	-	-
Sale of Fixed Assets	-	1.23	-	-
Purchase of waste paper	3.91	3.76	-	-
Payment to employees sent on deputation	291.54	200.35	-	-
Balance outstanding at the Year end				
- As Debtor	108.90	78.22	-	-
- As Creditor	0.28	-	-	-
Remuneration paid to Key Management Personal - Shri S.M. Agarwal	6.67	6.91		

Payment to Director

	March'2007 <i>(Rs in Lacs)</i>	March'2006 <i>(Rs in Lacs)</i>
Salary and allowances	5.97	6.21
Perquisites	0.27	0.27
others	0.43	0.43
Total	6.67	6.91

6. Separation Scheme Compensation

Out of the nine employees whose applications for voluntary retirement were accepted by the company in March, 2006, four employees have since requested company's permission for withdrawing the same. On grant of such permission by the company liability for payment of compensation, to the extent of Rs.2,171,629 has been reversed by credit to Deferred Revenue Expenditure under the head 'Miscellaneous Expenditure'. Accordingly, the amount of Deferred Revenue Expenditure to be charged off during the year as per para 2(h) above has been reduced by Rs.723,876 being the excess amount charged off during the year ended 31.03.2006.

7. Leases

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

- a) The Company has taken various offices and godown premises under operating lease agreements. These are generally renewable by mutual consent on mutually agreed terms and generally restrict further leasing.
- b) Lease payments for the Year are Rs. 4.71 lacs (Previous year Rs. 5.68 lacs).

8. Capital Commitment

	As at March 31, 2007 (Rs. In lacs)	As at March 31, 2006 (Rs. In lacs)
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	---

SEARCHLIGHT PUBLISHING HOUSE LIMITED

9.	Contingent Liabilities not provided for	As at March 31, 2007 (Rs. In lacs)	As at March 31, 2006 (Rs. In lacs)
	a) Claims against the Company not acknowledged as debts The Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of Rs. 73.37 lacs 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. 12.50 lacs to ESIC and the Hon'ble High Court has stayed the matter.	73.37	73.37
	b) In respect of various labour cases pending		Amount not ascertainable

10. Additional information

Additional information as required under schedule VI to the Companies Act, 1956 to the extent applicable to the Company are as under

a. CIF value of Import	Direct	Through Other
Components & Spare Parts	NIL	NIL
Capital Goods	NIL	NIL
b. Foreign Currency earned		NIL (NIL)
c. Foreign Currency used		NIL (NIL)

d. Consumption

	Imported		Indigenous		Total	
	Rs.	%	Rs.	%	Rs.	%
Stores & Spare Parts	-	-	34662357	100	34662357	100
	-	-	(29503859)	100	(29503859)	100
Printing Ink	-	-	24668301	100	24668301	100
	-	-	(21617168)	100	(21617168)	100

Note: Amounts within brackets represent previous year's figures.

11. Previous year figures have been re-grouped and/or re-arranged to make them comparable with those of the current year.

As per our report of even date

**For and on behalf of the
Board of Directors**

For B. Gupta & Co.
Chartered Accountants

Per D. Sircar
Partner
Membership No.73514
Place: Patna
Date: 30th April 2007.

B.P.JhunJhunwala
Secretary

S.M. Agarwal
V.K. Charoria
R. K. Agrawal
Directors

SEARCHLIGHT PUBLISHING HOUSE LIMITED

9.	Contingent Liabilities not provided for	As at March 31, 2007 (Rs. In lacs) 73.37	As at March 31, 2006 (Rs. In lacs) 73.37
	a) Claims against the Company not acknowledged as debts The Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of Rs. 73.37 lacs 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. 12.50 lacs to ESIC and the Hon'ble High Court has stayed the matter.		
	b) In respect of various labour cases pending		Amount not ascertainable

10. Additional information

Additional information as required under schedule VI to the Companies Act, 1956 to the extent applicable to the Company are as under

a. CIF value of Import	Direct	Through Other
Components & Spare Parts	NIL	NIL
Capital Goods	NIL	NIL
b. Foreign Currency earned		NIL (NIL)
c. Foreign Currency used		NIL (NIL)

d. Consumption

	Imported		Indigenous		Total	
	Rs.	%	Rs.	%	Rs.	%
Stores & Spare Parts	-	-	34662357	100	34662357	100
	-	-	(29503859)	100	(29503859)	100
Printing Ink	-	-	24668301	100	24668301	100
	-	-	(21617168)	100	(21617168)	100

Note: Amounts within brackets represent previous year's figures.

11. Previous year figures have been re-grouped and/or re-arranged to make them comparable with those of the current year.

As per our report of even date

**For and on behalf of the
Board of Directors**

For B. Gupta & Co.
Chartered Accountants

Per D. Sircar
Partner
Membership No.73514
Place: Patna
Date: 30th April 2007.

B.P.JhunJhunwala
Secretary

S.M. Agarwal
V.K. Charoria
R. K. Agrawal
Directors

SEARCHLIGHT PUBLISHING HOUSE LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet

Date
Date Month Year

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds Paid-up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenses

Accumulated Losses

Deferred Tax Assets

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

Turnover

Total Expenditure

+ Profit/Loss Before Tax

+ - Profit/Loss After Tax

(Please tick appropriate box, + for Profit - for Loss)

Earning per share in Rs.

Dividend

V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)

Product Description

PROXY FORM

Searchlight Publishing House Ltd.

BUDH MARG, PATNA

Reg. Folio No.

I / We _____
of _____
being a member / members of SEARCHLIGHT PUBLISHING HOUSE LTD., hereby
appoint _____
of _____ or failing him _____
of _____ or failing him _____
of _____ as my / our proxy in my / our absence to attend
and vote for me / us on my / our behalf at the ANNUAL GENERAL MEETING of the
Company to be held on 27th September, 2007 at 4.00 P. M. at the registered office of
the company at Budh Marg, Patna and at any adjournment thereof.

Signed this _____ day of _____ 2007

Signature,

Affix
1 Rupees
Revenue
Stamp