

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31 of Equity Listing Agreement)

Name of the Company	HT Media Limited
Annual financial statements for the year ended	31 st March 2013
Type of Audit observation	Un-qualified Auditors' Report
Frequency of observation	There is no observation in Auditors' Report issued pursuant to section 227 of the Companies Act, 1956 on the Standalone Financial Statements of the Company.

For S.R. Batliboi & CO. LLP

ICAI Firm Registration Number: 301003E

Chartered Accountants



per Manoj Gupta

Partner

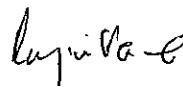
Membership No.: 83906

Place of Signature: New Delhi

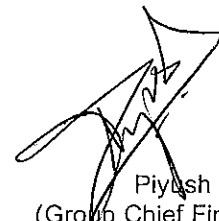
Date : 20 JUL 2013



Ajay Relan
(Chairman, Audit Committee)



Rajiv Verma
(Chief Executive Officer)



Piyush Gupta
(Group Chief Financial Officer)

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges (Pursuant to Clause 31 of Equity Listing Agreement)

Name of the Company	HT Media Limited
Annual Financial Statements for the year ended	31 st March 2013
Type of Audit observation	Auditors have expressed true and fair view on Consolidated Financial Statements in conformity with the accounting principles generally accepted in India except for the deferred tax assets creation by few subsidiaries amounting to Rs.3,880.35 lacs as at March 31, 2013
Frequency of observation	The Auditor's Report on consolidated financial statements has been qualified in respect of deferred tax assets recognized by various subsidiaries since 2006-07.
Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>The qualification is detailed in note 35 to Consolidated Financial Statements which reads as:</p> <p>"Subsidiary companies namely Firefly e-Ventures Limited, HT Mobile Solutions Limited , HT Music and Entertainment Limited, HT Burda Media Limited and HT Learning Centers Limited has accounted for deferred tax assets as at March 31, 2013 amounting to Rs. 626.86 lacs (Previous Year Rs.5,795.72 lacs) Rs.257.64 lacs (Previous year Rs.192.66 lacs), Rs.19.64 lacs (Previous year Rs.8.20 lacs) and Rs.2,376.38 lacs (Previous year Rs.1,653.93 lacs) and Rs.599.83 lacs (Previous year Rs.422.88 lacs) respectively".</p> <p>Management Response to the Qualification:</p> <p>The amount of deferred tax assets as recognized by all these subsidiaries as at March 31, 2013 is Rs. 3,880.35 lacs (Previous year Rs 8,073.39 lacs) out of which Rs.2,376.38 lacs pertain to HT Burda Media Limited and Rs.1,503.97 lacs relates to other subsidiaries.</p> <p>In case of HT Burda Media Limited (HT Burda), the Board of Directors of HT Media Limited has already accorded its 'in-principle' approval to sell Company's entire 51% equity shareholding to Burda Druck GmbH, Germany (refer note no. 34 to Consolidated Financial Statements). Post such sale, the deferred tax assets related to HT Burda in consolidated financial statements, will cease to exist.</p>

	<p>In case of other subsidiaries, these companies are operating in Digital and Education business wherein the gestation period is high, however, as the business grows, the operating margins improve enabling faster absorption of losses incurred in the initial periods. Based on future projection and existing business model of these companies, management is confident that subsequent realization of the deferred tax assets is certain in the near future.</p>
Additional comments from the board/audit committee chair:	<p>The Audit Committee has taken note of the qualification and management reply thereto.</p>

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: 20 JUL 2013


 Ajay Relan
 (Chairman, Audit Committee)


 Rajiv Verma
 (Chief Executive Officer)


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