

हिन्दुस्तान  
**HINDUSTAN**  
MEDIA VENTURES LIMITED

ANNUAL REPORT 2012-13



**TARAKKI KO CHAHIYE  
NAYA NAZARIYA**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Smt. Shobhana Bhartia

*Chairperson*

Shri Ajay Relan

Shri Ashwani Windlass

Shri Piyush G. Mankad

Shri Shardul S. Shroff

Shri Priyavrat Bhartia

Shri Shamit Bhartia

Shri Benoy Roychowdhury

*Whole-time Director*

## CHIEF EXECUTIVE OFFICER

Shri Vivek Khanna

## CHIEF FINANCIAL OFFICER

Shri Ajay Jain

## COMPANY SECRETARY

Shri Tridib Barat

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01

Theme

02

Campaigns

04

Brands

06

Financial Highlights

08

Chairperson's Message

10

Operating Review

20

Statutory Review

31

Financial Review

# CHANGE IS THE PRECURSOR OF PROGRESS, OR TARAKKI AS IT IS TERMED IN HINDI.

Systemic change, resulting from a new or different perspective, is the harbinger of progress. 'Hindustan', the Hindi newspaper, is such an agent for systemic change that is continuously paving the way for sustained progress. It is the kind of progress that encompasses readers, democratic and political set-up, and also the ways in which news and events are perceived, consumed and disseminated.

As a pioneer in the arena of digital news, Hindustan has changed the way people access News and has made it more interactive by initiating the process of disseminating News in real time.

With its innovative approach, Hindustan has transformed the political and social fabric of India through its interactive activist campaigns that encourage and inspire people to actively join in the process of change. Its political campaigns involve, incite and convince people to be a participant in their constantly changing milieu. On the social front, it has undertaken several initiatives towards bringing progress to the society by motivating people to raise their voice for change.

**HINDUSTAN'S DIFFERENTIAL APPROACH  
AND NEW WAY OF LOOKING AT ISSUES HAS  
ENABLED IT TO CHART THE ROADMAP FOR  
INDIA'S PROGRESS OR TARAKKI, AND THE  
PROGRESS OF ITS PEOPLE.**

# TARAKKI KI RAAH MEIN, HINDUSTAN KA SAMARPAN

Over the years, Hindustan has consistently done more than a mere newspaper would. It has raised its voice, gathered public opinion and played a role of a public benefactor by actuating change for progress. Here are some of the major campaigns that we undertook, leading to strong impact, during the year in review.



## *Aao Rajneeti Karein*

Promoting participation in the great democratic exercise to elect a new government in U.P. & Uttarakhand, the campaign's focus was in engaging the readers, encouraging registration as voters and enabling them to exercise their franchise at the polling booth.

## *Rajneeti Khatam, Kaam Shuru*

This campaign defined the mandate for the new government in U.P., and gave voice to the demands of the people for the government. The campaign encouraged people to send letters depicting the action and the change they desired to actualise.

### **Tangible Takeaways**

The initiative encouraged 1.4 Crore new voter registrations, with the election witnessing 14 percent more voter turnout (highest turnout since 1952). The campaign had evidently made a difference, leading to the emergence of a clear mandate.

### **Tangible Takeaways**

The campaign resulted in 62,000 letters being delivered to the government expressing the aspirations of the voting public, adding impetus to the development agenda designed by the government. It gave people a voice that was heard through the *Suniye Mukhyamantri, Hamare Shaher Ki Awaz* – highlighting key issues related to their city along with suggestions on how to tackle them.



मैं और मेरे दादाजी  
बिहार के लिये दौड़ेगे,  
और आप ?

## Bihar Maange Insaaf

This was a campaign that took up the cause of Bihar, demanding an exclusive status for the state. The demands included increased employment generation and industrialization.

The activation involved holding a Samvaad (Dialogue) in each of the 38 districts of the state, giving a credible voice for the demand. This was followed up with a Secretary level Samvaad in the capital city Patna and culminated in a *Samaagam* (Conclave) that was chaired by the Chief Minister. The campaign also included 'Run for Bihar', encouraging ordinary people to run for the cause of the state.

### Tangible Takeaways

The Samvaads were a veritable success involving tens of thousands of people in the dialogue and debates for the special status. There was daily coverage of the campaign on Page 2 and constant write-ups and interviews of ministers and other eminent people. The 'Run for Bihar' attracted 10,000 participants and the collective voice of the people of Bihar was heard by people in Bihar and New Delhi.

## Jaago Agra

This was a local area campaign that sought to collect and address electricity-related consumer complaints of people. The sensitization campaign was followed by submission of the complaints to the service providers for their resolution.

### Tangible Takeaways

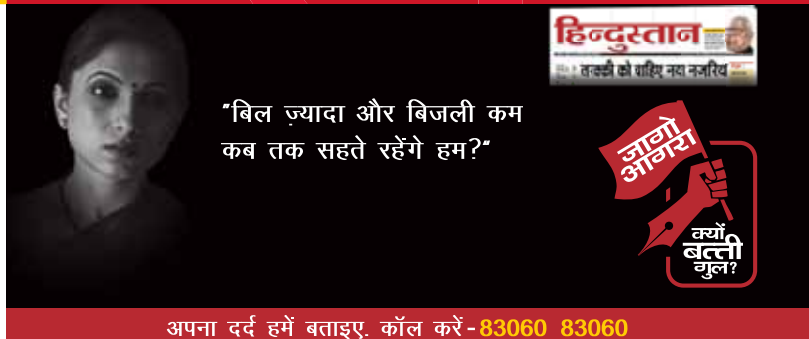
The campaign generated several thousand consumer complaints that were endorsed by the Chief Minister and submitted to the relevant service provider for resolution. Due to the campaign run by Hindustan, several improvements have happened in Agra - lower power cuts, faster turnaround time upto 300 transformers upgraded, which have beneficially impacted the citizens of Agra.

## Kanpur, Meerut and Agra Women's Safety Campaign

The campaign focused on an issue that is of local as well as national interest. It highlighted the need for society to respect women and provide them a safe work and life environment. As part of the campaign, self defence classes were held to educate women, booklets which educate them about crime prevention were distributed and also tips given on safeguarding their person. Whistles were distributed for them to sound alarm when under threat. Hindustan Samvaad were held in Agra, Meerut and Kanpur to drive for safer cities in U.P. Medals for showing bravery were given to deserving women as part of the campaign.

### Tangible Takeaways

The campaign saw massive participation, with more than 15,000 women attending the self-defence classes. The Hindustan Samvaads attracted participants from the local administration, eminent citizens and even the Chief Minister of U.P. The campaign led to large-scale public awareness on the issue of women safety and looked at meaningful ways of protecting women.



# BRANDS THAT PROMOTE TARAKKI

## INFORM, ENGAGE AND ACTIVATE

Brands of HMVL are a classic example of media that is used to inform, engage and activate readers into becoming agents of change. This transformation begins with dissemination of News and points of view, it is mobilized through feedback mechanisms to formulate public opinion, and is actuated by events or happenings that give a credible and audible voice to the people.

Hindustan's sensitivity and commitment towards young talent led to the creation of the Pratibha Samman program in June 2006. This annual programme is conducted with the dual objectives of acknowledging achievers and empowering them to study further by awarding scholarships. Last year, the programme had reached out to students of 20 cities across the Hindi belt, witnessing more than 1 lakh applications and felicitation of thousands of students. This year, the campaign is likely to have a larger base and will connect with school children of over 2,000 schools.

WITH INITIATIVES LIKE PRATIBHA SAMMAN, HINDUSTAN LEADS ITS READERS ON A JOURNEY OF SUSTAINABLE PROGRESS.



Hindustan  
Flagship Hindi Daily

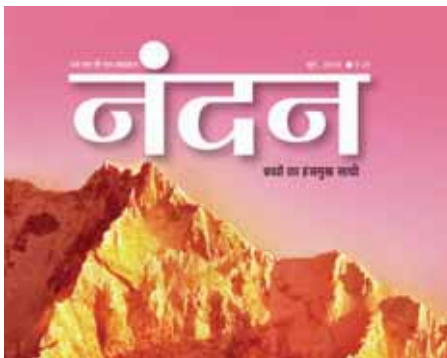
Hindustan is the flagship daily newspaper of the Company published in Hindi. It is the second most read newspaper in India with a massive readership of 39.1 Million. It is the leading newspaper in Bihar and Jharkhand and fastest growing in the regions of U.P. and Uttarakhand, where it now has 12 editions.

Hindustan delivers more than just News, it takes on an activist role and encourages people to speak and let their opinions be heard in the highest political and social forums, by creating platforms for change.



Kadambini  
Monthly Cultural and Literary Magazine

Kadambini is a monthly cultural and literary magazine that is very popular in the Hindi heartland for the past 52 years. Its readership is eclectic, including the old and the young, the common people and the intellectuals, and has content that caters to each section.



## Nandan Monthly Children's Magazine

Nandan has the coveted status of being the all time favourite of five generations of children. It first hit the stands in 1964 on the occasion of Children's Day (Chacha Nehru's birthday) and it offers readers a combination of the best of traditional and modern culture.



## Anokhee Magazine Supplement for Women

A weekly supplement of Hindustan, this is a magazine for women that addresses issues close to the hearts and minds of women. The magazine keeps its readers riveted to it with a combination of features on topics including health, lifestyle, food, nutrition, legal issues, parenting, diet and personality development. It has also extended the brand beyond the paper into Anokhee clubs across several locations in U.P., where through interactive games, shows, talks, the women readers are engaged in the topic of the month.



## Movie Magic Everything Movies

This is a weekly supplement that is keenly followed by lovers of cinema. It is a complete guide and an insider's view into the glitz & glamour of the world of entertainment. It carries the latest news, gossip & interview with movie stars.



## Hindustan Ki Nayi Dishayen Education Supplement

This is a weekly magazine supplement on education that carries information and insights into the world of higher studies and professional education. It features two new careers every week that are deeply analyzed by our experts to offer actionable tips that can be put into actual use by readers. The Magazine is targeted at the youth of today and aims to prepare them for a career in their chosen profession.



## Life n Style Lifestyle Supplement

This is a lifestyle supplement that features articles on fashion, travelogues, restaurants, celebrity interviews and places to visit. It brings out insights into the capital city of New Delhi and engages the reader with innovative and informative content.



## Hindustan Yuva For the Youth

Building on its strength as the undisputed market leader in Bihar, Hindustan has opened up a new segment of newspaper readers, the youth, through its offering "Hindustan Yuva" to cater to the unique needs of the youth. Launched on 24<sup>th</sup> May 2012 in Patna, Hindustan Yuva has dedicated sections like Career, Campus News, Patna News, Technology, Entertainment, Social Networking, Technology and Gadget reviews.

हिन्दुस्तान युवा, 5 जुलाई 2013, सं. 4, अंश 27 | हिन्दुस्तान अखबार की प्रस्तुति | शुभ 2.00 000



## अंग्रेजी की कुछ दिलचस्प हकीकतें

Ralph Waldo Emerson is renowned past once said, 'A man is the whole encyclopaedia of facts.' Not only we but even the languages are. Today we will discuss some amazing facts about English.



## Jaano English Learn the nuances of English Language

This unique publication is intended to explore English language and introduce readers to its unique nuances. The publication carries a mix of English and Hindi content. The goal of this publication is to inform and educate people trying to gain proficiency in English language, through riddles, grammar exercises and quiz contests.



## Tann Mann For the Health Conscious

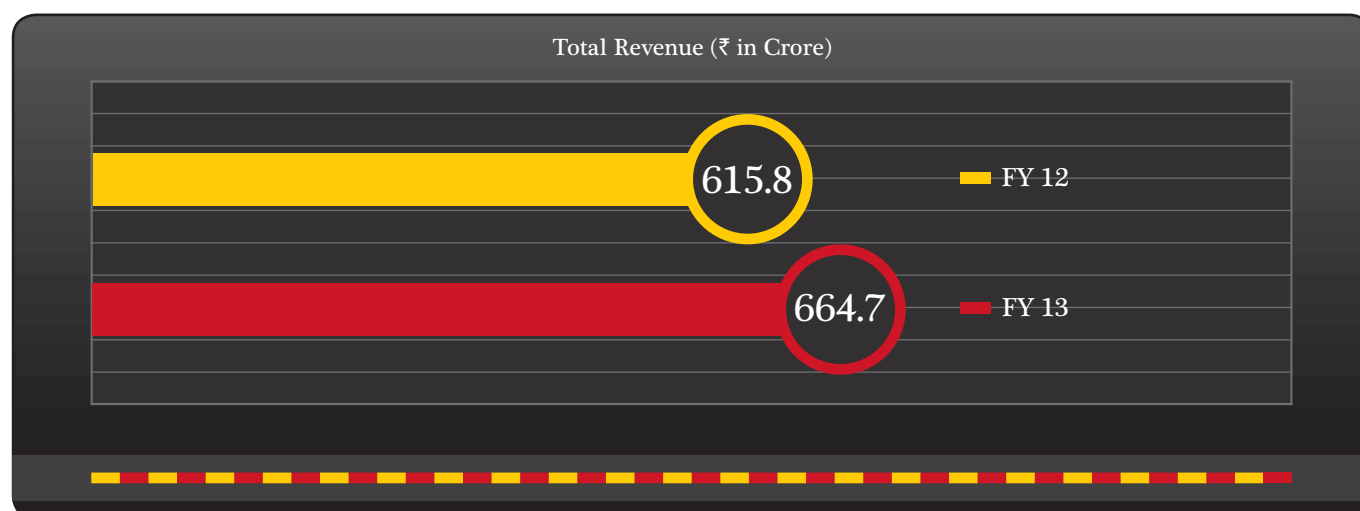
This supplement is dedicated to health and lifestyle and carries articles and information on diets, exercises and health trends prevalent across the world. The supplement features a popular question and answer column addressing readers' queries.

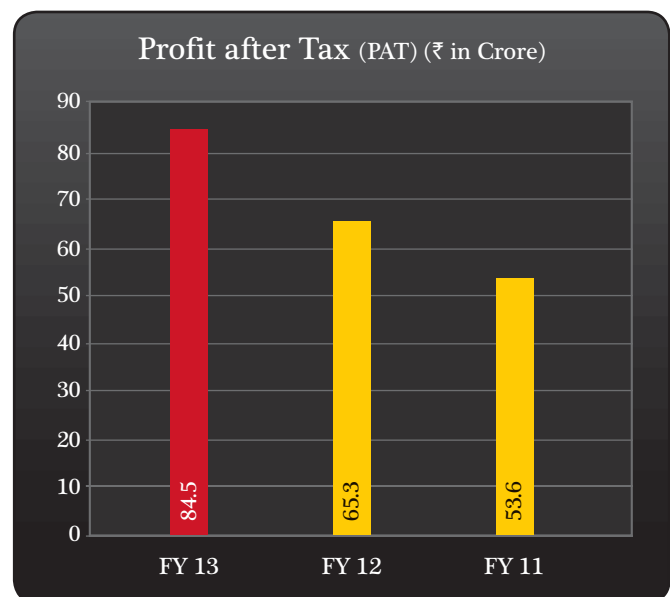
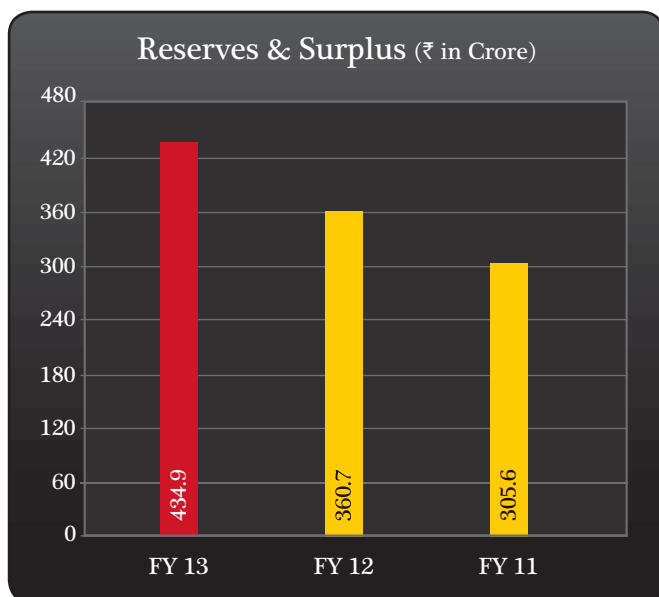
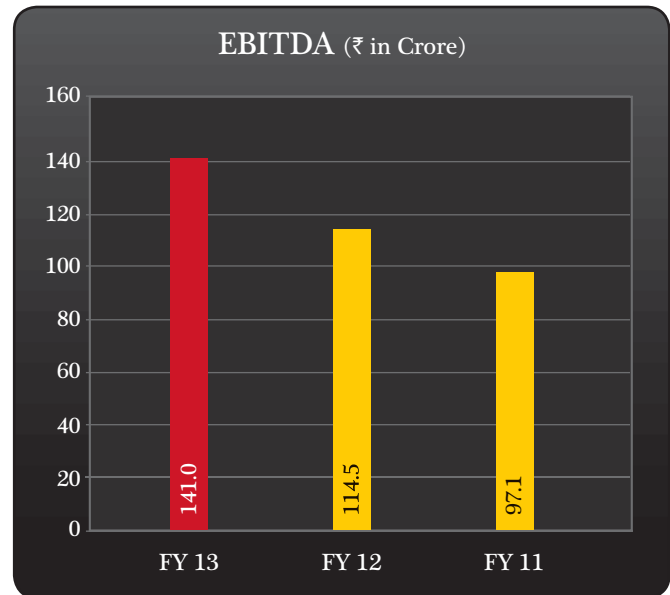
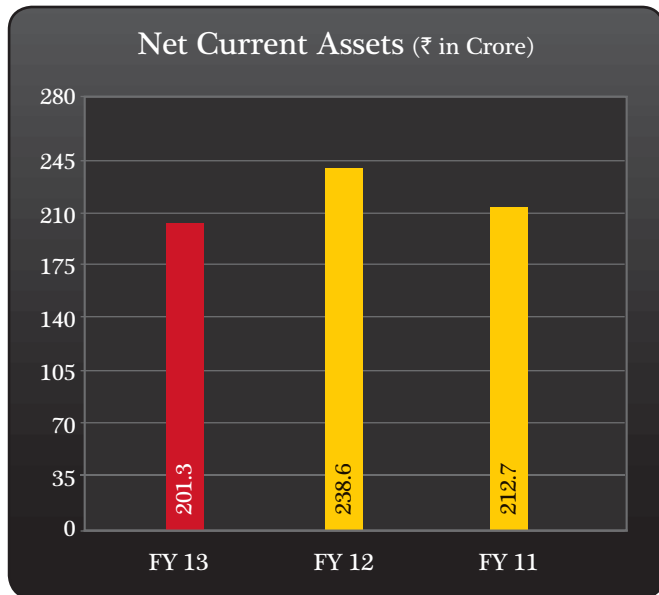
# FINANCIAL HIGHLIGHTS

(₹ in Crore)

PARTICULARS	FY 13	FY 12	FY 11
Total Revenue	664.7	615.8	525.9
EBITDA	141.0	114.5	97.1
Profit after Tax (PAT)	84.5	65.3	53.6
Share Capital	73.4	73.4	73.4
Reserves & Surplus	434.9	360.7	305.6
Net Block	178.1	186.1	164.7
Net Current Assets	201.3	238.6	212.7
EBITDA Margin	21.21%	18.59%	18.46%
Net Profit Margin	12.72%	10.61%	10.19%
EPS (Basic & Diluted) (in ₹)	11.52	8.90	7.80

Previous years' figures have been regrouped/rearranged, wherever necessary to make them comparable with those of current year.





# CHAIRPERSON'S MESSAGE

“ We are in a consolidation phase, wherein we will focus on maximizing revenues from our increased geographical reach. On the anvil are more programs for Regionalization, Expansion into new segments, Activation around issues of importance, and Digitalization of our content. ”



*Dear Shareholder,*

New perspectives to progress – *Tarakki Ko Chahiye Naya Nazariya.*

In difficult times, you need to relook at everything with a fresh perspective. While progress is an enduring goal, the perspective of how to grow keeps changing with the times. A relook or a new perspective is all the more important when you are faced with headwinds in the economy. In the less-than-ideal circumstances that we confront, the need of the hour is a “*Naya Nazariya*”.

The overall growth of the Indian economy slowed in 2012 due to a range of domestic and global factors. While the fiscal stimulus that the government rendered in the post-financial crisis period led to a growth in demand and consumption between 2009 and 2011, it resulted in high inflation that triggered a strong monetary response from the regulators. This slowed consumption and demand. Corporate and infrastructure investments also slackened due to the tightened monetary regime and policy bottlenecks.

In the external domain, the cascading crisis in the Eurozone and the uncertainty in the US fiscal policy dampened sentiment and growth. According to the Central Statistical Organization,

real GDP growth in India in 2012 - 13 was about 5 percent, as compared to 6.2 percent in 2011 - 2012.

These factors resulted in a difficult year for the Indian media and entertainment industry, with across-the-board reduction in budgets for advertising. Yet, despite the challenging times, our total income increased by 8 percent.

During the year, our focus was on maintaining cost discipline and balancing yield with advertising volume. Given these circumstances, we introduced a new perspective that would help us grow our business in the slowing economy. This new perspective is best captured by the acronym **READ** – Regionalization, Expansion (into new segments), Activation and Digitalization.

We introduced Hindustan Agra Plus and focused on localization of News to increase the relevance of the newspaper.

We expanded into new segments – for example, *Hindustan Yuva*, which was launched with a separate young editorial team and a vibrant layout; we also introduced new supplements with increased shelf life like *Nayi Dishayen*, *Anokhee* and *Jaano English*.

We also came up with 'India One' – where three of India's largest media houses have joined to create a package under a single platform to attract advertisers. We, thus, created a unique offering for advertisers that combined the reach of print and digital media to offer them enhanced results.

We activated our readers to connect to the newspaper and take up local causes in initiatives like *Bihar Maange Insaaf*, *Aao Rajneeti Karein* and *Jaago Agra*. We solicited responses for our readers across social media and created a credible dialogue. We expanded our presence in digital media by disseminating News across Facebook, Twitter and mobile phone platforms, as well as through our site, livehindustan.com.

Each of these initiatives delivered results culminating in an increase in our revenues.

### *Positive Results in Challenging Times*

Our total income increased to ₹664.7 Crore in current year from ₹615.8 Crore in FY 12, representing an 8 percent growth year-on-year. Advertising revenue recorded a growth of 5 percent, increasing to ₹460.1 Crore from ₹439.2 Crore.

Circulation revenue increased 15 percent to ₹155.3 Crore from ₹134.8 Crore. Given the increase in revenues, EBITDA increased by 23 percent to ₹141.0 Crore from ₹114.5 Crore. PAT consequently increased by 29 percent to ₹84.5 Crore from ₹65.3 Crore. EPS stood at ₹11.52 in FY 13 as against ₹8.90 in FY 12.

### *Consolidating Our Presence Across Geographies Amid the Slowdown*

One interesting fact and a ray of light is our ability to keep increasing our circulation amid difficult times. On a consolidated basis, our print order increased by nearly 1,50,000 copies over the previous year. This bodes well for us as when the economy turns around we will be able to benefit from stronger and higher advertising revenue.

Hindustan is the second-most read newspaper in the country in any language, with a total readership of 3.9 Crore. It is registering growth in each of the last eight rounds of the Indian Readership Survey. We now have a complete footprint in U.P. and Uttarakhand and continue to be undisputed leaders in Bihar and Jharkhand. We are the No. 2 newspaper in Delhi-NCR.

In response to the difficult market situation, we have reduced our pagination without compromising our ad-edit ratio, this reduces our overall cost of newsprint. We will increase pagination when advertising demand firms up.

### *The Direction Ahead*

With our expansion plan almost completed, our capex in the coming years will drop. We are in a consolidation phase, wherein we will focus on maximizing revenues from our increased geographical reach. On the anvil are more programs for Regionalization, Expansion into new segments, Activation around issues of importance and Digitalization of our content. These will deepen our connect with readers and make us more relevant and influential in their lives. Our focus will be on capturing operational efficiencies and increasing the yield of the capex investments that have been made. Our sound financial planning and our position of maintaining surplus cash will stand us in good stead in difficult times and enable us to invest while many seek to divest.

Our aim is to emerge as undisputed leaders in the Indo-Gangetic region and to this end we will continue to invest in our people, our processes and our brand.

I take this opportunity to thank all our stakeholders – our employees, shareholders, readers, advertisers, lenders, the Central and State Governments and the society at large for helping us reach our present status. With your support and encouragement we will continue to build our leadership and deliver sustainable value.

Thanking you.



Shobhana Bhartia

Chairperson

**DURING THE YEAR, OUR FOCUS WAS ON MAINTAINING COST DISCIPLINE AND BALANCING YIELD WITH ADVERTISING VOLUME.**



# MANAGEMENT DISCUSSION & ANALYSIS

## OVERVIEW OF ECONOMY

### Global Economy

For the global economy, 2012 was another challenging year. Amidst uncertainties, the world economy was on a slippery slope. The International Monetary Fund (IMF) estimated a slower growth rate of 3.2 percent for 2012 as against 4.0 percent in 2011.

Slow job growth in the US, a business slowdown in Asia and the ever-intensifying debt crisis in Europe continued to raise pressures on policy makers to take new actions to bolster the world economy. As developed economies encountered strong headwinds in their struggle to return to sustained growth, developing countries faced weaker demand for their exports and heightened volatility in capital flows and commodity prices. This resulted in the real GDP growth in emerging and developing economies slowing down to 5.1 percent in the year under review, compared with 6.4 percent in 2011.

The projections for the coming year, however, indicate the beginnings of a reversal from the scenario of the previous year. Going forward, the global economy is likely to revive, following policy actions initiated in developed economies. However, the IMF says the road to recovery will remain bumpy. In advanced economies, activity is expected to gradually accelerate, starting in the second half of 2013. According to IMF, assuming that policymakers avoid setbacks and deliver on their commitments,

real GDP growth will pick up in the advanced economies in the second half after a weak first half.

*(Source: IMF World Economic Outlook April 2013)*

### Indian Economy

The growth of the domestic economy continued to suffer for the second consecutive year. The economy grew slowly at 5.0 percent in FY 13 as compared to 6.2 percent in FY 12. The Indian economy ran into structural problems because of policy uncertainty and lack of adequate economic reforms. The lost momentum has been attributed to the slowdown in corporate investments and infrastructure building. Besides, high fiscal deficit, worsening current account deficit and higher inflationary pressure continued to weigh heavily on the growth. *(Source: CARE Ratings, Central Statistical Organisation, IMF)*

Notwithstanding these obstacles, the prospects for the Indian economy remain promising in the medium to long term. It is quite likely that growth has hit a bottom and from here onward, things may improve. The government has initiated proactive measures to deal with the fiscal and other issues. As inflation moderates gradually, the government will gear up to ease the monetary policy and that will have a positive impact on the overall growth.



IT IS QUITE LIKELY THAT GROWTH HAS HIT A BOTTOM AND FROM HERE ONWARD, THINGS MAY IMPROVE.

## OVERVIEW OF INDUSTRY

### Indian Media and Entertainment Industry

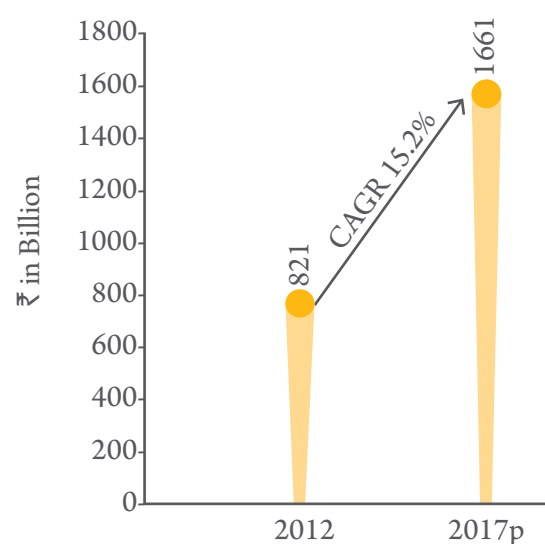
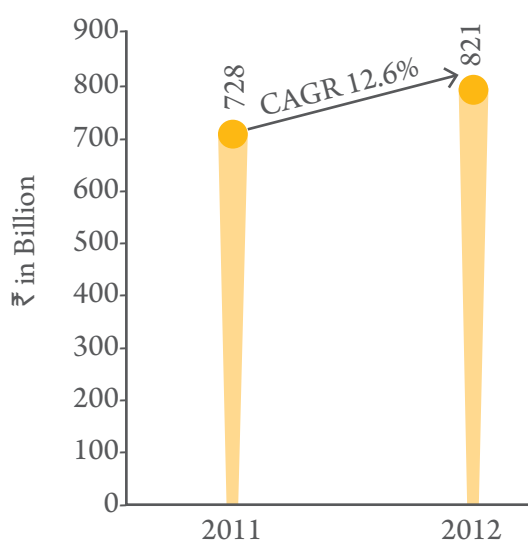
The economic slowdown had its bearing on the M&E industry as well, since it experienced reduction in advertising budgets across all sectors. As per FICCI-KPMG Indian Media and Entertainment Industry Report 2013, the Indian media industry grew at a slower rate of 12.6 percent to ₹821 Billion in 2012 from ₹728 Billion in 2011. Going forward, the industry is expected to grow at a faster rate on account of improving micro and macro-economic indicators. The domestic M&E industry is estimated to grow at a CAGR of 15.2 percent to touch ₹1661 Billion by 2017, given the impetus introduced by digitization, continued growth of regional media and fast growing new media businesses.

Despite slower growth of 9 percent in advertising revenues in 2012, as against 13 percent in 2011 and 17 percent in 2010, advertising continued to contribute a major chunk to the overall print-media revenue.

Growing at a CAGR of 14 percent, advertising revenues of the industry are estimated to increase to ₹ 630 Billion by 2017, on the back of improvement in economic indicators and changing socio-economic demographics.

Marketers are also increasingly looking at rural consumers to increase their penetration and this presents promising prospects for advertising growth. Looking at this trend, print players are expanding their exposure in rural locations.

### Indian Media & Entertainment Industry Growth



## Print Media

For 2012, the revenues of the print media grew at a slower rate of 7.3 percent to ₹224 Billion from ₹209 Billion in 2011. Print media, however, still remained the largest beneficiary, accounting for 46 percent of the advertising pie at ₹150 Billion. Print players are, thus, looking to scale up business through geographic and product expansions.

## Print advertisement volume (% share)



## Print Industry Overview

₹ in Billion (For Calendar Years)	2007	2008	2009	2010	2011	2012	2012 growth	2013p	2014p	2015p	2016p	2017p	CAGR (2012-2017)
Total Advertising	100	108	110	126	139	150	7.3%	162	179	200	222	248	10.6%
Total Circulation	60	64	65	67	69	75	7.3%	79	82	86	89	93	4.5%
Total Industry Size	160	172	175	193	209	224	7.3%	241	261	285	311	340	8.7%
Total Newspaper Revenue	148	159	163	181	196	211	7.6%	228	248	272	298	327	9.1%
Total Magazine Revenue	12	13	12	12	13	13	3.8%	14	14	14	13	14	0.9%
Total Industry Size	160	172	175	193	209	224	7.3%	241	261	285	311	340	8.7%

\*Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013

In marked contrast to the global trends, the Indian print industry is growing with steady increase in both advertising and circulation revenues. Although, internet broadband penetration has been increasing at an enormous pace, current penetration levels are too low to pose a significant threat to the industry. Online reading behaviour indicates that only 35.4 percent of the Indians who ever use the internet, visit newspaper websites and only 9.9 percent of daily web users turn to their newspaper website daily. This is substantially low when compared to countries such as USA and France.

Though advertising is a prime contributor to the total revenue earned by the print sector, advertising budgets have seen tightening. Also, the print media is faced with the eventual threat of newer competitive platforms such as digital. In the long run, therefore, it would be prudent for the industry to increase circulation / subscription revenue to the extent possible. The trend was noticeable during 2012, which witnessed some improvement in circulation revenues.

Circulation revenues during 2012 increased by 7.3 percent year on year as compared to only 3.8 percent in 2011. This was achieved through launch of new editions and increase in cover prices of established editions. Such an approach will enable mature editions to gradually decrease their dependence on advertising revenues, as per FICCI-KPMG Indian Media and Entertainment Industry Report 2013.

In the long run, the print media continues to offer promising prospects, generating much-needed traction from the non-English (regional, particularly Hindi) newspapers. In the medium term, ad spends will continue to be driven by multiple favourable factors. These include rising literacy levels, improving lifestyle and growing advertiser engagement through activation solutions that leverage the local strengths of the medium. The fact that the threat from digital platforms continues to be held at bay also augurs well for the print media. Print players are, thus, looking to scale up business through geographic and production expansions.

According to FICCI-KPMG Indian Media and Entertainment Report 2013, the print sector is estimated to grow at a CAGR of 8.7 percent to ₹340 Billion by 2017, as key players focus on consolidating their position in core markets and penetrating them through launch of new editions rather than entering new territories.

Going forward, regional and vernacular markets will drive the growth of the print media. In fact, as the penetration of regional language newspapers increases, the advertising rates for regional language newspapers are likely to catch up with their English counterparts. Moreover, advertisers are gradually increasing their ad spends for regional prints.

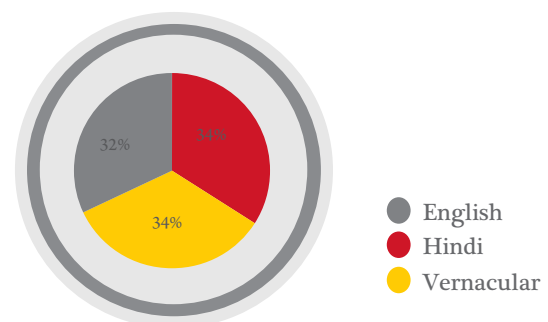
In the print sector, revenues from Hindi and vernacular segments are fast catching up with English, which has, to date enjoyed a majority share of the value. Hindi and vernacular language publications have always enjoyed a healthy readership base. In 2012, nine out of top ten dailies being published were either in Hindi and vernacular language publications. The two segments (Hindi and vernacular) now contribute approximately 61 percent of industry's revenues and cater to 90 percent of the readership.

## Language-wise Average Issue Readership and Revenue Split

Language	2012	
	AIR Split	Revenue Split
English	10%	39%
Hindi	36%	30%
Vernacular	54%	31%

\*Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013

## Estimated share of Print Industry by language in 2017



\*Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013

IN THE LONG RUN, THE PRINT MEDIA CONTINUES TO OFFER PROMISING PROSPECTS, GENERATING MUCH-NEEDED TRACTION FROM THE NON-ENGLISH (REGIONAL, PARTICULARLY HINDI) NEWSPAPERS.



## BUSINESS OVERVIEW

### Operational Review

Hindustan Media Ventures Limited (HMVL) is a leading Indian publisher, known for its daily newspaper Hindustan and its other publications Nandan (famed children's glossy magazine) and Kadambini (well-known literary periodical). It also manages a number of periodicals and supplements of Hindustan as well as their online versions and websites.

With such a strong and varied portfolio, the Company's climb in the media market was unmatched, as it continued to boost its readership to emerge as the second largest newspaper in the country during the past year.

Amid a fiercely competitive industry, Hindustan continued to maintain its leadership position in Bihar and Jharkhand. It made significant progress in improving its position in the Uttar Pradesh and Uttarakhand markets, while continuing to be No. 2 in Delhi and the National Capital Region (NCR).

The Company focused on expanding its network and ensuring constant improvement in content to post impressive growth in the past 12 months, continuously adding readers to its fold. 'Hindustan' ended FY 13 with a total readership of 3.91 Crore in Q4 2012 round of the IRS, on the back of innovative redesigning and repositioning of the newspaper.

Boosted by a number of initiatives, including launch of new editions, Hindustan has grown impressively by around 7 percent, adding almost 8 Lac readers (AIR) (IRS Q4 2012 vs IRS Q4 2010). This growth is the highest among all major Hindi dailies.

Further consolidating its place as the 2nd largest Hindi daily in the country, Hindustan successfully retained the number one slot in Bihar and Jharkhand, leading in the two states with 68 and 46 percent market share, respectively. The readership (AIR) increased to 48.1 Lac and 16.8 Lac readers respectively. In Bihar, close to 2 Lac readers were added to its readership in the last two years.

With significant growth in advertisers' base in Bihar, the advertising revenue for the newspaper is growing at healthy pace

and its market share remains high. Growth in Hindustan's local ad revenue was significant in FY 13, as the state, which is one of the fastest growing in the country, saw massive investments by the state government in infrastructure, particularly road construction.

Jharkhand also reported strong operational and financial performance, with increase in cover prices across the state. However, local revenues were a little sluggish as government revenues declined due to the imposition of President's Rule in the state in the latter half of the year. Expanding its base with new editions, Hindustan remained the fastest growing Hindi daily in U.P. and Uttarakhand, with readership (AIR) of 46.2 Lac - a handsome gain of more than 3 Lac readers over a period of 1 year.

In Uttar Pradesh, total readership grew to over 1.48 Crore, translating to 34 percent share of the total reader base in the state. In fact, 53 percent of the increase in the total readership for Hindustan came from U.P., which continued to be a market of high importance for the newspapers. Uttarakhand was another success story for Hindustan, which grew by 29 percent during the past year to grab 29 percent readership share with 9.06 Lac readers (TR) in the state. Uttarakhand, along with Western U.P., has been a key growth area for Hindustan, which has taken major strides in its readership march in these regions. The newspaper's march has been driven by various research-led and editorial measures aimed at retaining and growing readership.

In the Delhi-NCR region, Hindustan continued to be the second largest among Hindi dailies with readership (AIR) of 11.9 Lac. It contributed 24.11 Lac readers in Hindustan's total readership base.

It is pertinent to mention that Hindustan has played a key role in the growth of India's Hindi newspaper category, which has seen remarkable increase in recent years.

HMVL also continued to invest in its magazines, Nandan and Kadambini, during the year. The demand for Nandan showed significant increase among schools, as it served to facilitate children in their home.

With an aim to create social awareness on vital issues, these two responsible and popular magazines Nandan and Kadambini provide content to address the varied needs of its young readers. The magazines regularly bring out special issues to mark important events, particularly events on social concern.

HMVL's success story goes much beyond its print publications into the fast expanding digital media, which is trending the reading habits of the youth even across the Hindi belt. Towards this end, Hindustan has started to work on engaging consumers through digital media via special issues on occasions of New Year and Holi, using augmented reality to bring alive photos, audio and video content.



## FINANCIAL REVIEW

With a total revenue growth of 8 percent, HMVL showed encouraging financial performance during FY 13, reflecting the Company's continuing focus on revenue optimization, maximization of operating efficiency, and also underlining its strong belief in nurturing future growth engines.

The key aspects of the Company's financial performance are analyzed hereunder.

## Revenues

The Company's total revenues increased to ₹664.7 Crore in FY 13, a growth of 8 percent over FY 12. The advertising revenue recorded a growth of 5 percent – from ₹439.2 Crore in FY 12 to ₹460.1 Crore in FY 13. Circulation revenue registered a growth of 15 percent to reach ₹155.3 Crore, driven primarily by improved realization per copy. Circulation revenue growth also encompassed the impact of expansion in some key geographies and full year's impact of publications launched in FY 12 (Hindustan in Aligarh and Moradabad).

## Highlights of the Financial Performance

(₹ in crore)

Particulars	FY 13	FY 12	Growth %
Total Revenue	664.7	615.8	8%
Advertisement Revenue	460.1	439.2	5%
Circulation Revenue	155.3	134.8	15%
EBITDA	141.0	114.5	23%
PBT	114.0	91.7	24%
PAT	84.5	65.3	29%
EPS (in ₹)	11.52	8.90	29%
Total Expenditure	523.7	501.3	4%
Raw Material Cost	264.8	256.7	3%
Personnel Cost	80.4	73.4	10%
Sales & Marketing Cost	32.1	25.2	27%



# विक्र तर



## Expenditure

Newsprint prices were stable during the year. However, opportunistic buying and innovation in newsprint mix helped in delivering cost efficiency. Overall, production cost went up by 3 percent, and employee cost by 10 percent during FY 13.

## EBITDA

The Company has posted an impressive growth of 23 percent in EBITDA for FY 13, as against 18 percent growth in EBITDA for FY 12, primarily on account of the effective cost control measures taken by the Company foreseeing tough market conditions. The improved operating results, year on year, signify considerable progress in the Company's stated aim of attaining sustained growth and profitability through focused strategic measures.

## EPS

EPS (Basic as well as Diluted) grew to ₹11.52 for the year under review, recording a growth of 29 percent over the corresponding figure of ₹8.90 for the previous year.

## Fixed Assets

Gross Block, as at 31<sup>st</sup> March 2013, increased to ₹242.4 Crore, as



compared to ₹228.8 Crore as at 31<sup>st</sup> March 2012. The company focussed on enhancing capacity in existing units. No new units were initiated.

## Investments

Investments as at 31<sup>st</sup> March 2013 increased to ₹277.8 Crore from ₹212.7 Crore as at 31<sup>st</sup> March 2012. The increase was primarily attributable to surplus funds from Operational Profits.

## Inventories

Inventories increased to ₹32.4 Crore as at 31<sup>st</sup> March 2013 from ₹31.5 Crore as at 31<sup>st</sup> March 2012.

## Trade Receivables

Trade receivables, as at 31<sup>st</sup> March 2013, increased to ₹79.1 Crore from ₹78.0 Crore in the previous year, primarily on account of an 8 percent increase in turnover.

## Working Capital

Working capital increased to ₹32 Crore as at 31<sup>st</sup> March 2013, from ₹26 Crore as at 31<sup>st</sup> March 2012, due to increase in scale of operations.

LITERACY GROWTH, ALONG WITH BETTER ACCESS TO SERVICES AND ROAD EXPANSION, WILL CONTINUE TO DRIVE READERSHIP FOR HINDI NEWSPAPERS.

## TAKING IT TO THE NEXT LEVEL

Technology has always been at the forefront for the Company's business model. Continuing this endeavour further, the Company is engaged in implementing IT solutions at various stages of its business processes for optimizing the efficiency levels. Its recent initiative of implementing Hindustan's web version for taking its Content Management System to the next level has started paying rich dividends.

In order to improve the entire News gathering system, the Company has tried to boost its network further with IT-enabled devices. The Company is on an aggressive digitization path with several large world-class implementations in pipeline.

The Company also implemented an international class Customer Relationship Management (CRM) solution that helps its sales workforce improve productivity and reduce time consumption on administrative tasks. With this initiative, the Company is seeking to extend its CRM to non-ad sales and non-print businesses. Integrated newsrooms are being implemented and almost all the Company's websites are being revamped and designed for use on any screen.

A key initiative to enable the Company's mobile workforce to access the work place from anywhere, anytime, has been introduced whereby these employees are being equipped with enterprise mobility solutions.

With these technology-related initiatives, the Company has not only successfully brought in efficiencies and promoted process excellence in business but also succeeded in boosting its revenue streams in a rather subdued market condition.

Going forward, the Company will remain committed to leveraging latest technologies to transform itself into a more efficient and leaner set-up.

## STRATEGIC INITIATIVES IN HR

Being a media organization, the Company endeavours to maintain a vibrant and quality talent pool. As the HT Group moves towards the 2020 Vision and continues to diversify into new businesses and expansion of its core, quality workforce and

teams have become a central and critical area of progressive growth for HMVL.

While optimising manpower efficiencies, the Company is focused on leveraging its people strength through strategic initiatives aimed at empowering them with skill-sets and keeping them inspired to add value to the Company's overall business model. This approach has not only helped the Company attract quality talent but also to retain it in the longer run.

To facilitate alignment of teams to the organizational objectives, each business and function head is setting goals which are specific to their Annual Operating Plan (AOP). With this, each senior team member now has specific objectives with assigned tasks and timelines. To make reward for performance an aspiration for people, an award micro site was launched, which provides a platform for award winners across locations, businesses and functions.

All in all, competent leaders with strategic orientation, productive teams with customer impact and a collaborative & empowering culture is the value proposition of Company's HR function. As on 31<sup>st</sup> March 2013, the Company employed 2152 people.

## OPPORTUNITIES AND THREATS

### Opportunities

Literacy rates continue to grow across the country, as does the drive to provide the basic services of roads, electricity, education and water. As penetration of these basic services increases, so does the hunger for learning, and hence the increasing demand for newspapers. Literacy growth, along with better access to services and road expansion, will continue to drive readership for Hindi newspapers.



The brands best placed to gain from this are the ones which will be the most enterprising and innovative in reaching the consumer. The growing digital, especially mobile penetration, in the entire Hindi belt offers significant opportunity to further build the HMTV brands through integration of multiple product offerings – digital, social and mobile. With youth being the earliest adopters of new technology, such integration helps reach out better to this segment.

In addition, new product offerings (such as the recently launched youth-specific Hindustan Yuva) which can help drive specific segment readership is another emerging opportunity which can be big in the years to come.

Additionally, with advertisers looking at engagement opportunities beyond just print, activation and brand solutions platforms will further provide integrated solutions to media planners and is a segment which is expected to grow.

## Threats

While the overall economic and political scenario in the country offers an opportunity for growth, it also poses some threats to the Company. The uncertain political environment, in view of the upcoming elections at the Centre and in some states across India, poses a large risk by far. It impacts not only the governmental policies and spending but also affects the sentiment in the economy.

Growing cost of newsprint and distribution, as well as intense

competition in many markets are driving up the cost of the Company's overall operations. In addition, with a soft macro-economic environment, slow advertisement revenue growth in the past financial year, which is expected to continue in the coming year, will constitute an obstacle in driving higher revenue and will push up cost of operations further.

Another factor impacting growth of Hindi media is disappearance of categories like Telecom, Information Technology and BFSI. Changing mix of categories has impacted the pricing of almost all publications. The year ahead is likely to remain as sluggish and the competitive activity is expected to intensify further; both will impact the growth of all publications and the industry at large.

## Risk Management and Internal Control

The system of internal control and risk management established by the Company provides reasonable assurance of a risk-aware culture and enhanced standard of corporate governance. The Company is committed to establishing and maintaining an effective internal control system that assists in promoting sound risk management and good corporate governance.

The Company's internal control system is defined by extensive internal audits and documented policies, procedures and guidelines. In view of increasing emphasis on risk governance and heightened risks, the Company adopts a risk-based approach in formulating and executing its internal audit plans, ensuring coverage of each location on periodic basis.





## FUTURE OUTLOOK

With growing literacy levels and adoption of latest technologies across the Hindi belt, HMVL holds a positive outlook for the future, while keeping an eye on all the likely internal as well as external developments in the field of media.

The print sector, shall continue to grow at a good pace, enjoying the biggest pie of the advertising revenue of the country's total media industry amid the positive emerging micro and macro economic indicators.

While lifestyle changes shall continue to steer the shift in consumer tastes and needs, the developments and growth in Tier II and III cities are particularly favourable for the Company, with all major FMCG, Automobile, Education and Services industries using the Hindi media segment. This shall continue to result in greater natural growth in circulation and advertising revenue, going ahead.

Keeping an eye on these developments, the Company has strengthened its position in U.P. and Uttarakhand, which shall, moving forward, result in better monetization, yield improvement and DAVP rate increase due to empanelment of three newly-launched units. Hindustan has already emerged as the

preferred choice of the advertiser in the Hindi belt – a position it is all set to consolidate in the coming quarters.

Bihar and Jharkhand are also witnessing great traction on the back of growing consumerism and socio-economic transformation, with Real Estate, Automobiles, Durables and Garments emerging as the fastest growing categories.

With Construction, Communication and Hotel & Restaurant industries powering growth, Bihar is expected to be a key factor in Hindustan's growth, going forward. The thrust shall be on increasing penetration in product quality, improving the market share and expanding the distribution network. Optimization of readership mix to attract premium advertising and providing synergies to the Company's advertising network shall also remain a focus area.

Through content improvement and a focused approach in marketing, the Company shall continue to ramp up its reach in traditional and newer territories, which is likely to boost its advertising revenues, as also the overall revenues moving forward.

## CAUTIONARY STATEMENT

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

*\*Note: Figures in charts/tables have been taken from FICCI-KPMG Indian Media and Entertainment Industry Report 2013, without any changes at our end and casting errors, if any, are incidental.*

# Directors' Report

## Dear 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, 2013.

## FINANCIAL RESULTS

Your Company's performance during the financial year ended on 31<sup>st</sup> March, 2013, is summarized below:

	(₹ in Lac)	
Particulars	2012-13	2011-12
Total Income	66,473.73	61,576.73
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>14,101.96</b>	<b>11,445.82</b>
Less: Depreciation and amortization expense	2,170.11	1,941.57
Less: Finance costs	527.61	330.01
<b>Profit before Tax</b>	<b>11,404.24</b>	<b>9,174.24</b>
Less: Tax Expense		
Current Tax	2,793.66	2,498.58
Deferred Tax charge / (credit)	158.31	140.79
<b>Profit for the year from continuing operations</b>	<b>8,452.27</b>	<b>6,534.87</b>
Add: Balance as per last financial statements	11,393.18	6,046.92
<b>Amount available for appropriation</b>	<b>19,845.45</b>	<b>12,581.79</b>
Appropriations -		
• Proposed final equity dividend [amount per share ₹ 1.20/- per Equity Share of ₹ 10/- each i.e., 12% (previous year - ₹ 1.20/- per Equity share i.e. @ 12%)]	880.73	880.73
• Tax on proposed equity dividend	149.68	142.88
• Transfer to General Reserve	212.00	165.00
<b>Net surplus in the statement of Profit &amp; Loss</b>	<b>18,603.04</b>	<b>11,393.18</b>

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.20/- per Equity Share of ₹ 10/- each i.e., 12% (previous year - ₹ 1.20/- per Equity share i.e. @ 12%) for the financial year ended on 31<sup>st</sup> March, 2013 and seek your approval for the same.

The proposed dividend payment, including Corporate Dividend Distribution Tax would entail an outflow of ₹ 1,030.41 Lac (previous year ₹ 1,023.61 Lac).

## COMPANY PERFORMANCE AND FUTURE OUTLOOK

A detailed analysis and insight into the financial performance and operations of your Company for the year under review and future outlook, is appearing in the Management Discussion and Analysis, which forms part of the Annual Report.

## BORROWINGS AND DEBT SERVICING

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

## DEPOSITS

Your Company has not accepted or invited any Public Deposits during the year.

## DIRECTORS

During the year under review, Shri Dipak C. Jain, Non-executive Independent Director and Shri Rajiv Verma, Non-executive Director, tendered their resignation from the Board of Directors of the Company w.e.f. 24<sup>th</sup> June, 2013. The Board places on record its sincere appreciation for the valuable services rendered by Shri Dipak C. Jain and Shri Rajiv Verma during their tenure on the Board of Directors of the Company.

Further, Smt. Shobhana Bhartia, Shri Benoy Roychowdhury and Shri Priyavrat Bhartia, Directors, retire from office by rotation at the ensuing Annual General Meeting as per the provisions of the Companies Act, 1956 and being eligible, have offered themselves for re-appointment. A brief resume, details of expertise and other directorships / committee memberships held by the above Directors, form part of the notice convening the Annual General Meeting.

## AUDITORS

During the year under review, the Statutory Auditors viz. S.R. Batliboi & Co., has converted itself into a Limited Liability Partnership as S.R. Batliboi & Co. LLP w.e.f. 1<sup>st</sup> April, 2013. Their registration number with the Institute of Chartered Accountants of India (ICAI) i.e. 301003E remains the same post conversion.

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

## CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance in terms of Clause 49 of the Listing Agreement, forms part of the Annual Report. The certificate issued by a Company Secretary-in-Practice, in terms of the requirements of the Listing Agreement is annexed as Annexure - A.

## PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

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

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

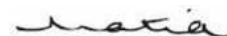
- i. in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. such accounting policies have been selected and applied consistently and 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, 2013; and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2013;

- 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 co-operation extended by all stakeholders including Ministry of Information & Broadcasting and other government authorities, shareholders, investors, readers, customers, banks, vendors and suppliers. Your Directors also place on record their deep appreciation of the committed services of the executives and employees of the Company.

For and on behalf of the Board



**Shobhana Bhartia**

Chairperson

Place: New Delhi

Date: 26<sup>th</sup> June, 2013

# Annexure – A to Directors’ Report

## Certificate of Compliance of Corporate Governance

To The Members of  
**Hindustan Media Ventures Limited**

I have examined the compliance of conditions of Corporate Governance by **Hindustan Media Ventures Limited**, for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

New Delhi  
13<sup>th</sup> May, 2013

Sd/-  
**NC Khanna**  
Company Secretary in Practice  
CP No. 5143

## Annexure – B to Directors’ Report

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

### A. CONSERVATION OF ENERGY:-

#### (a) Energy conservation measures taken:

The following energy conservation measures were taken during the year under review:

- Rationalization of Transformer capacity to reduce transformer losses
- Air Conditioner with high star rating and the room temperature is set more than 24°C
- Load-sharing and synchronization between the DG are carried out by Relay Control logic/control system for optimum output and minimum diesel consumption
- Installation of high efficiency lighting fixtures and more use of daylight instead of artificial lights

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

- Repositioning of Air Dryer after the Air Receiver Tank
- Use less water and energy in plate making process
- Use of energy efficient turbo ventilator instead of exhaust fans
- Upgradation of capacitor bank for achieving unity power factor

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

- Maintained power factor towards unity (all-India) and got incentives to the tune of 6 % on energy bills

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

Not applicable

### B. TECHNOLOGY ABSORPTION:-

#### (e) Efforts made in technology absorption

Implementing use of plates which consume less water and energy in the plate making process

### 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 expenditure	- ₹ 678.35 Lac
Foreign exchange earned	- ₹ 0.77 Lac

# Report on Corporate Governance

Your Company continues to focus on pursuing business opportunities that create sustainable value for stakeholders. 'Trusteeship' and 'Accountability' are the underlining principles of all business initiatives and value creation endeavours.

The Company promotes and practices good 'corporate governance' for balanced care of various stakeholders.

A report on Corporate Governance at HMLV, in accordance with the listing agreement requirements, is featured below.

## Board of Directors

### Composition of the Board

In accordance with the requirements of Clause 49 of the Listing Agreement of stock exchanges (Clause 49), more than one-half of the Board of Directors comprises of Non-executive Directors. Our Company also complies with the requirement of at least one-half of the Board to comprise of Independent Directors. The Chairperson of the Board is a Non-executive Promoter Director.

The composition of the Board of Directors is as follows -

Name of the Director	Date of appointment	Relationship between Directors, inter-se	Director Identification Number (DIN)
<b>NON-EXECUTIVE PROMOTER DIRECTORS</b>			
Smt. Shobhana Bhartia <b>Chairperson</b>	January 6, 2010	Mother of Shri Priyavrat Bhartia and Shri Shamit Bhartia	00020648
Shri Priyavrat Bhartia	August 27, 2010	• Son of Smt. Shobhana Bhartia • Brother of Shri Shamit Bhartia	00020603
Shri Shamit Bhartia	December 19, 2011	• Son of Smt. Shobhana Bhartia • Brother of Shri Priyavrat Bhartia	00020623
<b>NON-EXECUTIVE INDEPENDENT DIRECTORS</b>			
Shri Ajay Relan	February 22, 2010	None	00002632
Shri Ashwani Windlass	February 22, 2010	None	00042686
Shri Dipak C. Jain	August 27, 2010	None	00228513
Shri Piyush G. Mankad	December 19, 2011	None	00005001
Shri Shardul S. Shroff	February 22, 2010	None	00009379
<b>NON-EXECUTIVE DIRECTOR</b>			
Shri Rajiv Verma	January 6, 2010	None	00017110
<b>WHOLE-TIME DIRECTOR</b>			
Shri Benoy Roychowdhury*	January 6, 2010	None	00816822

\*Whole-time Director w.e.f. February 23, 2010

Our Directors are eminent professionals from diverse fields.

The Non-executive Directors do not hold any shares/convertible instruments of the Company, except Shri Priyavrat Bhartia and Shri Shamit Bhartia who hold 6,719 and 5,017 Equity Shares of the Company, respectively.

## Directors' attendance record and Directorships held

During the financial year ended on March 31, 2013, four Board meetings were held. The details are as follows:

Date of Board Meeting	Board strength	Number of Directors present	Number of Independent Directors Present
18.05.2012	10	8	3 out of 5
19.07.2012	10	9	5 out of 5*
12.10.2012	10	9	4 out of 5*
11.02.2013	10	9	4 out of 5*

\*Shri Dipak C. Jain attended the said meetings through tele-conferencing

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM); and details of other Directorships/Committee positions held by them in Indian public limited companies, are as follows:

Name of the Director	Board meetings attended during FY 2012-13	Attendance at the last AGM held on Sep 5, 2012	No. of other Directorships held	Committee position held in other companies <sup>2</sup>	
				Chairperson	Member
Smt. Shobhana Bhartia	4	No	12	1	-
Shri Ajay Relan	3	No	5	-	2
Shri Ashwani Windlass	3	Yes	3	2	1
Shri Dipak C. Jain*	3*	No	2	-	2
Shri Piyush G. Mankad	4	No	7	2	7
Shri Shardul S. Shroff	3	No	6	-	1
Shri Priyavrat Bhartia	4	No	14	2	6
Shri Shamit Bhartia	3	No	13	1	3
Shri Rajiv Verma	4	No	8	1	6
Shri Benoy Roychowdhury	4	Yes	2	-	-

\*Shri Dipak C. Jain attended three Board meetings by way of tele-conferencing

<sup>2</sup>Only two committees viz. Audit Committee and Shareholders'/Investors' Grievance Committee are considered

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

## Information supplied to the Board

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

The information provided to the Board from time to time covers the items mentioned in Annexure – IA to Clause 49.

## Details of remuneration paid to Directors

The Non-executive Directors are paid sitting fee at the rate of ₹20,000/- per meeting, for attending meetings of the Board/Committee(s) thereof. The Non-Executive Independent directors are eligible for commission not exceeding 1% of the net profits of the Company for the financial year, subject to a limit of ₹5 Lacs per Director per annum. The details of sitting fee and commission paid for FY 2012-13 are as under –

(₹ in Lacs)

Name of the Director	Sitting Fee	Commission	Total
Smt. Shobhana Bhartia*	Nil	Nil	Nil
Shri Ajay Relan*@	Nil	Nil	Nil
Shri Ashwani Windlass	1.20	5.00	6.20
Shri Dipak C. Jain	Nil	5.00	5.00
Shri Piyush G. Mankad	0.80	5.00	5.80
Shri Shardul S. Shroff	1.20	5.00	6.20
Shri Priyavrat Bhartia*	Nil	Nil	Nil
Shri Shamit Bhartia*	Nil	Nil	Nil
Shri Rajiv Verma*	Nil	Nil	Nil

\*These Directors have voluntarily opted not to accept any sitting fee

@Shri Ajay Relan has opted not to accept any commission

Shri Benoy Roychowdhury was appointed as Whole-time Director w.e.f. February 23, 2010 for a period of five years. The details of remuneration paid to him for the financial year ended on March 31, 2013, are as under:

(₹ in Lacs)

Name of the Director	Salary & Allowances	Perquisites	Retirement benefits
Shri Benoy Roychowdhury	123.51	1.10	7.88

## Notes:

- Retirement benefits include contribution to Provident Fund.
- During the year, Shri Benoy Roychowdhury has not been granted stock options pursuant to any stock options scheme framed by the Company.
- Perquisites include car, telephone, medical reimbursements, club fee, etc., calculated as per Income Tax rules.
- Remuneration excludes provision for leave encashment and gratuity.

(5) There is no separate provision for payment of severance fees.

(6) Salary & Allowances include ₹2,25,000/- of variable pay viz. Bonus.

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

## Board Committees

As at year end, there were three standing committees of the Board of Directors, which were delegated requisite powers to discharge their functions, and they meet as often as required.

The standing committees of the Board are as follows –

- Audit Committee
- Investors' Grievance Committee
- Investment and Banking Committee

The role and composition of the standing committees, including the number of meetings held during the financial year ended on March 31, 2013 and attendance of Directors thereat, are given hereunder.

## (a) Audit Committee

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 292A of the Companies Act, 1956 and Clause 49. The terms of reference of the Audit Committee are in accordance with the Companies Act, 1956 and Listing Agreement of stock exchanges.

## Meetings

During the financial year ended on March 31, 2013, four meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings			
		18.05.12*	19.07.12	12.10.12	11.02.13
Shri Ashwani Windlass	Chairman	-	✓	✓	✓
Shri Ajay Relan	Member	✓*	✓	-	✓
Shri Shardul S. Shroff	Member	✓	✓	✓	-
Shri Priyavrat Bhartia	Member	✓	✓	✓	✓

\*Shri Ajay Relan chaired the said meeting since Shri Ashwani Windlass was on leave in the said meeting.

The Chairman of the Audit Committee is a Non-executive Independent Director and has attended the last Annual General Meeting of the Company held on September 5, 2012.

All the members of the Audit Committee are financially literate and are Non-executive Directors. The Audit Committee satisfies the criteria that two-third of its members are Independent Directors.

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

The Company Secretary acts as the Secretary to the Committee.

#### (b) Investors' Grievance Committee

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

The terms of reference of the Investors' Grievance Committee are in accordance with the Listing Agreement of stock exchanges.

#### Meetings

During the financial year ended on March 31, 2013, three meetings of the Investors' Grievance Committee were held. The composition of Investors' Grievance Committee and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings		
		11.05.12	29.06.12	30.07.12
Shri Ajay Relan	Chairman	✓	✓	✓
Shri Rajiv Verma	Member	✓	✓	-
Shri Benoy Roychowdhury	Member	✓	✓	✓

Shri Tridib Kumar Barat, Company Secretary is the Compliance Officer of the Company.

During the year, 4 investor queries/requests were received, all of which were redressed/replied to the satisfaction of the investors. There were no outstanding investor complaints as on March 31, 2013. The status on reply/ redressal of investors' complaints is reported to the Board of Directors from time to time.

#### (c) Investment and Banking Committee

The Investment and Banking Committee of the Board is responsible for following functions –

- Recommending to the Board for approval, proposals of prospective advertiser body corporates, to invest in their share capital;
- Approving proposals of prospective advertisers to acquire moveable/ immovable property(ies) owned/developed by them, subject to a maximum limit of ₹25 Crores in a single proposal comprising of one or more units of properties;
- To open, operate and close all types of bank accounts, whether Current, Savings or Fixed Deposits, Interest/Dividend account or any other accounts as may be required to be opened in

the name of the Company at any place in India/abroad with any bank. The Committee shall also be entitled to operate or delegate powers to operate such accounts;

- To nominate, authorize from time to time, officers of the Company to operate the said bank accounts;
- To amend, modify, vary or revoke, the authority of the persons authorized to operate bank accounts;
- To enter into foreign exchange transactions from time to time;
- To enter into investment transactions from time to time;
- To borrow any sum or sums of money from time to time, as may be permitted by law, for the business of the Company.
- To enter into operating lease financing transactions from time to time, for financing capital expenditure of the Company;

#### Meetings

During the year, the Investment and Banking Committee met three times. The composition of Investment and Banking Committee and attendance of the Directors at the meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings		
		16.08.12	29.11.12	26.02.13
Shri Ajay Relan	Chairman	✓	✓	✓
Shri Priyavrat Bhartia	Member	✓	-	✓
Shri Rajiv Verma	Member	-	✓	-
Shri Benoy Roychowdhury	Member	✓	-	✓

The Company Secretary acts as the Secretary to the Committee.

#### General Body Meetings

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

Date & Time	September 5, 2012 at 11.00 a.m.	July 15, 2011 at 3.00 p.m.	June 4, 2010 at 11.00 a.m.
Venue	Hotel Maurya, South Gandhi Maidan, Patna - 800001, India	Hotel Maurya, South Gandhi Maidan, Patna - 800001, India	Registered Office at Budh Marg, Patna - 800001, India
Special Resolution(s) passed, if any	• Approval to commence all or any of the business proposed in Clause III.C.(20) of the Objects Clause of Memorandum of Association of the Company	-None-	• Authorizing payment of commission to one or more Non-executive Directors of the Company. • Authorizing investments over and above 60% of the Company's paid-up share capital and free reserves or 100% of the Company's free reserves, whichever is more, for an amount upto ₹300 Crores

## Postal Ballot

During the financial year ended on March 31, 2013, no special resolution was passed by the Company which required use of postal ballot process.

## Disclosures

During the financial year ended on 31<sup>st</sup> March, 2013, there were no materially significant transactions with related parties viz. promoters, relatives, senior management etc., that may have a potential conflict with the interest of the Company at large. The required disclosures on related parties and transactions with them, is appearing in Note no. 32 of the Accounts.

No penalty or stricture was imposed on the Company by any stock exchange, statutory authority or SEBI in any matter related to capital markets, for non-compliance by the Company.

The Company has prepared the financial statements to comply in all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956.

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from its IPO, as part of quarterly review of its financial results.

The CEO/CFD certificate in terms of Clause 49(V) has been placed before the Board. The Company is complying with all mandatory requirements of Clause 49 and quarterly compliance report in the prescribed format has been submitted to the concerned stock exchanges.

The Company has complied with some of the non-mandatory requirements of Listing Agreement on Corporate Governance. The aggregate tenure of none of the Independent Directors on the Board exceeds nine years. The Independent Directors have the requisite qualifications and experience, which would be of use to the Company and which, in the opinion of the Company, would enable them to contribute effectively to the Company in capacity of an Independent Director.

The Company has adopted a Whistle Blower Policy wherein a mechanism has been put in place to make employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimization of employees, who avail of the mechanism besides offering direct access to the Chairman of the Audit Committee. The Policy has been posted on the Company's intranet viz., myht.in. During the year, no personnel were denied access to the Audit Committee.

## Code of Conduct for Directors and Key Managerial Personnel

In terms of the requirements of Clause 49 (I) (D), a "Code of Conduct for Directors and Key Managerial Personnel" (the "Code") governing the conduct of Directors and Key Managerial Personnel of the Company, is hosted on the website of the Company i.e., www.hmvl.in.

The Directors and Key Managerial Personnel are responsible and committed to adhere to the Code and have accordingly affirmed compliance of the same. Further, a declaration by Wholetime Director regarding compliance of the Code is appearing at the end of this report as Annexure – A.

## Code of Conduct for Prevention of Insider Trading

In terms of the requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a "Code of Conduct for Prevention of Insider Trading" (Insider Code) is posted on the intranet of the Company for compliance by the designated employees. The purpose of the Insider Code is to prevent misuse of unpublished price sensitive information for individual benefit, by those who have access to such information by virtue of their employment or association with the Company.

Further, internal systems are in place to exercise control and ensure that the Designated Employees do not engage themselves in sale/purchase of shares of the company during the period when the trading window is closed.

## National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business

The Ministry of Corporate Affairs has issued these guidelines as refinement over the earlier guidelines on this subject released in December, 2009. These guidelines represent the basic requirements for businesses to function responsibly, thereby ensuring a wholesome and inclusive process of economic growth.

As a responsible corporate citizen, your Company is committed to the principles enshrined in the Guidelines. The activities undertaken by the Company conforming to the principles in these Guidelines have been reported at suitable places in this Annual Report. Your Company will evaluate and endeavour to adopt the other provisions of these Guidelines in a phased manner.

## Means of Communication

- **Financial results** - The quarterly and annual financial results of the Company are published in 'Hindustan' (Hindi newspaper), 'Hindustan Times' (English newspaper) and 'Mint' (English Business newspaper). The financial results are also forwarded to the investors by e-mail, in cases where e-mail address is available. Investors may avail this service / facility by providing their e-mail Id to the Company.
- **Company's Website** - Important shareholders' information such as Annual Report of the Company and the financial results are displayed on the website i.e., www.hmvl.in.
- **Official news releases, presentations etc.** - Official news releases, shareholding pattern, press releases and presentations made to Financial Analysts etc. are also available at the Company's website.
- **Investor Conference Calls** - Every quarter, post the announcement of financial results, conference calls are held with institutional investors and analysts. These calls are addressed by the CEO, CFO and Chief Financial Strategist. Transcripts of the calls are also posted on the website of the Company.
- **Management Discussion and Analysis** - Management Discussion and Analysis covering the operations of the Company, forms part of this Annual Report.
- **Designated E-mail Id** - The Company has designated the Email Id viz. hmvlinvestor@hindustantimes.com, for sending investor requests/ complaints.

## General Shareholder Information

### Forthcoming Annual General Meeting

Day, Date & Time: **Monday, the August 19, 2013 at 11.00 AM**

Venue: **Hotel Maurya**  
South Gandhi Maidan, Patna – 800 001, Bihar (India)

### Financial Year

April 1 of each year to March 31 of next year

### Financial Calendar (Tentative)

Results for quarter ending June 30, 2013	End July, 2013
Results for quarter/ half-year ending September 30, 2013	End October, 2013
Results for quarter ending December 31, 2013	End January, 2014
Results for year ending March 31, 2014	End May, 2014
Annual General Meeting (i.e., next year)	End August, 2014

### Book Closure

The Book Closure period for the purpose of payment of dividend for the financial year 2012-13 is from Tuesday, the August 13, 2013 to Monday, the August 19, 2013 (both days inclusive).

### Dividend Payment Date (Tentative)

The Board of Directors of the Company has recommended payment of dividend @ ₹1.20/- per Equity Share of ₹10/- each (i.e., @ 12%) for the financial year ended on March 31, 2013, subject to the approval of the shareholders at the ensuing Annual General Meeting. The dividend, if approved, shall be paid on or after Thursday, August 22, 2013.

### Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Unit: Hindustan Media Ventures Limited  
Plot Nos. 17-24, Vithal Rao Nagar, Madhapur  
Hyderabad – 500 086 (India)  
Tel : + 91-40-2342 0818  
Fax : + 91-40-2342 0814  
E-mail : einward.ris@karvy.com

### Stock Price Data

Month	BSE				NSE			
	HMVL		SENSEX		HMVL		S&P CNX NIFTY	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Apr. '12	150.00	125.70	17664.10	17010.16	152.90	137.00	5378.75	5154.30
May '12	149.95	117.00	17432.33	15809.71	153.00	121.30	5279.60	4788.95
Jun. '12	147.40	121.00	17448.48	15748.98	145.35	120.00	5286.25	4770.35
Jul. '12	134.85	110.25	17631.19	16598.48	127.45	113.50	5348.55	5032.40
Aug. '12	123.00	104.60	17972.54	17026.97	122.00	104.00	5448.60	5164.65
Sep. '12	140.75	107.10	18869.94	17250.80	128.00	109.80	5735.15	5215.70
Oct. '12	132.00	110.60	19137.29	18393.42	130.50	117.10	5815.35	4888.20
Nov. '12	153.00	118.00	19372.70	18255.69	142.30	119.00	5885.25	5548.35
Dec. '12	153.00	130.00	19612.18	19149.03	153.00	128.20	5965.15	5823.15
Jan. '13	158.65	140.00	20203.66	19508.93	156.90	143.40	6111.80	5935.20
Feb. '13	171.65	140.00	19966.69	18793.97	151.25	140.10	6052.95	5671.90
Mar. '13	154.00	120.80	19754.66	18568.43	152.90	136.40	5971.20	5604.85

## Share Transfer System

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

The Board has authorized the Investors' Grievance Committee to sub-delegate its powers to the Officers of the Company for prompt redressal of investor requests/complaints.

As required under Clause 47 (c) of Listing Agreement of Stock Exchanges, the Company obtains a certificate on half-yearly basis from a Company Secretary-in-Practice, regarding share transfer formalities, copy of which is filed with the Stock Exchanges.

## Listing of Equity Shares on Stock Exchanges and Stock Codes

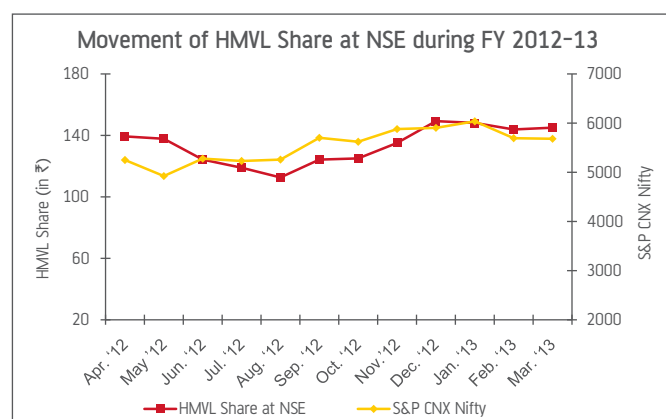
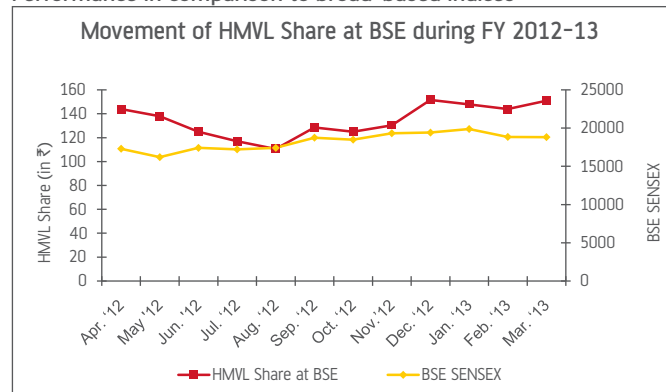
The Equity Shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phirozejeebhoy Towers, Dalal Street, Mumbai – 400 001	533217
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	HMVL

The annual listing fee for the financial year 2013-14 has been paid to both BSE and NSE.

The ISIN of the Equity Shares of the Company is 'INE871K01015'.

## Performance in comparison to broad-based indices



## Distribution of Shareholding by size as on March 31, 2013

No. of Equity Shares held	No. of Shareholders	% of Total no. of Shareholders	No. of Shares held	% of Total no. of Shares held
Upto 500	2,939	83.47	2,75,391	0.38
501 – 1000	357	10.14	2,43,312	0.33
1001 – 5000	146	4.15	3,08,905	0.42
5001 – 10000	25	0.71	1,73,153	0.23
10001 & above	54	1.53	7,23,93,009	98.64
<b>Total</b>	<b>3,521</b>	<b>100.00</b>	<b>7,33,93,770</b>	<b>100.00</b>

## Category of Shareholders as on March 31, 2013 (in both physical and demat form)

Category	No. of Shares held	% of Shareholding
Promoters	5,64,72,485	76.94
Banks, Financial Institutions and Insurance Companies	5,83,166	0.80
Foreign Institutional Investors (FIIs)	8,44,693	1.15
Mutual Funds	95,47,044	13.01
Non-residents	1,37,377	0.19
Bodies Corporate	30,54,553	4.16
Public	27,32,795	3.72
Clearing Members	218	0.00
HUF	20,018	0.03
Others (Trusts)	1,421	0.00
<b>Total</b>	<b>7,33,93,770</b>	<b>100.00</b>

## Dematerialization of Shares and liquidity as on March 31, 2013

Category	No. of Shares held	% of Shareholding
Shares held in Demat form	7,33,72,965	99.97
Shares held in Physical form	20,805	0.03
<b>Total</b>	<b>7,33,93,770</b>	<b>100.00</b>

As on March 31, 2013, there were no shares allotted in the IPO, which remained unclaimed/uncredited.

There are 34 cases of unclaimed refund orders representing ₹56,600/- as on March 31, 2013 in respect of the IPO and the list has been posted on the web-site of the Company.

## Details of unclaimed shares (issued in physical form pre-IPO), lying in Demat Suspense Account

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year	209	61,483
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	1	2,176
Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	1	2,176
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	208	59,307

Note: The aforesaid data represents unclaimed bonus shares, issued in physical form by the Company in February 2010. These shares are lying in Demat Suspense Account as per Clause 5A of the Listing Agreement. The voting rights in respect of these shares shall remain frozen till the rightful owners claim the shares.

## Number of outstanding GDRs/ADRs/Warrants or any convertible instruments

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

## Company Registration Details

The Company is registered in the office of Registrar of Companies, Bihar. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L21090BR1918PLC000013**.

## Address for correspondence

Company Secretary  
Hindustan Media Ventures Limited  
Hindustan Times House (2<sup>nd</sup> Floor)  
18-20, Kasturba Gandhi Marg  
New Delhi - 110 001 (India)  
Tel : +91-11-6656 1608  
Fax : +91-11-6656 1445  
Website:www.hmvl.in

### Compliance Officer

Shri Tridib Kumar Barat, Company Secretary  
Tel: +91 - 11 - 6656 1608

### Compliance

A certificate dated May 13, 2013 of Shri N.C. Khanna, Company Secretary-in-Practice, regarding compliance of conditions of 'Corporate Governance' as stipulated under Clause 49, is annexed to the Directors' Report.

### Additional Information For Shareholders

#### (1) Payment of dividend

Shareholders may kindly note the following:

##### (a) National Electronic Clearing Services (NECS) facility-

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

##### (b) Payment by Dividend Warrants -

In order to prevent fraudulent encashment of dividend warrants, holders of shares in demat and physical form, are requested to provide their correct bank account details, to the DP or R&T Agent, as the case may be.

The R&T Agent and/or the Company will not entertain requests for noting of change of address/bank details/NECS Mandate in case of shares held in demat form.

#### (2) Nomination facility

In terms of Section 109A of the Companies Act, 1956, shareholders holding shares in demat and physical form may, in their own interest, register their nomination with the DP or R&T Agent, as the case may be.

#### Plant Locations (as on March 31, 2013)

City	Address
Agra	Plot No. 660/2, Shastripuram Crossing, Sikandra Artoni, Agra Mathura Road, Agra - 282007
Aligarh	Near JD Ayurvedic College, Village-Bhakarikhas, GT Road, Aligarh - 202001
Allahabad	F-1 Industrial Area, Naini, Allahabad - 211001
Bareilly	Plot Nos. 411, 412, 413, 424 & 425 Mathurapur, Rampur Road Bareilly - 243001

City	Address
Dehradun	E-3, 4 Selaqui Industrial Area, Selaqui, Dehradun - 248197
Dhanbad	Village Bhelatand, PO-Nagnagar, PS-Barbadda, Bhelatand Road, Dhaiya, Dhanbad - 826004
Jamshedpur	NH 33, Village TolaKumrum, Post Kapali, Near Mango Telephone Exchange, Mango, Jamshedpur - 831012
Kanpur	Plot No. D-9, Site - III, Panki Industrial Area, Kanpur - 208022
Lucknow	Pocket - 2, VibhutiKhand, Gomti Nagar, Lucknow - 226010
Meerut	Khasra No. 592/3, 0.5 KM Partapur By-pass, Opp. Kalka Dental College, Meerut - 250103
Moradabad	Mini Bypass, LakriFazalpur, Near Police Post, Moradabad - 244001
Patna	• Budh Marg, PO - GPO, PS - Kotwali, Patna - 800001 • Village Bhagwatipur, PO-Neura, PS-ShahpurDanapur, Naubatpur Road, Near Shivala, Chowk, Danapur, Patna - 801113
Ranchi	7 Kokar Industrial Area, PO & PS - Kokar, Ranchi - 834001
Varanasi	Arazi no. 603/5, Mauza-Koirajpur, Pargana - Athagawa, Tehsil Pindra, Varanasi - 221105

Note: The above list does not include locations where printing of the Company's publications is done on job-work basis.

### ANNEXURE-A

#### Declaration of Compliance with 'Code of Conduct for Directors and Key Managerial Personnel' of the Company

I, Benoy Roychowdhury, Whole-time Director of the Company, do hereby confirm that all the Board members and Key Managerial Personnel have complied with the 'Code of Conduct for Directors and Key Managerial Personnel', during the financial year 2012-13.

This declaration is based on and is in pursuance of the individual affirmations received in writing from the Board members and the Key Managerial Personnel of the Company.

Date : May 13, 2013  
Place : New Delhi

  
(Benoy Roychowdhury)  
Whole-time Director

## Independent Auditor's Report

To the Members of Hindustan Media Ventures Limited  
Report on the Financial Statements

We have audited the accompanying financial statements of Hindustan Media Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair

view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (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 those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Manoj Gupta  
Partner  
Membership Number: 83906  
Place of Signature: New Delhi  
Date: May 13, 2013

## Annexure referred to in paragraph [1] of “Report on Other Legal and Regulatory Requirements” in our report of even date

Re: Hindustan Media Ventures Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Companies (Auditor’s Report) Order, 2003 (as amended) (herein referred to as the Order), are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order, are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the printing of news paper, catalogues, books, magazines, etc, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees’ state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. The provisions relating to excise duty are not applicable to the Company.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues in respect of debentures or financial institution.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) We have verified that the end use of money raised by public issue as disclosed in the Note no. 29 of the financial statements.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per **Manoj Gupta**  
Partner  
Membership Number: 83906  
Place of Signature: New Delhi  
Date: May 13, 2013

## Balance Sheet As at 31 March, 2013

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	3	7,339.38	7,339.38
(b) Reserves and surplus	4	43,489.55	36,067.69
		50,828.93	43,407.07
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	656.90	498.59
(b) Long-term provisions	6	-	246.46
		656.90	745.05
3 Current liabilities			
(a) Short-term borrowings	7	324.36	2,631.72
(b) Trade payables	8	5,991.75	6,514.96
(c) Other current liabilities	8	3,792.40	3,678.54
(d) Short-term provisions	9	1,219.42	1,173.90
		11,327.93	13,999.12
<b>Total</b>		<b>62,813.76</b>	<b>58,151.24</b>
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	17,653.43	18,439.12
(ii) Intangible assets	10	156.53	168.40
(iii) Capital work-in-progress		96.02	727.36
(iv) Intangible assets under development		-	8.48
(b) Non-current investments	11	12,500.00	532.02
(c) Long-term loans and advances	12	435.59	384.24
(d) Other non-current assets	13	510.23	34.69
		31,351.80	20,294.31
2 Current assets			
(a) Current investments	14	15,284.33	20,733.60
(b) Inventories	15	3,239.81	3,153.34
(c) Trade receivables	16	7,907.92	7,800.40
(d) Cash and bank balances	17	2,843.54	4,353.40
(e) Short-term loans and advances	18	1,200.93	1,204.19
(f) Other current assets	19	985.43	612.00
		31,461.96	37,856.93
<b>Total</b>		<b>62,813.76</b>	<b>58,151.24</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Battiboi & Co. LLP**  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per **Manoj Gupta**  
Partner  
Membership No. 83906

Place of signature: New Delhi  
Date: May 13, 2013

For and on behalf of the Board of Directors of Hindustan Media Ventures Limited

**Shobhana Bhartia**  
Chairperson

**Benoy Roychowdhury**  
Whole Time Director

**Rajiv Verma**  
Director

**Tridib Kumar Barat**  
Company Secretary

**Ajay Kumar Jain**  
Chief Financial Officer

## Statement of Profit & Loss For the year ended 31 March, 2013

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
<b>I. Income</b>			
a Revenue from operations	20	63,627.29	59,664.22
b Other Income	21	2,846.44	1,912.51
<b>Total Income</b>		<b>66,473.73</b>	<b>61,576.73</b>
<b>II. Expenses</b>			
Cost of raw materials consumed	22	26,477.81	25,665.33
(Increase) / decrease in inventories	23	(15.54)	12.64
Employee benefit expense	24	8,035.00	7,335.23
Other expenses	25	17,874.50	17,117.71
<b>Total expenses</b>		<b>52,371.77</b>	<b>50,130.91</b>
<b>III. Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		<b>14,101.96</b>	<b>11,445.82</b>
Depreciation and amortisation expense	26	2,170.11	1,941.57
Finance costs	27	527.61	330.01
		2,697.72	2,271.58
<b>IV. Profit before tax</b>		<b>11,404.24</b>	<b>9,174.24</b>
<b>V. Tax expense</b>			
Current tax			
Pertaining to profit for current period		2,801.00	2,525.83
Additional of tax related to earlier periods		(7.34)	(27.25)
Deferred tax charge		158.31	140.79
<b>Total tax expense</b>		<b>2,951.97</b>	<b>2,639.37</b>
<b>VI. Profit for the year from continuing operations</b>		<b>8452.27</b>	<b>6,534.87</b>
<b>VII. Earnings per share [Nominal value of share ₹10 each (Previous Year ₹10 each)]</b>			
Basic and diluted	28	11.52	8.90
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Battiboi & Co. LLP**  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per **Manoj Gupta**  
Partner  
Membership No. 83906

Place of signature: New Delhi  
Date: May 13, 2013

For and on behalf of the Board of Directors of Hindustan Media Ventures Limited

**Shobhana Bhartia**  
Chairperson

**Tridib Kumar Barat**  
Company Secretary

**Benoy Roychowdhury**  
Whole Time Director

**Ajay Kumar Jain**  
Chief Financial Officer

**Rajiv Verma**  
Director

## Cash Flow Statement For the year ended 31 March, 2013

Particulars	(₹ in Lacs)	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>Cash flow from operating activities</b>		
<b>Net Profit before taxation</b>	<b>11,404.24</b>	9,174.24
Non-cash adjustment for reconciling profit before tax to net cash flows		
Depreciation/Amortization charge	2,170.11	1,941.57
Loss on disposal of fixed assets (net)	6.49	(0.58)
Unrealized foreign exchange (gain)/loss	1.83	19.31
Employee stock option scheme	-	32.03
Unclaimed balances/unspent liabilities written back (net)	(57.45)	(10.59)
Income from investments, bank deposits and others	(2,573.30)	(1,687.52)
Loss on Sale of Investments	2.35	-
Interest expense	480.00	278.05
Provision for diminution in long term investments (net)	134.51	799.00
Provision for doubtful debts and advances	496.09	432.25
<b>Operating profit before working capital changes</b>	<b>12,064.87</b>	10,977.76
Movements in working capital :		
(Increase)/Decrease in trade receivables	(603.61)	(506.91)
(Increase)/Decrease in inventories	(86.47)	(731.39)
(Increase)/Decrease in loans & advances and other current assets	79.00	1,498.15
Increase/ (Decrease) in trade payables, other liabilities and provisions	(541.39)	(1,592.59)
Cash generated from operations	10,912.40	9,645.02
Direct taxes paid (net of refunds)	(2,841.69)	(2,419.13)
<b>Net cash from/ (used in) operating activities (A)</b>	<b>8,070.71</b>	7,225.89
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(772.87)	(4,566.01)
Proceeds from sale of fixed assets	20.42	68.87
Purchase of investments	(23,007.80)	(19,470.89)
Sale / maturity of investments	16,352.23	16,307.08
Income from investments, bank deposits and others	1,660.87	1,750.24
Deposits made with banks	(2.37)	13.52
<b>Net cash from / (used in) investing activities (B)</b>	<b>(5,749.52)</b>	(5,897.19)
<b>Cash flows from financing activities</b>		
Dividend paid on equity shares	(880.35)	(733.19)
Tax on equity dividend paid	(142.88)	(119.06)
Interest paid	(498.64)	(271.17)
Short term borrowings taken (net)	(2,309.18)	579.50
<b>Net cash from/ (used in) financing activities</b>	<b>(3,831.05)</b>	(543.92)
<b>Net Increase in cash and cash equivalents (A + B + C)</b>	<b>(1,509.86)</b>	784.80
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,353.40</b>	3,568.60
<b>Cash and cash equivalents at the end of the year</b>	<b>2,843.54</b>	4,353.40

## Cash Flow Statement For the year ended 31 March, 2013 (Contd.)

Particulars	(₹ in Lacs)	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash and cheques on hand	2,620.92	3,388.26
With Scheduled banks - on current accounts	221.49	964.39
- on deposit account*	34.03	31.66
- on unpaid dividend account**	1.13	0.75
<b>Cash &amp; Bank balances</b>	<b>2,877.57</b>	<b>4,385.06</b>
Less : Deposits not considered as cash equivalent (Non- Current assets)	34.03	31.66
<b>Cash &amp; Cash equivalents in Cash Flow Statement</b>	<b>2,843.54</b>	<b>4,353.40</b>

\* Includes deposit receipts pledged with banks and held as margin money of ₹34.03 Lacs (Previous Year ₹31.66 Lacs)

\*\* The Company can utilize these balances only towards settlement of the respective unclaimed dividend

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 **S. R. Battiboi & Co. LLP**  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per **Manoj Gupta**  
Partner  
Membership No. 83906

Place of signature: New Delhi  
Date: May 13, 2013

For and on behalf of the Board of Directors of Hindustan Media Ventures Limited

**Shobhana Bhartia**  
Chairperson

**Tridib Kumar Barat**  
Company Secretary

**Benoy Roychowdhury**  
Whole Time Director

**Ajay Kumar Jain**  
Chief Financial Officer

**Rajiv Verma**  
Director

# Notes to Financial Statements for the year ended 31 March, 2013

## 1. Corporate Information

Hindustan Media Ventures Limited (“HMTL or the Company”) is a Public Limited Company registered in India & incorporated under the provision of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange (BSE) & National Stock Exchange (NSE).

The Company is a 76.94% subsidiary of HT Media Limited (“Holding Company”). The Company is engaged in the business of publishing ‘Hindustan’, a Hindi Daily, and two monthly Hindi magazines ‘Nandan and Kadambani’.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.1 Summary of Significant accounting policies

#### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and of the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b. Tangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Values of fixed assets acquired from the Parent Company in an earlier year are allocated based on fair valuation carried out by an independent expert.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

#### c. Depreciation

Leasehold Land is amortised on a straight-line basis over the primary period of lease which is between 65-90 years.

Leasehold Improvements are amortized over the useful life of upto 10 years or unexpired period of lease (whichever is lower) on a straight line basis.

In respect of fixed assets acquired from the holding company in an earlier year, depreciation is provided at rates as per the useful lives of the assets estimated by an independent valuer. These rates, as mentioned below, are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956.

	SLM Rates	Schedule XIV
Rates (SLM)		
Plant and Machinery	5% to 47.50%	4.75%
Buildings (Factory)	3.34% to 5.94%	3.34%
Furniture and Fittings	6.33% to 47.50%	6.33%
IT Equipments	16.21% to 47.50%	16.21%
Office Equipment	4.75% to 47.50%	4.75%
Vehicles	23.75%	9.50%

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

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

#### d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

A summary of amortization policies applied by the Company on its intangible assets is as below:

Intangible Assets	Useful life (in years)
Website Development	6
Software Licenses	5-6

Software licenses costing below ₹5,000 each are fully depreciated in the year of acquisition.

Intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method of the Intangible assets are reviewed at each financial year end for its expected useful life if there is a significant change in the expected useful life or the expected pattern of economic benefits, the amortization period/method is adjusted to reflect the change. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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.

### e. Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the

construction period, which is not related to the construction activity nor is incidental thereto is charged to the statement of Profit & Loss. Income earned during construction period is adjusted against the total of the indirect expenditure.

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

### f. Leases (Where the Company is the lessee)

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit & loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### g. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### h. Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the cash-generating unit's (CGU) net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements 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 temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### j. 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. Cost is determined on a weighted average basis.
Scrap and Waste papers	At net realizable value.

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

### k. Revenue recognition

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

#### *Advertisements*

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

#### *Sale of News & Publications, Waste Paper and Scrap*

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

#### *Printing Job Work*

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

#### *Interest/ Income from investments*

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Income on investments made in the units of mutual funds is recognized based on the yield earned and to the extent of its reasonable certainty.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### *Commission Income*

Commission income from sourcing of advertisement orders on behalf of other entities' publications is recognized on printing of the advertisement in those publications.

### *Dividend Income*

Dividend income is recognized when the Company's right to receive the dividend is established by the reporting date.

## **L. Foreign currency transactions**

### *Initial Recognition*

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

### *Conversion*

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

### *Exchange Differences:*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company 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 expenses in the year in which they arise.

### *Forward Exchange Contracts not intended for trading or speculation purposes*

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

## **m. Retirement and other employee benefits**

i. Retirement benefits in the form of Provident Fund and Pension Schemes are defined contribution schemes and the contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii. Gratuity is a defined benefit plan. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method and is contributed to Gratuity Fund created by the Company. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

iii. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **n. Provisions**

A provision is recognized 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 are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and are adjusted to reflect the current best estimates.

## **o. Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions, where the company operates. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income-taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and same taxation authority.

### p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the reporting period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the reporting period. The weighted average numbers of equity shares outstanding during the reporting period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the reporting period attributable to equity shareholders and the weighted average number of shares outstanding during the reporting period are adjusted for the effects of all dilutive potential equity shares.

### q. Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefit scheme. Compensation cost is amortized over the vesting period of the option on a straight line basis.

### r. Cash and Cash equivalents

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

### s. Expenses incurred on Initial Public Offer (IPO)

Expenses incurred in Initial Public Offer are adjusted against the securities premium account.

### t. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### u. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>3. SHARE CAPITAL</b>		
<b>Authorized Shares</b>		
87,000,000 equity shares of ₹10/- each (Previous Year 87,000,000 equity shares of ₹10/- each)	8,700.00	8,700.00
<b>Issued, Subscribed and fully paid-up shares</b>		
73,393,770 equity shares of ₹10/- each (Previous Year 73,393,770 equity shares of ₹10/- each)	7,339.38	7,339.38

### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount (₹ In Lacs)	No. of shares	Amount (₹ In Lacs)
Shares outstanding at the beginning of the year	73,393,770	7,339.38	73,393,770	7,339.38
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	73,393,770	7,339.38	73,393,770	7,339.38

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend proposed as distributions to equity shareholders was ₹1.20 (Previous Year ₹1.20).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of the equity shares issued by the Company, shares held by its holding company is as below:

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
HT Media Limited, the holding company		
56,472,485 (Previous Year 56,472,485) equity shares of ₹10 each fully paid	5,647.25	5,647.25

### (d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	31 March 2013 (No. of shares)	31 March 2012 (No. of shares)
Equity shares allotted as fully paid-up bonus by capitalization from securities premium account (In FY09-10, fully paid bonus shares, in the ratio of 6.4:1 by capitalizing sum of ₹4,940.86 Lacs from securities premium account).	49,408,614	49,408,614

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### (e) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2013		31 March 2012	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10 each fully paid up				
HT Media Limited, the holding company	56,472,485	76.94%	56,472,485	76.94%

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### (f) Shares reserved for issue under options

For details of share reserved for issue under Employees Stock Option Plan (ESOP) of the Company, refer note 38.

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>4. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>	238.00	238.00
<b>Capital Redemption Reserve</b>	0.50	0.50
<b>Securities Premium Account</b>		
Balance as per last financial statements	24,239.14	24,239.14
<b>General Reserve</b>		
Balance as per last financial statements	196.87	31.87
Add: amount transferred from surplus balance in the statement of profit and loss	212.00	165.00
<b>Closing Balance</b>	408.87	196.87
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	11,393.18	6,046.92
Profit for the year	8,452.27	6,534.87
Less: Appropriations:		
Proposed equity dividend (amount per share ₹1.20 (Previous Year ₹1.20))	880.73	880.73
Tax on proposed equity dividend	149.68	142.88
Transfer to general reserve	212.00	165.00
<b>Net surplus in the statement of profit &amp; loss</b>	18,603.24	11,393.18
<b>Total Reserves and Surplus</b>	43,489.55	36,067.69

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities		
Differences in depreciation in block of fixed assets as per tax books and financial books	1,336.22	1,170.88
Gross deferred tax liabilities	1,336.22	1,170.88
Deferred tax assets		
Share issue expenses allowed for tax purposes in future years u/s 35D of Income Tax Act	183.55	271.15
Effect of expenditure debited to Statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	197.24	171.10
Provision for doubtful debts and advances	298.53	230.04
<b>Gross deferred tax assets</b>	679.32	672.29
Deferred tax liabilities (net)	656.90	498.59

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>6. LONG TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for gratuity (Refer note 31)	-	246.46
<b>Total</b>	-	246.46

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>7. SHORT-TERM BORROWINGS</b>		
Secured		
Buyer's Credit from HDFC Bank	324.36	2,631.72
<b>Total</b>	324.36	2,631.72

Buyer's credit from HDFC is secured by way of first charge to the bank on all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise and all book debts, outstanding monies receivable, claims and bills both present and future which are now due and owing or which may at any time hereafter during the continuance of this security becomes due and owing to the borrower.

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>8. OTHER CURRENT LIABILITIES</b>		
Trade payable (Refer note 35 for details of dues to micro and small enterprises)#	5,991.75	6,514.96
Other liabilities		
Interest accrued but not due on borrowings and others	1.24	19.88
Payable to Holding company /companies under the same management#	557.84	287.03
Customers and agents balances	255.96	230.22
Advance from customers	512.91	576.61
Outstanding dues of other creditors	169.96	354.63
Unclaimed dividend*	1.13	0.75
Sundry deposits	2,134.77	2,045.85
Statutory dues	158.59	163.57
<b>Total</b>	9,784.15	10,193.50
#Included in Trade payables & Other liabilities : Due to Holding company	184.71	175.67
*Amount payable to Investor Education and Protection Fund	Nil	Nil

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>9. SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for Leave encashment	120.35	121.31
Provision for gratuity (refer note 31)	68.66	28.98
Others		
Proposed dividend on equity shares	880.73	880.73
Tax on proposed dividend	149.68	142.88
<b>Total</b>	1,219.42	1,173.90

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### 10. TANGIBLE ASSETS AND INTANGIBLE ASSETS

(All amounts in Lacs)

Particulars	Tangible Assets							Intangible Assets			Total As at 31 March 2013 (Intangible Assets)	
	Land Freehold	Land Leasehold	Buildings	Improvement to Leasehold Premises	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Website Development	Software Licenses		
<b>Cost or valuation</b>												
As at 1 April 2011	480.74	444.05	3,034.54	1,084.42	13,174.49	235.70	161.78	4.49	8.27	210.94	8.27	219.21
Additions	161.31	-	837.37	291.29	2,630.95	97.40	51.78	28.52	-	46.36	-	46.36
Disposals	-	-	-	-	101.21	0.09	-	0.12	-	-	-	-
As at 31 March 2012	642.05	444.05	3,871.91	1,375.71	15,704.23	333.01	213.56	32.89	8.27	257.30	8.27	265.57
As at 1 April 2012	642.05	444.05	3,871.91	1,375.71	15,704.23	333.01	213.56	32.89	8.27	257.30	8.27	265.57
Additions	-	5.61	460.52	74.74	731.38	37.10	50.65	-	-	39.46	-	39.46
Disposals	-	-	-	18.04	25.89	0.32	-	-	-	-	-	-
As at 31 March 2013	642.05	449.66	4,332.43	1,432.41	16,409.72	369.79	264.21	32.89	8.27	296.76	8.27	305.03
<b>Depreciation</b>												
As at 1 April 2011	-	10.14	215.70	138.70	1,788.38	55.10	103.56	3.69	1.12	50.63	1.12	51.75
Charge for the year	-	5.54	107.46	139.40	1,569.46	35.17	38.16	0.96	1.34	44.08	1.34	45.42
Disposals	-	-	-	-	33.06	0.07	-	-	-	-	-	-
As at 31 March 2012	-	15.68	323.16	278.10	3,324.78	90.20	141.72	4.65	2.46	94.71	2.46	97.17
<b>Depreciation</b>												
As at 1 April 2012	-	15.68	323.16	278.10	3,324.78	90.20	141.72	4.65	2.46	94.71	2.46	97.17
Charge for the year	-	5.55	130.44	156.39	1,732.28	51.11	40.08	2.93	1.34	49.99	1.34	51.33
Disposals	-	-	-	11.63	5.51	0.20	-	-	-	17.34	-	-
As at 31 March 2013	-	21.23	453.60	422.86	5,051.55	141.11	181.80	7.58	3.80	144.70	3.80	148.50
<b>Net Block</b>												
As at 31 March 2012	642.05	428.37	3,548.75	1,097.61	12,379.45	242.81	71.84	28.24	5.81	162.59	5.81	168.40
As at 31 March 2013	642.05	428.43	3,878.83	1,009.55	11,358.17	228.68	82.41	25.31	4.47	152.06	4.47	156.53

Notes:

Vehicle having a W.D.V of ₹0.15 Lacs (Previous Year ₹0.44 Lacs) is pending for registration in the name of the Company.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>11. NON CURRENT INVESTMENTS</b>		
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Bonds (Quoted)</b>		
National Highway Authority of India Limited Nil (Previous Year 0.25 Lacs) units of ₹1,000 each fully paid up	-	247.24
PFC Tax Free Bonds Nil (Previous Year 0.28 Lacs) units of ₹1,000 each fully paid up	-	284.78
<b>Units in Mutual funds (Quoted)</b>		
Templeton India IBA - Plan A - Growth 12.75 Lacs (Previous Year Nil ) Units of ₹10 each fully paid	500.00	-
HDFC Medium Term Opportunities Fund Growth 81.86 Lacs (Previous Year Nil ) Units of ₹10 each fully paid	1,000.00	-
Templeton India Income Opp Fund - Growth 78.62 Lacs (Previous Year Nil ) Units of ₹10 each fully paid	1,000.00	-
<b>Units in Fixed Maturity Plans (Quoted)</b>		
HDFC FMP 566D December 2012 (1) Growth 100.00 Lacs (Previous Year Nil) Units of ₹10 each	1,000.00	-
Reliance Fixed Horizon Fund XXII Series 33 ( 550 Days) 100.00 Lacs (Previous Year Nil) Units of ₹10 each	1,000.00	-
IDFC Fixed Term Plan Regular Plan Series 10 Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
L&T FMP - VII (February511D A) - Direct Plan Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
IDFC Fixed Term Plan Series 2 Growth* 150.00 Lacs (Previous Year Nil) Units of ₹10 each	1,500.00	-
Reliance Fixed Horizon Fund XXII Series 21 Growth* 100.00 Lacs (Previous Year Nil) Units of ₹10 each	1,000.00	-
Reliance Mutual Fund Fixed Horizon Fund XXII Sr 26 Growth 100.00 Lacs (Previous Year Nil) Units of ₹10 each	1,000.00	-
Birla Sun Life Fixed Term Plan - Series FW - Growth (1093 days)* 100.00 Lacs (Previous Year Nil) Units of ₹10 each	1,000.00	-
UTI Mutual Fund FTI Sr XII-VIII (1098D) Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
UTI Fixed Term Income Fund Series XII - X (1096 days) Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
IDFC Fixed Term Plan Series 4 Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
IDBI FMP - 385 Days Series - III (March 2013) -Direct Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
L&T FMP - VII (March 753DA) 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
<b>Total</b>	<b>12,500.00</b>	<b>532.02</b>
* These Investments are pledged in favour of Deutsche Bank for Overdraft Facility.		
1) Aggregate amount of quoted investments (Market Value ₹12,975.15 Lacs (Previous Year ₹543.02))	<b>12,500.00</b>	<b>532.02</b>
2) Aggregate amount of unquoted investments	-	-

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>12. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	82.90	69.67
Security Deposits	263.73	273.64
Advances recoverable in cash or kind or for value to be received		
Advance income tax (net of provision for tax ₹2,801.00 (Previous Year ₹2,525.83 Lacs))	88.96	40.93
	<b>435.59</b>	<b>384.24</b>

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>13. OTHER NON CURRENT ASSETS</b>		
Balance with Banks:		
- Margin money*	34.03	31.66
Income accrued on Investments and deposits	476.20	3.03
<b>Total</b>	<b>510.23</b>	<b>34.69</b>

\*Includes fixed deposit receipts pledged with banks and held as margin money of ₹34.03 Lacs (Previous Year ₹31.66 Lacs)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>14. CURRENT INVESTMENTS</b>		
<b>Current portion of Long-term investments (valued at cost)</b>		
<b>Investment in Bonds (Quoted)</b>		
National Highway Authority of India Limited 0.22 Lacs (Previous Year Nil) units of ₹1,000 each fully paid up	219.70	-
PFC Tax Free Bonds 0.18 Lacs (Previous Year Nil) units of ₹1,000 each fully paid up	184.78	-
<b>Investment in Equity Instruments (Quoted)</b>		
GTL Ltd Nil (Previous Year 1.14 Lacs) equity shares of ₹10 each fully paid up	-	494.48
GTL Infrastructure Ltd 10.98 Lacs (Previous Year 10.98 Lacs) shares of ₹10 each fully paid up	499.25	499.25
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Units in Mutual funds</b>		
<b>Quoted</b>		
Templeton India Short Term Income Institutional Plan - Growth 0.29 Lacs (Previous Year 0.29 Lacs) Units of ₹10 each	500.00	500.00
Birla Sun Life Dynamic Bond Fund - Growth 86.81 Lacs (Previous Year 149.17 Lacs) Units of ₹10 each	1,600.00	2,660.55
Templeton India Short Term Income Retail Plan - Growth 0.23 Lacs (Previous Year 0.71 Lacs) Units of ₹10 each	500.00	1,500.00
IDFC SSIF Short Term Plan B Growth* 93.49 Lacs (Previous Year 131.00 Lacs) Units of ₹10 each	1,143.06	1,600.00
ICICI Prudential Institutional Short Term Plan - Cumulative Option 22.46 Lacs (Previous Year 44.98 Lacs) Units of ₹10 each	500.00	1,000.00

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
HDFC Short Term Plan - Growth 24.27 Lacs (Previous Year 48.61 Lacs) Units of ₹10/- each fully paid	500.00	1,000.00
DWS Short Maturity Fund Institutional Growth* 39.14 Lacs (Previous Year 39.14 Lacs) Units of ₹10/- each fully paid	500.00	500.00
DSP BlackRock Short Term Fund - Growth 33.00 Lacs (Previous Year 88.31 Lacs) Units of ₹10/- each fully paid	600.00	1,600.00
HDFC Income Fund - Growth 18.64 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	500.00	-
IDFC SSIF - MTP - Plan A- Growth 102.79 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	2,000.00	-
UTI Short Term Income Fund - Growth Option 74.52 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	1,000.00	-
UTI Short Term Income Fund - Growth Direct Plan 36.36 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	500.00	-
UTI Dynamic Bond Fund - Growth Plan 39.56 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	500.00	-
DWS Premier Bond Fund - Regular Plan - Growth 25.98 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	500.00	-
DWS Money Plus Fund - Regular Plan - Bonus 20.74 Lacs (Previous Year Nil) Units of ₹10/- each fully paid	207.80	-
DSP BlackRock Strategic Bond Fund - IP - Growth - Direct Plan 0.37 Lacs (Previous Year Nil) Units of ₹1000/- each fully paid	500.00	-
<b>Units in Fixed Maturity Plans</b>		
DSP BlackRock FMP Series - 32 - 12M Nil (Previous Year 50.00 Lacs) Units of ₹10 each	-	500.00
Reliance Fixed Horizon fund - XIX - Series 10 - Growth Plan* Nil (Previous Year 60.00 Lacs) Units of ₹10/- each, fully paid	-	600.00
Religare FMP Series IX Plan B Growth Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
Axis FMP Series 15 Growth Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
HDFC FMP 13M September 2011* Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
Tata Fixed Maturity Plan Series 36 C* Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
Religare Fixed Maturity Plan - SERIES- IX - Plan D Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
Birla Sun Life Fixed Term Plan - Series DL* Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
Reliance FMP XX Series 13 - Growth Nil (Previous Year 107.83 Lacs) Units of ₹10 each	-	1,078.32
Tata Fixed Maturity Plan Series 37 A* Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
DWS Fixed Term Fund - Series 90 Nil (Previous Year 100.00 Lacs) Units of ₹10 each	-	1,000.00
DSP BlackRock FMP Series - 44 - 12M Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
HDFC FMP 370D March 2012 (2) Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
Birla Sun Life Fixed Term Plan - Series FJ Growth 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
ICICI Prudential FMP Series 64 Plan C Cumulative 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
HDFC FMP 370D May 2012 (1) Growth Series XXI 40.00 Lacs (Previous Year Nil) Units of ₹10 each	400.00	-
IDFC Fixed Maturity 366 days Series 72 Growth 40.00 Lacs (Previous Year Nil) Units of ₹10 each	400.00	-
Reliance Fixed Horizon Fund XXIII Series 4 50.00 Lacs (Previous Year Nil) Units of ₹10 each	500.00	-
<b>Total</b>	<b>15,754.59</b>	21,532.60
Provision for diminution in the value of investments	470.26	799.00
<b>Grand Total</b>	<b>15,284.33</b>	20,733.60
<b>Disclosure with respect to above</b>		
1) Aggregate amount of quoted investments	15,754.59	21,532.60
Market value ₹16,260.51 Lacs (Previous Year ₹21,128.55 Lacs)		
2) Aggregate amount of Unquoted investments	-	-
3) Aggregate amount of Provision for diminution in the value of long term investments	470.26	799.00

\* These Investments are pledged in favour of Deutsche Bank for Overdraft Facility.

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>15. INVENTORIES</b>		
<b>(valued at lower of cost and net realisable value)</b>		
Raw materials (includes stock in transit of ₹435.16 Lacs (Previous Year ₹734.78 Lacs))	2,562.49	2,556.34
Stores and spares	626.39	561.61
Work-in-progress	6.31	5.98
Scrap and waste papers	44.62	29.41
<b>Total</b>	<b>3,239.81</b>	3,153.34

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>16. TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	33.26	1.28
Unsecured, considered good	1,162.80	1,287.40
Unsecured, considered doubtful	860.21	689.75
	<b>2,056.27</b>	1,978.43
Provision for doubtful receivables	(860.21)	(689.75)
	<b>1,196.06</b>	1,288.68

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
Other receivables		
Secured, considered good	922.14	692.11
Unsecured, considered good	5,789.72	5,819.61
Unsecured, considered doubtful	-	1.18
	6,711.86	6,512.90
Provision for doubtful receivables	-	(1.18)
	6,711.86	6,511.72
<b>Total</b>	<b>7,907.92</b>	<b>7,800.40</b>

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>17. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Cash on hand	196.87	137.34
Cheques in hand	2,424.05	3,250.92
Balances with scheduled banks on:		
- Current accounts	221.49	964.39
	2,842.41	4,352.65
Other bank balances		
Balances with scheduled banks on unclaimed dividend*	1.13	0.75
	1.13	0.75
<b>Total</b>	<b>2,843.54</b>	<b>4,353.40</b>

\* The Company can utilize these balances only towards settlement of the respective unclaimed dividend.

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered goods unless otherwise stated		
Advances recoverable in cash or kind or for value to be received #		
- unsecured considered good	1,199.09	1,188.23
- unsecured considered doubtful	18.08	18.08
	1,217.17	1,206.31
Provision for doubtful advances	(18.08)	(18.08)
	1,199.09	1,188.23
Other loans and advances		
Material on loan	1.84	0.25
Service Tax Credit Receivable	-	15.71
<b>Total</b>	<b>1,200.93</b>	<b>1,204.19</b>
# Include amount due from HT Media Limited (towards the debtors collected on behalf of Hindustan Media Ventures Limited)	527.35	555.19

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>19. OTHER CURRENT ASSETS</b>		
Unamortised premium in foreign exchange derivative contracts	5.46	70.73
Income accrued on Investments and deposits	949.16	509.90
Others	30.81	31.37
<b>TOTAL</b>	<b>985.43</b>	<b>612.00</b>

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>20. REVENUE FROM OPERATIONS</b>		
Revenue from Operations		
Sale of services		
- Advertisement revenue	46,008.17	43,917.97
- Job work revenue and commission income	1,012.31	1,172.41
	47,020.48	45,090.38
Sale of products		
- Sale of news and publications	15,531.81	13,483.54
Other operating revenues		
- Sale of scrap, waste papers and old publication	1,051.98	938.20
- Others	23.02	152.10
	1,075.00	1,090.30
Revenue from Operations (Net)	63,627.29	59,664.22

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>21. OTHER INCOME</b>		
Interest Income on		
- Bank deposits	3.08	3.40
- Others	1.18	8.30
Income from investments	2,569.04	1,675.82
Unclaimed balances/unspent liabilities written back (net)	57.45	10.59
Net gain on sale of asset	-	0.58
Rental income	185.68	188.43
Miscellaneous income	30.01	25.39
<b>Total</b>	<b>2,846.44</b>	<b>1,912.51</b>

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>22. COST OF MATERIALS CONSUMED</b>		
Consumption of raw material		
Inventory at the beginning of the year	2,556.34	1,960.66
Add: Purchases during the year	26,703.44	26,463.52
Less: Sale of damaged newsprint	219.48	202.51
	29,040.30	28,221.67
Less: Inventory at the end of the year	2,562.49	2,556.34
Cost of raw material consumed	26,477.81	25,665.33

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### Details of inventory

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Raw materials</b>		
Newsprint	2,330.38	2,391.47
Ink	232.11	164.87
	<b>2,562.49</b>	<b>2,556.34</b>

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>23. (INCREASE) / DECREASE IN INVENTORIES</b>		
Inventory at the beginning of the year		
- Work-in-progress	5.98	5.09
- Scrap and waste papers	29.41	42.94
	<b>35.39</b>	<b>48.03</b>
Inventory at the end of the year		
- Work-in-progress	6.31	5.98
- Scrap and waste papers	44.62	29.41
	<b>50.93</b>	<b>35.39</b>
	<b>(15.54)</b>	<b>12.64</b>

### Details of inventory

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Work-in-progress</b>		
Newsprint	6.31	5.98
<b>Scrap and waste papers</b>		
Newsprint	44.62	29.41

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>24. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	7,316.72	6,585.85
Contribution to provident and other funds	352.06	335.23
Gratuity expense (Refer Note 31)	68.66	110.31
Workmen and staff welfare expenses	297.56	271.81
Employee stock option scheme	-	32.03
<b>Total</b>	<b>8,035.00</b>	<b>7,335.23</b>

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	2,086.79	1,782.97
Printing and service charges	3,703.80	3,846.07
News services and despatches	1,267.99	1,153.84
Power and fuel	1,073.41	1,051.37
Advertising and sales promotion	3,211.25	2,524.47
Freight and forwarding charges (net)	959.51	848.62
Rent	802.94	721.42
Rates and taxes	17.77	11.31
Insurance	122.60	128.71
Repairs and maintenance		
- Plant and machinery	344.50	339.41
- Building	52.00	50.55
- Others	5.23	4.71
Travelling and conveyance	608.35	633.86
Communication costs	413.59	372.78
Legal and professional fees	899.68	792.27
Payment to auditor (refer details below)	49.40	48.20
Directors' sitting fees	3.52	3.20
Foreign exchange difference (net)	15.24	199.25
Provision for doubtful debts & advances	496.09	432.25
Loss on disposal of fixed assets (net)	6.49	-
Provision for diminution in long term investments	134.51	799.00
Loss on Sale of Investments	2.35	-
Donations	8.40	-
Miscellaneous expenses	1,589.09	1,373.45
	<b>17,874.50</b>	<b>17,117.71</b>
<b>Payment to Auditor:</b>		
<b>a) As Auditor:</b>		
- Audit fee	16.00	16.00
- Limited Review	18.00	18.00
- Tax audit fee	4.00	4.00
<b>b) In Other Capacity:</b>		
- Other services (Certification fees)	2.50	-
Out of pocket expenses	3.47	5.70
Service tax on above	5.43	4.50
	<b>49.40</b>	<b>48.20</b>

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>26 . DEPRECIATION &amp; AMORTISATION</b>		
Depreciation on tangible assets	2,118.78	1,896.15
Amortization of Intangible assets	51.33	45.42
<b>Total</b>	<b>2,170.11</b>	<b>1,941.57</b>

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>27. FINANCE COST</b>		
Interest		
- to banks and others	340.21	193.56
Bank charges	47.61	51.96
Net loss on foreign currency borrowing to the extent considered as an adjustment to interest cost	139.79	84.49
<b>Total</b>	<b>527.61</b>	<b>330.01</b>

### 28. EARNINGS PER SHARE

The following reflects the profit and share data used in the basic and diluted EPS computations:

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
Computation of basic earnings per share		
Total operations for the year.		
Profit/loss after tax	8,452.27	6,534.87
Weighted average number of equity shares in calculating basic EPS (in Lacs)	733.94	733.94
Basic earnings per share in Rupees of face value of ₹10	11.52	8.90
Computation of diluted earning per share		
Profit after tax	8,452.27	6,534.87
Weighted average number of equity shares in calculating diluted EPS (in Lacs)	733.94	733.94
Diluted earnings per share in Rupees of face value of ₹10	11.52	8.90

29. a) The Company had filed a Prospectus with Registrar of Companies, Bihar and Jharkhand on July 12, 2010, for an Initial Public Offering (IPO) of 16,265,060 shares aggregating to ₹26,999.99 Lacs. The issue opened for subscription on July 5, 2010 and closed on July 7, 2010. Pursuant to this IPO, 16,265,060 equity shares of ₹10 each were allotted for cash at a premium of ₹ 156 per share. With effect from July 21, 2010 the shares were listed on National Stock Exchange and Bombay Stock Exchange.

#### b) Utilization of IPO funds:

(₹ in Lacs)

Proceeds	Amount
Gross Proceeds of the Issue	26,999.99
Less: Issue expenses	(1,596.82)
Net proceeds of the issue	25,403.17

(₹ in Lacs)

Objectives	Amount to be utilized as per prospectus	Amount utilized till 31 March 2013	Balance unutilized as on 31 March 2013	Amount utilized till 31 March 2012	Balance unutilized as on 31 March 2012
Setting up new publishing units	6,600.00	4,271.35	2,328.65	3896.29	2703.71
Upgrading existing plant and machinery	5,500.00	5,500.00	-	5426.22	73.78
Prepayment of loans	13,500.00	13,500.00	-	13,500.00	-
<b>Total</b>	<b>25,600.00</b>	<b>23,271.35</b>	<b>2,328.65</b>	<b>22,822.51</b>	<b>2,777.49</b>

As on March 31, 2013, against the balance of IPO funds of ₹2,328.65 Lacs to be utilized as per Prospectus, the actual amount of unutilized IPO funds were ₹2,131.82 Lacs (Previous Year ₹2,580.67 Lacs). The difference being a shortfall of ₹ 196.83 Lacs between proceeds of the issue and requirement of funds to be utilized for the objects of the IPO Issue, will be met through internal accruals.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Unutilized IPO funds of ₹2,131.82 Lacs as on 31 March, 2013 (Previous Year ₹2,580.67 Lacs), were temporarily invested in debt-based mutual funds, pending their use for the objects of the issue.

- c) Expenses aggregating to ₹1,596.82 Lacs incurred by the Company in relation to said IPO activity (Share issue expenses) were accounted for as "Miscellaneous Expenditure" (to the extent not written off or adjusted)". These expenses (net of deferred taxes of ₹448.45 Lacs) have been written-off in an earlier year against the securities premium received from the Initial Public Offer of the equity shares of the Company.

### 30. SEGMENT INFORMATION

The Company is engaged in the business of 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 business segment. The said treatment is in accordance with the guiding principles enunciated in 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 and hence, it has been considered as to be operating in a single geographical segment.

### 31. GRATUITY (POST EMPLOYMENT BENEFIT PLAN)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. For employees other than those transferred to the Company on account of the business purchase, the scheme is funded with LIC in the form of a Group Gratuity policy, to which contributions is made based on actuarial valuation done by independent valuer. For the employees transferred to the Company on account of business purchase, the company has formed a Gratuity Trust to which the contributions are made based on actuarial valuation done by independent valuer.

The following table summarizes the components of net benefit expenses recognized in the statement of Profit and Loss and the Funded status and amount recognized in the Balance Sheet for respective plans:

Amount recognized in the statement of Profit and Loss

Net employee benefit expense (recognised in Employee Cost)

(₹ in Lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Current service cost	67.90	64.18
Interest cost on benefit obligation	47.59	40.40
Expected return on plan assets	(24.17)	(23.06)
Net actuarial (gain) / loss recognized in the year	(22.66)	28.79
Net Benefit Expense	68.66	110.31
Actual return on planned assets	(22.69)	(21.93)

#### Amount recognized in Balance Sheet

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
Present value of defined benefit obligations	593.29	559.84
Fair value of plan assets	524.63	284.40
Total Surplus/ (Deficit)	(68.66)	(275.44)
Net (liability)/Asset recognized in Balance Sheet	(68.66)	(275.44)
Recognized Under;		
Long Term Provisions	-	246.46
Short Term Provisions	68.66	28.98

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Present value of obligation as at the beginning of the year	559.84	475.24
Current Service cost	67.90	64.18
Interest cost	47.59	40.40
Actuarial loss/(gains) on obligation	(24.14)	27.66
Benefits paid*	(57.90)	(47.64)
Present value of obligation as at the end of the year	593.29	559.84

\* Includes Nil (Previous Year ₹9.15 Lacs) payment made from own sources and not from planned assets.

Changes in the fair value of plan assets are as follows:

	(₹ In Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Fair value of plan assets as at beginning	284.40	288.22
Expected return plan assets	24.17	23.06
Contributions by employer	275.44	12.75
Benefits paid	(57.90)	(38.49)
Actuarial gain/(losses) on plan assets	1.48	(1.14)
Fair value of plan assets as at the end of the year	524.63	284.40

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Fund managed by insurer/trusts	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Discount rate	8.50%	8.50%
Expected rate of return on plan assets	8.50%	8%
Future Salary Increase	5%	5%
Employee turnover		
upto 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors on long term basis.

The disclosure of the amount required by paragraph 120 (n) of AS-15 for financial year 2007-08 is not given as the Company has adopted the standard with effect from financial year 2008-09.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Amounts for current and previous year are as follows:

	(₹ in Lacs)				
	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2009
Defined Benefit Obligation	593.29	559.84	475.24	371.38	142.17
Plan Assets	524.63	284.40	288.22	294.88	42.98
Surplus/(Deficit)	(68.66)	(275.44)	(187.02)	(76.50)	(99.19)
Experience Adjustment on Plan Liabilities-Gain/(Loss)	24.14	(9.69)	(46.07)	(219.40)	3.15
Experience Adjustment on Plan Assets-Gain/(Loss)	(0.06)	(6.89)	(7.19)	6.31	0.33

The Company expects to contribute ₹106.15 Lacs to gratuity fund in the year 2013-14 (Previous Year ₹91.50 Lacs).

	(₹ in Lacs)	
Defined Contribution Plan:	For the year ended 31 March 2013	For the year ended 31 March 2012
Contribution to Provident and other fund		
Charged to statement of Profit and Loss	352.06	335.23

### 32. NAMES OF RELATED PARTIES

Name of related parties where control exists whether transactions have occurred or not.	HT Media Limited (Holding Company) The Hindustan Times Limited (Ultimate Holding Company)
Fellow Subsidiaries (whether transactions with them have occurred or not)	HT Music and Entertainment Company Limited Firefly e-Ventures Limited HT Digital Media Holdings Limited HT Burda Media Limited HT Mobile Solutions Limited HT Interactive Media Properties Limited Go4i.com (Mauritius) Limited Go4i.com (India) Private Limited HT Films Limited White Tide Amusement Limited HT Education Limited HT Learning Centers Limited HT Overseas Pte. Limited HT Global Education Ed World Private Limited, <i>formerly Peacock Education Services Private Ltd.</i> Ivy Talent India Private Limited (w.e.f. Nov 9, 2012)
Companies where common control exists by the ultimate parent company and the holding company. (whether transactions with them have occurred or not)	Paxton Trexim Private Limited India Education Services Private Limited MyParichay Services Private Limited Duke Commerce Limited
Key Management Personnel	Benoy Roychowdhury (Whole time Director)

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

(₹ in Lacs)

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary						Key Managerial Personnel (KMP)			Total			
	The Hindustan Times Ltd.		HT Media Ltd.		HT Music and Entertainment Company Ltd.		Firefly e-Ventures Ltd.		HT Burda Media Ltd.		HT Mobile Solutions Ltd.		HT Learning Centers Limited		Benoy Roychowdhury		
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13		2011-12	2012-13	2011-12
<b>Revenue Transactions</b>																	
Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stores Material	-	-	1.35	0.11	-	-	-	-	-	-	-	-	-	-	-	1.35	0.11
- Waste Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stores Material	-	-	4.25	5.18	-	-	-	-	-	-	-	-	-	-	-	4.25	5.18
- Waste Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Job Revenue	-	-	644.72	671.46	-	-	-	-	-	-	-	-	-	-	-	644.72	671.46
Share of Advertisement revenue paid	-	-	-	-	-	-	127.16	-	-	-	0.11	0.22	-	-	-	127.28	0.22
Share of Advertisement revenue received	-	-	1.49	-	-	-	-	-	-	-	-	-	-	-	-	1.49	-
Printing & Service Charges paid	-	-	1550.48	1,622.69	-	-	-	-	233.33	173.07	-	-	-	-	-	1783.81	1795.76
Royalty Paid	-	-	1.17	1.15	-	-	-	-	-	-	-	-	-	-	-	1.17	1.15
Advertisement Revenue	-	-	230.17	66.93	-	-	89.35	207.01	0.07	0.18	2.31	0.17	1.75	2.16	-	323.65	276.45
Collection on behalf of the company by parties	0.04	-	6829.02	7869.03	-	-	-	-	-	-	-	-	-	-	-	6829.06	7869.03
Collection on behalf of the parties by company	-	-	1637.12	2945.19	-	-	-	-	-	-	-	-	-	-	-	1637.12	2945.19
Remuneration paid to Key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132.48	132.45	132.45
Advertising and Sales Promotion Expenses paid	-	-	48.18	73.64	-	5.52	0.84	-	-	-	7.77	4.22	-	-	-	56.79	83.38
Reimbursement of expenses incurred on behalf of the company by parties	-	-	-	23.29	-	-	-	-	-	-	-	-	-	-	-	-	23.29

Details of transactions entered with related parties during the year

## Notes to Financial Statements

 for the year ended 31 March, 2013 (Contd.)

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary										Key Managerial Personnel (KMP)		Total		
	The Hindustan Times Ltd.		HT Media Ltd.		HT Music and Entertainment Company Ltd		Firefly e-Ventures Ltd		HT Burda Media Ltd		HT Mobile Solutions Ltd		HT Learning Centers Limited		Benoy Roychowdhury				
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12		2012-13	
Seat Sharing Expenses Paid	-	-	361.35	334.87	-	-	-	-	-	-	-	-	-	-	-	-	361.35	334.87	
Seat Sharing Income Received	-	-	208.68	207.84	-	-	-	-	-	-	-	-	-	-	-	-	208.68	207.84	
Purchase of publication for Circulation	-	-	650.80	584.64	-	-	-	-	-	-	-	-	-	-	-	-	650.80	584.64	
Sale of own publication to parties for Circulation	-	-	2318.46	2173.15	-	-	-	-	-	-	-	-	-	-	-	-	2318.46	2173.15	
Commission Paid for sourcing of Advertisement	-	-	142.69	141.60	-	-	-	-	-	-	-	-	-	-	-	-	142.69	141.60	
Commission Received for Sourcing of Advertisement	-	-	25.86	21.59	-	-	-	-	-	-	-	-	-	-	-	-	25.86	21.59	
Dividend Paid	-	-	677.67	564.72	-	-	-	-	-	-	-	-	-	-	-	-	677.67	564.72	
<b>CAPITAL</b>																			
<b>TRANSACTIONS</b>																			
Material Received on Loan	-	-	-	58.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58.52
Material Received on Loan returned	-	-	-	1806.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1806.82
Purchase/ (Sale) of Fixed Assets by Company (Net)	-	-	(19.21)	(63.48)	-	-	-	-	-	-	-	-	-	-	-	-	(19.21)	(63.48)	
Refund of Security Deposits given by the Company	-	-	-	1800.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1800.00
<b>Balance outstanding at year ended on 31-03-12</b>																			
Receivable as Advances / Trade Receivables	0.04	-	770.93	762.64	-	-	151.36	2.71	1.44	1.37	6.83	4.57	-	-	7.15	-	930.60	778.44	
Payable as Trade creditors & other liabilities	-	-	184.71	175.67	-	-	138.63	-	230.49	108.78	4.01	2.58	-	-	-	-	557.84	287.03	

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### 33. LEASES

Rental expenses in respect of operating leases are recognized as an expense in the statement of Profit and Loss, 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 cancellable leases and are renewable by mutual consent on mutually agreed terms with or without rental escalations.
- b) Lease payments recognized for the year are ₹802.94 Lacs (Previous Year ₹721.42 Lacs) and are disclosed as Rent under Note 25.
- c) The future minimum lease payments under non-cancellable operating leases
  - Not later than one year is ₹6.73 Lacs (Previous Year ₹14.78 Lacs);
  - Later than one year but not later than five years is ₹5.50 Lacs (Previous Year ₹71.56 Lacs);
  - Later than five years is ₹91.77 Lacs (Previous Year ₹89.41 Lacs).

### 34. CONTINGENT LIABILITY AND OTHER COMMITMENT

#### a) Claims against company not acknowledged as debts

(₹ in Lacs)

Particulars	As at 31 March 2013	As at 31 March 2012
a) The Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of ₹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 ₹12.50 Lacs to ESIC. The Hon'ble High Court had initially stayed the matter and on 18th July 2012 disposed of the Petition with the Order of "No Coercive Step shall be taken against HMVL" with direction to move for ESI Court. Matter is still pending in Lower Court. There is no further progress in the matter during the year.	73.37	73.37
b) The Company has filed a petition before the Hon'ble Patna High Court against the demand of ₹10.07 Lacs (including interest) for short payment of ESI dues pertaining to the years from 2001 to 2005. The Hon'ble High Court had initially stayed the matter and on 18th July 2012 disposed of the Petition with the Order of "No Coercive Step shall be taken against HMVL" with direction to move for ESI Court. Matter is still pending in Lower Court. There is no further progress in the matter during the year.	10.07	10.07

Based on management assessment and current status of the above matter, the management is confident that no provision is required in the financial statements as on 31 March, 2013

#### (b) Capital Commitment

(₹ in Lacs)

	As at 31 March 2013	As at 31 March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	94.70	281.82

35. Based on the information available with the Company, following are the disclosures required under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

		(₹ In Lacs)	
S No	Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	2012-13	2011-12
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	21.91	18.17
	Interest Due	0.01	0.78
II	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
	Payment made beyond the Appointed Date	Nil	Nil
	Interest Paid beyond the Appointed Date	Nil	Nil
III	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
IV	The amount of interest accrued and remaining unpaid at the end of the period; and	0.01	0.78
V	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

### 36. HEDGED AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Particulars of hedged credit borrowing/import vendors at applicable exchange rates in respect of forward contracts outstanding as at Balance Sheet date:

Currency	Exchange rates (₹)	Amount in Foreign Currency (in Lacs)	Amount in Indian Rupees (in Lacs)	Exchange rates	Amount in Foreign Currency (in Lacs)	Amount in Indian Rupees (in Lacs)	Purpose
USD	54.82-58.73	6.67	381.75	48.42-55.31	59.39	3,021.76	To hedge buyers credit/ Trade Creditors

(b) Particulars of Un-hedged Foreign Currency exposure as at reporting date

Particulars	Currency	As at 31 March 2013			As at 31 March 2012		
		Amount in respective currency (in Lacs)	Exchange Rate (in ₹)	Amount (₹ in Lacs)	Amount in respective currency (₹ in Lacs)	Exchange Rate (in ₹)	Amount (in ₹ Lacs)
Trade Payables	USD	2.61	54.29	141.89	26.82	50.88	1364.61
Buyer's Credit	USD	0.66	54.29	36.08	-	-	-

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### 37.1 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

	(₹ In Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Travelling	-	8.44
Professional Fees	9.13	16.68
Interest	78.31	39.34
Others	45.30	22.07
<b>Total</b>	<b>132.74</b>	<b>86.53</b>

### 37.2 EARNING IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

	(₹ In Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Sale of newspapers and periodicals at FOB Value	-	0.20
Advertisement and related services	0.77	-
<b>Total</b>	<b>0.77</b>	<b>0.20</b>

### 37.3 VALUE OF IMPORTS ON CIF BASIS

	(₹ In Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw Materials	535.73	4,617.41
Capital Goods / Services	9.88	16.96
<b>Total</b>	<b>545.61</b>	<b>4,634.37</b>

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

Unit	Percentage of total consumption		Value (₹ In Lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2012
i) Raw materials				
- Imported	2.45	5.68	649.41	1,458.63
- Indigenously obtained	97.55	94.32	25,828.40	24,206.70
	<b>100</b>	<b>100</b>	<b>26,477.81</b>	<b>25,665.33</b>
ii) Stores and Spares				
- Imported	-	-	-	-
- Indigenously obtained	100	100	2,086.79	1,782.97
<b>Total</b>	<b>100</b>	<b>100</b>	<b>2,086.79</b>	<b>1,782.97</b>

### 38. SHARE BASED COMPENSATION

#### Disclosures in accordance with the Guidance Note on Accounting for Employee Share-based Payments

The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for 'Employees Share-based Payments', which is applicable to employee share based payment plans. The scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Ultimate Parent Company, Parent Company and the Group Company. To have an understanding of the scheme, relevant disclosures are given below.

- I. The Hindustan Times Limited (the ultimate Parent Company) and HT Media Limited (the Parent Company) has given loan to "HT Group Companies - Employee Stock Option Trust" which in turn has purchased Equity Shares of ₹10/- each of the Company for the purpose of granting Options under the 'HT Group Companies -Employee Stock Option Rules' ("HT ESOP"), to eligible employees of the group.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### A. Details of Options granted as on 31 March, 2013 are given below:

Type of arrangement	Date of grant	Options granted (nos.)	Fair value on the grant date	Vesting conditions	Weighted average remaining contractual life in years
Employee Stock Options	15 September 2007	193,782	16.07	1/4 of the shares vest each year over a period of four years starting from one year after the date of grant	8.47
Employee Stock Options	20 May 2009	11,936	14.39	1/4 of the shares vest each year over a period of four years starting from one year after the date of grant	10.15
Employee Stock Options	4 February 2010	150,729	87.01	50% on the date of grant and 25% vest each year over a period of 2 years starting from the date of grant	8.47
Employee Stock Options	8 March 2010	17,510	56.38	1/4 of the shares vest each year over a period of four years starting from one year after the date of grant	10.95
Employee Stock Options	1 April 2010	4,545	53.87	1/4 of the shares vest each year over a period of four years starting from one year after the date of grant	11

Weighted average fair value of the options outstanding is ₹46.89 per option.

### B. Summary of activity under the plans is given below.

#### Employee Stock Options

Particulars	2012-2013			2011-2012		
	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years
Outstanding at the beginning of the year	338,763	21.91	9.65	364,110	22.07	10.65
Granted during the year	-	-	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	5,367	34.73	-
Exercised during the year	31,937	20.86	-	19,980	21.39	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	306,826	22.02	9.33	338,763	21.91	9.65

As no stock options have been granted during the current year and previous year, the disclosure regarding estimated fair value are not provided.

### C. Employee Stock Options

A stock option gives an employee, the right to purchase equity shares of the Company at a fixed price within a specific period of time. The details of exercise price for stock options outstanding at the end of the year are as under:

Year	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
2012-2013	₹1.35 to ₹60	306,826	9.33	22.02
2011-2012	₹1.35 to ₹60	338,763	9.65	21.91

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

Options granted are exercisable for a maximum period of 14 years after the scheduled vesting date as per the Scheme.

The Company has accounted for the charge under Intrinsic Value method relating to options granted to its employees under this scheme. Same is included in Employee benefit expenses.

Difference between employee compensation cost (calculated using the fair value of stock options) and the employee compensation cost (calculated on the intrinsic value of the options) is ₹0.88 Lacs (Previous Year ₹9.54 Lacs).

- II. The Group company, Firefly e-Ventures Limited has given Employee Stock Options (ESOPs) to employees of Hindustan Media Ventures Limited (HML).

### A. Details of these plans are given below:

#### Employee Stock Options

A stock option gives an employee, the right to purchase equity shares of Firefly e-Ventures Limited at a fixed price within a specific period of time. The grant price (or strike price) for options granted during the financial year 2009-10 shall be ₹10 each per option.

### B. Details of stock options existing during the year ended 31 March 2013 are as given below:

Type of arrangement	Date of grant	Options granted (nos.)	Fair value on the grant date (₹)	Vesting conditions	Weighted average remaining contractual life in years
Employee Stock Options	16th October 2009	224,700	4.82	Starts from the date of listing of the Firefly e-Ventures Limited as per the following vesting schedule 25% 12 months from the date of grant 25% 24 months from the date of grant 25% 36 months from the date of grant 25% 48 months from the date of grant	9.53

### C. Summary of activity under the plan for the year ended 31 March 2013 and 31 March 2012 are given below.

#### Employee Stock Options

Employee Stock Options	2012 - 2013			2011 - 2012		
	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years
Outstanding at the beginning of the year	224,700	10	10.53	224,700	10	11.53
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	224,700	10	9.53	224,700	10	10.53

Weighted average fair value of the options outstanding is ₹4.82 per option. Since no options have been exercised during the period, thus weighted average share price has not been disclosed.

Difference between employee compensation cost (calculated using the fair value of stock options) and the employee compensation cost (calculated on the intrinsic value of the options) is ₹0.69 Lacs (Previous Year ₹4.11 Lacs). However, these have not been charged back to the Company by the Group company, hence not accounted for by the Company.

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

- III. Pursuant to purchase of Hindi Business, certain employees of HT Media Limited (the parent company) have become employees of the Company on continued service basis under HT ESOS – Plan A (Plan A), HT ESOS – Plan B (Plan B) and HT ESOS – Plan C (Plan C). These employees continue to hold the Employee Stock Options (ESOPs) of parent company which were granted to them during their employment with the parent company.

### A. Details of these plans are given below:

#### Employee Stock Options

A stock option gives an employee, the right to purchase equity shares of HT Media Limited at a fixed price within a specific period of time.

The details of exercise price for stock options outstanding at the end of the year ended 31 March, 2013 are as below:

Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
<b>Plan A</b>			
₹92.30 to ₹170.80	91,280	6.85	97.44
<b>Plan C</b>			
₹117.55	83,838	8.53	117.55

Options granted are exercisable for a period of 10 years after the scheduled vesting date of the last tranche of the Options as per the Scheme.

### B. Details of Options existing during the year ended 31 March, 2013 are as given below:

Type of arrangement	Date of grant	Options granted (nos.)	Fair value on the grant date	Vesting conditions	Weighted average remaining contractual life in years
Employee Stock Options – Plan A	9 January 2006	91,280	50.05	<sup>1</sup> / <sub>4</sub> of the shares vest each year over a period of four years starting from one year after the date of grant	6.85
Employee Stock Options – Plan C	8 October 2009	83,838	68.90	50% on the date of grant and 25% vest each year over a period of 2 years starting from the date of grant	8.53

### C. Summary of activity under the plans is as given below:

#### Employee Stock Options

##### Plan A

	March – 2013			March – 2012		
	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years
Outstanding at the beginning of the year	91,280	92.3	7.85	91,280	92.3	8.85
Granted during the year	-	-	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	91,280	92.3	6.85	91,280	92.3	7.85

## Notes to Financial Statements for the year ended 31 March, 2013 (Contd.)

### Plan C

	March - 2013			March - 2012		
	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years	Number of options	Weighted-average exercise price (₹)	Weighted-average remaining contractual life in years
Outstanding at the beginning of the year	83,838	117.55	9.53	83,838	117.55	10.53
Granted during the year	-	-	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	83,838	117.55	8.53	83,838	117.55	9.53

Weighted average fair value of the options outstanding is:

- Plan A – ₹53.03
- Plan C – ₹68.90

Difference between employee compensation cost (calculated using the fair value of stock options) and the employee compensation cost (calculated on the intrinsic value of the options) is ₹4.58 Lacs (credit) which will result into profit of ₹4.58 Lacs (Previous Year loss of ₹3.77 Lacs).

Had the fair value method been used to account for these costs by the Company for various options granted to its employees under all the above schemes, the profit would have been higher by ₹3.01 Lacs (Previous Year lower by - ₹17.51 Lacs) and adjusted and diluted EPS would have been ₹11.52 (Previous Year- ₹8.80)

### 39. Expenditure during construction period netted off from respective heads in statement of profit and loss and capitalized in additions

Particulars	(₹ In Lacs)	
	2012-13	2011-12
Balance brought forward	-	-
Add: Incurred during the year	-	-
Consumption of Raw Materials (Trial Run Expenses)	2.44	24.30
Travelling & Conveyance	2.78	6.96
Less: Allocated to fixed assets during the year	5.22	31.26
Balance Carried Forward	-	-

### 40. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with those of current year's classification.

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per **Manoj Gupta**  
Partner  
Membership No. 83906

Place of signature: New Delhi  
Date: May 13, 2013

For and on behalf of the Board of Directors of Hindustan Media Ventures Limited

**Shobhana Bhartia**  
Chairperson

**Tridib Kumar Barat**  
Company Secretary

**Benoy Roychowdhury**  
Whole Time Director

**Ajay Kumar Jain**  
Chief Financial Officer

**Rajiv Verma**  
Director



# हिन्दुस्तान

उत्तर प्रदेश

संविधान के अंतर्गत  
सेवा के लिए सेवानिवृत्त  
जानकारी के लिए  
सर्वेक्षण करें



शुक्रवार, 4 जून 2013, नई दिल्ली, कागज प्रति, 16 पृष्ठ

सं. 16, अंक 79, 16 से. 4 से. 1000, मूल्य 3.00 रुपये, डिजिटल प्रकाशन के लिए मूल्य 6.00 रुपये

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+277.81  
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सूचकांक  
15,500

## तरक्की को चाहिए नया नजरिया

दे टूक

जल्दी रहे टे जंग

देश के विकास को बढ़ावा देने  
के लिए सरकार को नए  
उपाय अपनाने की जरूरत है

# पढ़ोगे तभी तो आगे बढ़ोगे

# हिन्दुस्तान

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