

Annual  
Report

2007-2008

Searchlight Publishing  
House Ltd., Patna

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

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## 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

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# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## DIRECTORS' REPORT

To  
The Shareholders,

Your Directors are pleased to present their Report, together with the Audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March 2008.

### Financial Results

Your Company's performance during the financial year ended on 31<sup>st</sup> March, 2008, is summarized below:

(All figures in Rs.)

Particulars	2007-2008	2006-2007
Total Income	16,88,58,334	15,99,10,568
Profit before Depreciation/Amortization, Interest, Exceptional items and Tax (EBITDA)	91,72,934	89,09,941
<i>Less:</i> Depreciation	43,22,376	47,95,625
<i>Less:</i> Exceptional Items (Separation Scheme Compensation)	32,37,649	25,13,773
Profit before Tax	16,12,909	16,00,543
<i>Less:</i> Provision for Taxation	8,85,000	3,21,536
<i>Add:</i> Deferred Tax Assets/ (Liabilities)	(1,78,928)	(2,70,558)
Profit after Tax	5,48,981	10,08,449
<i>Add:</i> Profit brought forward from Previous Year	52,56,005	42,47,556
Balance Carried to Balance-Sheet	58,04,986	52,56,005

### Dividend

Your Directors do not consider it appropriate to recommend dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2008.

### Deposits

The Company has not accepted Public Deposits during the year. There were no unclaimed or unpaid deposit(s) as on 31<sup>st</sup> March, 2008.

### Directors

Shri S.M. Agarwal, Wholtime Director of the Company, retires from office by rotation and being eligible, has offered himself for re-appointment.

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## 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 under review, none of the employees of the Company came under the purview of Section 217(2A) of the Companies Act, 1956.

Further, particulars under Section 217(1)(e) of the Companies Act, 1956, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, are attached and forming part of this report (*Annexure – A*).

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 report that:

- i. in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2008, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. 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 on 31<sup>st</sup> March, 2008; and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2008;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Annual Accounts have been prepared on a going concern basis.

## Acknowledgement

Your Directors place on record their sincere appreciation for the assistance and co-operation provided by the Bankers, Readers, Customers, Suppliers, Employees and Shareholders of the Company.

For and on behalf of the Board

Place: New Delhi  
Date: 14<sup>th</sup> May, 2008

S.M. Agarwal  
R.K. Agarwal  
Directors

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

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*Annexure – A to Directors' Report*

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

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## **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. TECHONOLOGY 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

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

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## 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, 2008 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. Attention is invited to s.22 of the Micro, Small and Medium Enterprises Development Act, 2006 requiring disclosure in the financial statements of all amounts remaining unpaid together with interest thereon, if any, to micro, small or medium enterprises. The said disclosures have not been made in the financial statements dealt with by this report.
3. 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;

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

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- 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;
- 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 Act, 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 31<sup>st</sup> March, 2008;
  - 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

PATNA,  
DATED: 14 MAY 2008

[ D. SIRCAR ]  
Partner

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

### 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. there has been no disposal of fixed assets during the year. 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.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956,

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

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- 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. (i) 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.  
(ii) the Company has also preferred an appeal before the Commissioner of Income Tax (Appeal) II, Patna against a demand of Rs.61.31 Lakhs arising from a scrutiny assessment of its return of total income filed with the Income Tax authorities for the assessment year 2005-06
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

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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

PATNA,  
DATED: 14 MAY 2008

[ D. SIRCAR ]  
Partner

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	As at March 31, 2008 (In Rupees)	As at March 31, 2007 (In Rupees)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	39,862,500	39,855,368
Share Application Money		30,000,000	--
Reserves and Surplus	2	34,878,210	33,996,005
		<b>104,740,710</b>	<b>73,851,373</b>
<b>Deferred Tax Liabilities (Net)</b>	4	<b>116,521</b>	--
		<b>104,857,231</b>	<b>73,851,373</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	116,675,242	97,501,663
Less: Depreciation		50,004,531	45,682,155
Net Block		66,670,711	51,819,508
Capital work-in-progress including capital advances		3,599,320	--
		<b>70,270,031</b>	<b>51,819,508</b>
<b>Deffered Tax Assets (Net)</b>	4	--	62,406
<b>Current Assets, Loans and Advances</b>			
Inventories	5	16,988,945	12,282,274
Sundry Debtors	6	9,672,496	10,891,961
Cash and bank balances	7	11,505,816	4,431,402
Loans and Advances	8	16,879,724	11,906,865
		<b>55,046,981</b>	<b>39,512,502</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	9	14,347,221	16,080,549
Provisions	10	6,112,560	4,700,143
		<b>20,459,781</b>	<b>20,780,692</b>
<b>Net Current Assets</b>		<b>34,587,200</b>	<b>18,731,810</b>
<b>Miscellaneous Expenditure (to the extent not written /off)</b>	11	--	3,237,649
		<b>104,857,231</b>	<b>73,851,373</b>

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

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

For and on behalf of  
the Board of  
Directors

Per D. SIRCAR  
Partner  
Membership No. 73514

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

Place : Patna  
Dated : 14 May 2008

B.P.Jhunjunwala  
Secretary

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedules	For the year ended March 31, 2008 (In Rupees)	For the year ended March 31, 2007 (In Rupees)
<b>INCOME</b>			
Turnover	12	168,226,463	159,233,353
Other Income	13	631,871	677,215
		<b>168,858,334</b>	<b>159,910,568</b>
<b>EXPENDITURE</b>			
Production Expenses	14	23,725,966	24,668,301
Payments to Employees	15	65,035,998	61,900,946
Other Expenses	16	70,917,772	64,451,424
(Increase)/Decrease in inventories	17	5,664	(20,044)
		<b>159,685,401</b>	<b>151,000,627</b>
<b>Profit before depreciation/amortisation, interest, exceptional items and tax (EBITDA)</b>		<b>9,172,934</b>	<b>8,909,941</b>
Depreciation/amortisation		<b>4,322,376</b>	<b>4,795,625</b>
<b>Profit/(Loss) before exceptional items &amp; tax exceptional items</b>		<b>4,850,558</b>	<b>4,114,316</b>
Separation Scheme Compensation		<b>3,237,649</b>	<b>2,513,773</b>
<b>Profit/(Loss) before tax</b>		<b>1,612,909</b>	<b>1,600,543</b>
Fringe Benefit Tax		<b>(320,000)</b>	<b>(321,536)</b>
Provision for Taxation		<b>(565,000)</b>	<b>--</b>
Adjustment for Deferred Tax (Liability)/Asset		<b>(178,928)</b>	<b>(270,558)</b>
Total tax (expense)/income		<b>(1,063,928)</b>	<b>(592,094)</b>
<b>Net Profit/(Loss) for the year</b>		<b>548,981</b>	<b>1,008,449</b>
Balance brought forward from previous year		<b>5,256,005</b>	<b>4,247,556</b>
<b>Surplus Carried to Balance Sheet</b>		<b>5,804,986</b>	<b>5,256,005</b>
<b>Earnings per share</b>	18	<b>0.14</b>	<b>0.25</b>
<b>Notes to Accounts</b>	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**

Per D. SIRCAR  
*Partner*  
Membership No. 73514  
Patna  
Dated: 14 MAY 2008

B.P. Jhunjunwala  
*Secretary*

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

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

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

Cash flow statement for the year ended March 31, 2008

## A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation  
Adjustments for:  
Depreciation/amortisation  
Miscellaneous Expenses written off  
Interest income

### OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

Movements in working capital:  
(Increase)/Decrease in sundry debtors  
(Increase)/Decrease in inventories  
(Increase)/Decrease in loans and advances  
Increase/(Decrease) in current liabilities and provisions

### CASH GENERATED FROM OPERATIONS

Direct taxes paid  
Cash flow before extraordinary items  
Extraordinary item

Net cash from operating activities

## B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets  
Interest received

Net cash (used) in investing activities

## C. CASH FLOWS FROM FINANCING ACTIVITIES

Share Application Money received  
Re-issue of forfeited shares

Net cash from financing activities

### NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B)

Cash and cash equivalents at the beginning of the year  
Cash and cash equivalents at the end of the year

### Components of cash and cash equivalents as at

Cash and cheques on hand  
With Scheduled banks - on current accounts  
on deposit accounts

#### 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

Per D. SIRCAR

Partner

Membership No. 73514

Place: Patna

Dated: 14 May, 2008

B.P. Jhunjhunwala  
Secretary

For and on behalf of  
the Board of  
Directors

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

For the year ended March 31, 2008 ( In Rupees )	For the year ended March 31, 2007 ( In Rupees )
1,612,909	1,600,543
4,322,376	4,795,625
3,237,649	2,513,773
(189,607)	(272,891)
8,983,327	8,637,050
1,219,465	(3,022,395)
(4,706,671)	(1,176,356)
(1,057,321)	112,869
(1,045,539)	(2,793,575)
3,393,261	1,757,593
(4,075,911)	(1,921,662)
(682,650)	(164,069)
--	2,171,629
(682,650)	2,007,560
(22,772,899)	(362,861)
189,607	272,891
(22,583,292)	(89,970)
30,000,000	--
340,356	--
30,340,356	--
7,074,414	1,917,590
4,431,402	2,513,812
11,505,816	4,431,402
31.03.2008	31.03.2007
834,479	612,814
8,285,820	1,513,451
2,385,517	2,305,137
11,505,816	4,431,402

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## SCHEDULES TO THE ACCOUNTS

### SCHEDULE-1 : SHARE CAPITAL

**Authorised :**

70,00,000 (Previous year 70,00,000) equity shares of Rs. 10 each

**Issued, Subscribed and Paid-Up:**

39,86,250 (Previous year 39,86,250) equity shares of Rs. 10 each fully paid

Less: Calls in Arrear

Of the above:-

39,34,909 equity shares are held by HT Media Limited, the Holding Company

### SCHEDULE-2: RESERVES & SURPLUS

Share Premium Account

As per last Balance Sheet

Add: Received during the period

General Reserve Account

As per last Balance Sheet

Capital Redemption Reserve

Profit and Loss Account Balance

Capital Reserve

As at March 31, 2008 (In Rupees)	As at March 31, 2007 (In Rupees)
70,000,000	70,000,000
<b>70,000,000</b>	70,000,000
39,862,500	39,862,500
--	(7,132)
<b>39,862,500</b>	39,855,368
25,500,000	25,500,000
326,796	--
25,826,796	25,500,000
3,187,000	3,187,000
50,000	50,000
5,804,986	5,256,005
9,428	3,000
<b>34,878,210</b>	33,996,005

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## SCHEDULES TO THE ACCOUNTS

### SCHEDULE-3 : FIXED ASSETS

All figures are in Rupees

	Land-Free hold	Land-Lease hold	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Previous Year
<b>Gross Block</b>								
At 01.04.07	--	3,570,918	43,918,418	38,874,016	10,598,399	539,912	97,501,663	97,138,802
Additions	17,220,595	--	1,342,861	271,404	338,719	--	19,173,579	362,861
<b>At 31.03.2008</b>	<b>17,220,595</b>	<b>3,570,918</b>	<b>45,261,279</b>	<b>39,145,420</b>	<b>10,937,118</b>	<b>539,912</b>	<b>116,675,242</b>	<b>97,501,663</b>
<b>Depreciation/ Amortisation</b>								
At 01.04.07	--	--	12,073,534	25,540,380	7,639,669	428,572	45,682,155	40,886,530
For the year	--	--	1,781,858	1,913,096	598,596	28,826	4,322,376	4,795,625
<b>At 31.3.2008</b>	<b>--</b>	<b>--</b>	<b>13,855,392</b>	<b>27,453,476</b>	<b>8,238,265</b>	<b>457,398</b>	<b>50,004,531</b>	<b>45,682,155</b>
<b>Net Block</b>								
<b>At 31.3.2008</b>	<b>17,220,595</b>	<b>3,570,918</b>	<b>31,405,887</b>	<b>11,691,944</b>	<b>2,698,853</b>	<b>82,514</b>	<b>66,670,711</b>	<b>51,819,508</b>
At 31.3.2007	--	3,570,918	31,844,884	13,333,636	2,958,730	111,340	51,819,508	--
Capital Advances	--	--	--	--	--	--	3,599,320	--
<b>Total</b>	<b>17,220,595</b>	<b>3,570,918</b>	<b>31,405,887</b>	<b>11,691,944</b>	<b>2,698,853</b>	<b>82,514</b>	<b>70,270,031</b>	<b>51,819,508</b>

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## 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 & VRS Expenses  
Provision for Leave Encashment

#### Gross Deferred Tax Assets

#### Net Deferred Tax (Liability)/Asset

### SCHEDULE-5: INVENTORIES

Raw Materials

Stores and spares

Work-in-progress

### SCHEDULE-6: SUNDRY DEBTORS

#### Debts outstanding for a period exceeding six months

Unsecured, considered good

Included in Sundry Debtors are:

Due from the Holding Company of Rs. 96,13,539/-

### 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 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

Book Overdraft in Current Accounts with Bank

### SCHEDULE-10: PROVISIONS

Provision for taxation

Provision for contingencies (FBT)

For staff benefit scheme - Leave Encashment

### SCHEDULE-11: MISCELLANEOUS EXPENDITURE

#### (TO THE EXTENT NOT WRITTEN-OFF)

#### Deferred Revenue Expenditure

As per last balance sheet

Add: Incurred/(Reversed) during the year

Less: Written off during the year

As at March 31, 2008 ( In Rupees )	As at March 31, 2007 ( In Rupees )
2,700,625	2,464,008
<b>2,700,625</b>	2,464,008
1,426,667	1,600,486
1,157,437	925,928
<b>2,584,104</b>	2,526,414
<b>(116,521)</b>	62,406
3,353,746	4,056,831
13,606,699	8,191,279
28,500	34,164
<b>16,988,945</b>	12,282,274
9,672,496	10,891,961
<b>9,672,496</b>	10,891,961
834,479	612,814
8,285,820	1,513,451
2,385,517	2,305,137
<b>11,505,816</b>	4,431,402
2,379,451	1,587,027
3,007,692	2,730,393
11,374,476	7,324,252
--	134,685
118,105	130,508
<b>16,879,724</b>	11,906,865
13,519,040	15,539,592
124,270	192,859
703,911	348,098
<b>14,347,221</b>	16,080,549
1,169,291	764,663
320,000	--
4,623,269	3,935,480
<b>6,112,560</b>	4,700,143
3,237,649	7,923,051
--	(2,171,629)
<b>3,237,649</b>	5,751,422
3,237,649	2,513,773
--	3,237,649

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## SCHEDULES TO THE ACCOUNTS

### SCHEDULE-12: TURNOVER

Printing Charges Recd.  
Job Revenue  
Sale of waste papers and scrap

For the year ended March 31, 2008 ( In Rupees )	For the year ended March 31, 2007 ( In Rupees )
161,448,000	153,048,001
1,067,270	1,223,118
5,711,193	4,962,234
<b>168,226,463</b>	<b>159,233,353</b>

### SCHEDULE-13: OTHER INCOME

Interest (Gross of TDS) on:  
Bank deposits  
Miscellaneous receipts/amounts written back (net)

189,607	272,891
442,264	404,324
<b>631,871</b>	<b>677,215</b>

### SCHEDULE-14: RAW MATERIALS CONSUMED

Inventories as at April 01, 2007  
Purchases  
  
Less: Inventories as at March 31, 2008

4,056,831	3,917,295
23,022,881	24,807,837
<b>27,079,712</b>	<b>28,725,132</b>
3,353,746	4,056,831
<b>23,725,966</b>	<b>24,668,301</b>

### SCHEDULE-15 : PERSONNEL EXPENSES

Salaries, wages and bonus  
Contribution to provident fund  
Contribution to gratuity fund  
Contribution to other funds  
Workmen and staff welfare expenses

58,038,746	54,460,344
3,210,134	3,150,266
1,141,289	1,632,928
438,375	272,495
2,207,454	2,384,913
<b>65,035,998</b>	<b>61,900,946</b>

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

## 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

- Tax audit fee

- Taxation matters

- Certification etc.

44,944

8,427

2,809

          --

Bank Charges

Miscellaneous expenses

### SCHEDULE-17: DECREASE/(INCREASE) IN INVENTORIES

Inventories as at 31<sup>st</sup> March, 2008

Work-in-progress

Inventories as at April 1, 2007

Work-in-progress

Scrap and waste papers

### SCHEDULE-18: EARNINGS PER SHARE (EPS)

Net profit before exceptional items and taxes

Less: Adjustment for Deferred Tax Liability

Less: Provision for Income Tax

Less: Fringe Benefit tax

Net profit before exceptional items but after taxes for calculation of basic and diluted EPS

Weighted average number of equity shares in calculating basic and diluted EPS

Basic and diluted earnings per share after exceptional items

	For the year ended March 31, 2008 ( In Rupees )	For the year ended March 31, 2007 ( In Rupees )
	37,464,981	34,662,356
	264,867	361,921
	13,646,908	12,857,216
	496,482	470,814
	147,245	85,289
	78,407	190,689
	4,215,430	3,382,241
	3,936,457	2,247,440
	73,168	96,396
	2,296,133	2,017,351
	741,859	1,110,704
	271,143	283,647
	1,800	1,400
	44,944	28,060
	8,427	8,418
	2,809	2,806
	56,180	--
	90,591	71,912
	7,136,121	6,572,764
	<b>70,917,772</b>	<b>64,451,424</b>
	28,500	34,164
	<b>28,500</b>	34,164
	34,164	--
	--	14,120
	<b>34,164</b>	14,120
	<b>5,664</b>	(20,044)
	1,612,909	1,600,543
	178,928	270,558
	565,000	--
	320,000	321,536
	<b>548,981</b>	1,008,449
	<b>3,986,250</b>	3,986,250
	<b>0.14</b>	<b>0.25</b>

# SEARCHLIGHT PUBLISHING HOUSE LIMITED

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## Schedule 19 : Notes to 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, an 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.5000/- 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 recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

(e) **Inventories**

Inventories are valued as follows:

Raw materials, stores and spares

Lower of cost and net realisable 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 realisable value.

Net realisable 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 recognised 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 recognised 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 recognised 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 and 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.

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

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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 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 and the carrying amount of MAT Credit Entitlement is written off to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

**(j) 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 is 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.

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

### 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's 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, Periodical 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 THE PARTY	RELATIONSHIP
The Hindustan Times Limited* HT Media Limited	Holding Company
Shradhanjali Investment and Trading Company Limited HTL Investment & Trading Company Limited HT Interactive Media Properties Limited HT Music & Entertainment Co. Ltd. Go4i.com (India) Private Limited Go4i.com (Mauritius) Limited Paxton Trexim Pvt. Limited HT Films Limited. HT Amusement limited. Firefly e-Ventures limited. Hindustan Media Limited	Fellow Subsidiaries
Shri S.M. Agarwal, Whole Time Director	Key Management Personnel

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

- Notes: 1. \*The Hindustan Times Limited ( HTL ) does not hold any direct investment in the company. However, HTL's subsidiary HT Media Limited holds shares in the Company.
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.

TRANSACTIONS, YEAR-END BALANCES, ETC.	HOLDING COMPANY		FELLOW SUBSIDIARIES		KEY MANAGEMENT PERSONNEL	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
<b>A. Transactions:</b> (Rs in Lacs)						
Reimbursement of expenses incurred on behalf of parties by Company	1.07	50.68				
Reimbursement of expenses incurred on behalf of Company by parties	8.95	19.06				
Printing charges received for:						
Newspaper	1614.48	1530.48				
Others	6.20	8.80				
Purchase of store material	115.94	6.07				
Sale of Fixed Assets	-	-				
Purchase of waste paper	5.87	3.91				
Payment to employees sent on deputation	307.52	291.54				
Share Application Money Recd.	300.00	-				
Remuneration Paid					6.67	6.67
<b>B. Year-end Balances</b> (Rs in Lacs)						
As Debtors	96.14	108.90				
As Creditors	-	0.28				
<b>C. Others</b>			<b>2007-08</b>	<b>2006-07</b>		
Payment made to Directors (Rs in Lacs)						
Salary and allowances	5.97	5.97				
Perquisites	0.27	0.27				
Others	0.43	0.43				
Total	6.67	6.67				

\* All the transaction with only HT Media Limited and there is no transaction with The Hindustan Times Ltd.

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

### 6. Leases

- (a) 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.
- (b) The Company has taken various residential, office and godown premises under operating lease agreements. These are generally renewable by mutual consent on mutually agreed terms and generally restrict further leasing.
- (c) Lease payments for the Year are Rs. 4.96 lacs (Previous year Rs.4.71 lacs).

	As at March 31,2008 (Rs in Lacs)	As at March 31,2007 (Rs in Lacs)
--	--	--

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

-

-

### 8. Claims against the Company not acknowledged as Debts

	As at March 31,2008 (Rs in Lacs)	As at March 31,2007 (Rs in Lacs)
--	--	--

(a) 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) An appeal by the Company is pending before the Commissioner of Income Tax (Appeal), Patna against certain additions made to the total income for assessment year 2005-06 during the course of scrutiny assessment u/s.143(3) of the Income-tax Act, 1961. The appeal also lies against the resultant claim of Income Tax and interest.

61.31

-

(c) Several labour cases against the Company are pending at various courts of law.

Amount not  
ascertainable

Amount not  
ascertainable

### 9. Additional Information

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

## SEARCHLIGHT PUBLISHING HOUSE LIMITED

applicable to the Company are as under

<b>(a) CIF Value of Imports</b>	Direct	Through Others
Components and Spare Parts	Nil	
Capital Goods		
<b>(b) Foreign Currency Earned</b>	Nil	
<b>(c) Foreign Currency Used</b>		

(d) Consumption	Imported		Indigenous		Total	
	Rs.	%	Rs.	%	Rs.	%
Stores & Spare Parts	-	-	37,464,981	(100)	37,464,981	(100)
	-	-	(34,662,356)	(100)	(34,662,356)	(100)
Printing Ink	-	-	23,725,966	(100)	23,725,966	(100)
	-	-	(24,668,301)	(100)	(24,668,301)	(100)

Note: Amounts within brackets represent previous year's figures

10. Previous year's figures have been re-arranged/re-grouped wherever necessary to bring them in conformity with current year's figures.

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  
Dated: 14 MAY 2008

**B.P.JhunJhunwala**  
Secretary

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

Share Application Money

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 26th September, 2008 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 \_\_\_\_\_ 2008

Signature,

Affix  
1 Rupees  
Revenue  
Stamp