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Board of Directors

T. Venkatram Reddy *(Chairman)*

T. Vinayak Ravi Reddy *(Vice Chairman)*

P. K. Iyer *(Vice Chairman)*

N. Krishnan *(Managing Director)*

M. Sukumar Reddy *(Independent Director)*

G. Kumar *(Independent Director)*

Krishan Premnarayan *(Independent Director)*

V. Suresh *(Independent Director)*

Company Secretary

V. Shankar

Auditors

C B Mouli & Associates

Chartered Accountants

125, M G Road

Secunderabad-500 003

Registered Office

36, Sarojini Devi Road

Secunderabad-500 003

ISIN Number

INE 137G01027

Registrar & Share Transfer Agents

Karvy Computershare Private Ltd

17-24, Beside Image Hospital

Vittal Rao Nagar, Madhapur

Hyderabad-500 081



Dear Shareholders,

As your company completes five years of being a listed entity and having grown over the last 20 quarters we look back at our achievements and faults also more importantly to the next 50 years road ahead.

When your company became part of the BSE & NSE on December 22nd 2004 the BSE Sensex was 6,413 while the NSE Nifty was 2,035 and the total market capitalisation of your company was ₹ 695 crores. Today as I write to you the Sensex is at 18,167 and the Nifty is at 5,452, the total market capitalisation of your company is ₹ 3,283 crores, from a revenue of ₹ 165.65 crores for Financial Year 2004-05 we have achieved a total revenue of ₹ 892.50 crores for the Financial Year 2009-10.

From a circulation of 4.02 lakhs copies we now have a circulation of 13.86 lakhs copies daily and are the No 1 - newspaper of South India. The book value of your company was ₹ 13 in Financial Year 2004-05 and is now ₹ 52.

Deccan Chargers is a great asset we acquired and became Champions of the second season in South Africa and fought our way to the semi final spot in the third season, a great performance by your team consistently.

Two new teams were added to the Indian Premiere League (IPL) at an average value of USD \$ 350 Million making this a valuable asset and a great investment that you will see unlock value going forward.

All our businesses are great beneficiaries of the GDP growth story and we are confident of a great future as a company and a nation going forward.

I take this opportunity to thank the support and suggestions of your board of directors, suppliers, employees and nearly 6 Million readers.

Sincerely,

T. Venkatram Reddy

Chairman

Deccan Chronicle Holdings Limited

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Notice for the 8th Annual General Meeting

Notice is hereby given that the 8th Annual General Meeting of the members of Deccan Chronicle Holdings Limited will be held on Wednesday, 29th September 2010 at 9.00 A.M. at Hotel Baseraa, Sarojini Devi Road, Secunderabad-500003 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To confirm the Interim Dividends aggregating to Rs.3/- per share already paid during the year.
3. To appoint a director in place of Mr. T. Venkatram Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. P. K. Iyer, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. M. Sukumar Reddy, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint C B Mouli & Associates, Chartered Accountants, the retiring auditors, as Statutory Auditors of the company to hold office till the conclusion of next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. T. Venkatram Reddy as Chairman of the company (Whole Time Director of the company) for a fresh period of 5 years with effect from 16th May, 2010 on the terms and conditions including the payment of remuneration, as approved by the Board of Directors at their meeting held on 14th May 2010 and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise, modify, alter the remuneration payable to Mr. T. Venkatram Reddy at any time during his tenure of office as Chairman of the Company, in accordance with the provisions of Companies Act, 1956 and also to do any other acts, things and deeds as may be necessary and incidental in the matter including seeking of any approvals, consents, permissions from Central Government or such other authorities, as may be required

and also to settle any question, difficulty or doubt that may arise in implementing this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. T. Vinayak Ravi Reddy as Vice Chairman of the company (Whole Time Director of the company) for a fresh period of 5 years with effect from 16th May, 2010 on the terms and conditions including the payment of remuneration, as approved by the Board of Directors at their meeting held on 14th May 2010 and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise, modify, alter the remuneration payable to Mr. T. Vinayak Ravi Reddy at any time during his tenure of office as Vice Chairman of the Company, in accordance with the provisions of Companies Act, 1956 and also to do any other acts, things and deeds as may be necessary and incidental in the matter including seeking of any approvals, consents, permissions from Central Government or such other authorities, as may be required and also to settle any question, difficulty or doubt that may arise in implementing this resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. P. K. Iyer as Vice Chairman of the company (Whole Time Director of the company) for a fresh period of 5 years with effect from 16th May, 2010 on the terms and conditions including the payment of remuneration, as approved by the Board of Directors at their meeting held on 14th May 2010 and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise, modify, alter the remuneration payable to Mr. P. K. Iyer at any time during his tenure of office as Vice Chairman of the Company, in accordance with the provisions of Companies Act, 1956 and also to do any other acts, things and deeds as may be necessary and incidental in the matter including seeking of any approvals, consents, permissions from Central Government or such other authorities, as may be required and also to settle any question, difficulty or doubt that may arise in implementing this resolution."

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10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. N. Krishnan as Managing Director of the company for a period of 5 years with effect from 16th May, 2010 on the terms and conditions including the payment of remuneration, as approved by the Board of Directors at their meeting held on 14th May, 2010 and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise, modify, alter the remuneration payable to Mr. N. Krishnan at any time during his tenure of office as Managing Director of the Company, in accordance with the provisions of Companies Act, 1956 and also to do any other acts, things and deeds as may be necessary and incidental in the matter including seeking of any approvals, consents, permissions from Central Government or such other authorities, as may be required and also to settle any question, difficulty or doubt that may arise in implementing this resolution."

By Order of the Board

For Deccan Chronicle Holdings Ltd.

V. Shankar

Company Secretary

Secunderabad, August 13, 2010

Notes:

1. **Every member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member.**
2. **The proxy form duly completed must reach the registered office of the Company before 48 hours of time fixed for holding the meeting.**
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
4. Pursuant to clause 49 of the Listing Agreement particulars of Mr. T. Venkattram Reddy, Mr. P.K. Iyer and Mr. M. Sukumar Reddy seeking re-appointment at this meeting is given in the Corporate Governance Report.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September 2010 to 22nd September 2010 (both days inclusive) for the purpose of AGM.

6. Members are requested to:

- i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
- ii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.
- iii) quote their Folio/Client ID & DP ID Nos. in all correspondence.
- iv) note that no gifts/coupons will be distributed at the Annual General Meeting.

7. A corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e., only if the corporate member sends certified true copy of the Board resolution/ power of attorney authorizing the representative to attend and vote at the Annual General Meeting.

8. Members are requested to notify immediately any change of address:

- i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
- ii) to the Company at its Registered Office or to its Registrar & Transfer Agent M/s. Karvy Computershare Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.

9. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

By Order of the Board

For Deccan Chronicle Holdings Ltd.

V. Shankar

Company Secretary

Secunderabad, August 13, 2010



Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item Nos. 7, 8, 9 and 10.

Based on the recommendations of the Remuneration Committee and subject to the approval of members at the General Meeting, the Board of Directors of the Company at its meeting held on 14th May, 2010 had unanimously approved the appointments of a) Mr. T. Venkatram Reddy as Chairman for a fresh term of 5 years with effect from 16th May, 2010; b) Mr. T. Vinayak Ravi Reddy as Vice Chairman for a fresh term of 5 years with effect from 16th May 2010; c) Mr. P.K. Iyer as Vice Chairman for a term of 5 years with effect from 16th May 2010; d) Mr. N. Krishnan as Managing Director for a term of 5 years with effect from 16th May 2010.

Accordingly the resolutions at Item Nos. 7, 8, 9 and 10 seeking confirmation of their appointments as above are before the members for consideration and approval. As required under section 302 of the Companies Act, 1956, an abstract of the terms of appointment of above appointees were already circulated to the members. The terms of appointment and other material facts including the brief profile of the appointees are given hereunder:

Particulars/Terms	Mr. T. Venkatram Reddy	Mr. T. Vinayak Ravi Reddy	Mr. P.K. Iyer	Mr. N. Krishnan
Designation	Chairman	Vice Chairman	Vice Chairman	Managing Director
Date of Appointment	16 th May 2010	16 th May 2010	16 th May 2010	16 th May 2010
Tenure	5 years	5 years	5 years	5 years
Remuneration:				
a) Salary (Rs.)	3.20 crores per annum	3.20 crores per annum	3.20 crores per annum	2.10 crores per annum
b) Perquisites & Amenities	<p>Apart from the salary as above the Appointee(s) shall be entitled to other perquisites, amenities and benefits as may be provided by the company to the senior officers from time to time including company maintained car with driver, telephone, internet and communication facilities at his residence or reimbursement of any expenses in lieu thereof, reimbursement towards gas/electricity/water, club fees etc.</p> <p>The scope and quantum of remuneration specified hereinabove may be enhanced, enlarged, widened, altered or varied by the Board of Directors in conformity with the relevant provisions of Companies Act, 1956 and /or Rules and Regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time.</p>			
Minimum Remuneration	<p>If in any financial year during the currency of the tenure, the company has no profits or its profits are inadequate, the company will pay the aforesaid Managerial Personnel, a remuneration by way of salary and perquisites not exceeding the ceiling laid down in section II of Part II of schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the company.</p>			
Overall Remuneration	<p>Subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, the remuneration payable to the aforesaid Managerial Personnel in any financial year shall not exceed 10% (ten percent) of net profits of the Company, or such other limits as may be specified under the relevant legislation prevailing from time to time.</p>			
Other Terms	<p>The appointees would be liable to retire by rotation while holding the office/position as above. However, they shall be eligible to offer themselves for reappointment.</p>			

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Memorandum of Interest/Concern of Directors	Except Mr. T. Venkatram Reddy and Mr. T. Vinayak Ravi Reddy being brother of the Appointee, none of the directors are interested or concerned in the above appointment	Except Mr. T. Vinayak Ravi Reddy and Mr. T. Venkatram Reddy being brother of the Appointee, none of the directors are interested or concerned in the above appointment.	None of the directors except Mr. P.K. Iyer is interested or concerned in the above appointment.	None of the directors except Mr. N. Krishnan is interested or concerned in the above appointment.
No. of Shares held in the company	5,14,27,416	5,14,27,416	5,14,27,416	NIL
Brief Profile of the Appointee	Mr. T. Venkatram Reddy, promoter of the company is a graduate in Commerce and holds a diploma in printing technology. He has vast experience in newspaper management/ print media industry. He is currently the President of Indian Newspaper Society, a representative body of the Newspaper Industry. He is also a member of Management Council of Audit Bureau of Circulations. He was also a Member of Parliament from 1993-95.	Mr. T. Vinayak Ravi Reddy, promoter of the company is a post graduate in business management. He has vast experience in the fields of business strategy, general management and operations.	Mr. P.K. Iyer, promoter of the company is a graduate in economics and has a post graduate diploma in business management. He has a vast experience in the areas of Financial Management, Treasury Operations and Administration	Mr. N. Krishnan is a fellow member of Institute of Chartered Accountants of India and has vast experience in finance, taxation, legal and operations.

Copy of the respective resolution passed by the Board of Directors of the company at their meeting held on 14th May 2010 appointing the aforesaid managerial personnel is available for inspection at the Registered Office of the Company between 11:00 A.M. to 1:00 P.M. on all working days (barring Saturdays and Sundays).

The Board of Directors commends the resolutions set out at Item Nos. 7 to 10 for approval of the members.

By Order of the Board
For Deccan Chronicle Holdings Ltd.

V. Shankar
Company Secretary

Secunderabad, August 13, 2010



Management discussion and analysis

The year 2009-10 saw a significant improvement in profit after tax of Rs.26,092 lakhs against Rs.14,007 lakhs in the previous year, an increase of 86%, primarily on account of growth in revenues and reduction in newsprint cost.

Operations Review

- Income from Operations has increased by 9.5% from Rs.81,494 lakhs to Rs.89,250 lakhs.
- Advertisement revenue increased by 10% from Rs.75,911 lakhs to Rs.83,434 lakhs.
- Circulation revenue increased by 4% from Rs.5,583 lakhs to Rs.5,816 lakhs.

The advertisement revenue increased mainly on account of better rate realisation, and also during the year the company increased its advertisement tariff across all its editions by 20%. The advertisement as a percentage of total revenue is 93%. Deccan Chronicle, the flagship newspaper of the company continues to be the leading newspaper of South India. The circulation grew by 3%; as per Audit Bureau of Circulations (ABC) for the period July-Dec 2009 the average daily circulation is 13.79 lakhs copies as against July-Dec 2008 circulation of 13.34 lakhs copies.

The breakup of average daily circulation (in lakhs) is as under:

	July-Dec 2009	July-Dec 2008
Hyderabad	5.72	5.26
Rest of Andhra Pradesh	2.51	2.59
Chennai	3.11	3.06
Bengaluru	2.45	2.43
Total	13.79	13.34

Industry Overview

The year under review showed improvement in the Indian Economy. The domestic growth is likely to lead to a further increase in advertisement spends by the corporates, and the print media segment is likely to be a major gainer. The economic growth will further lead to increasing standards of living and literacy level which will fuel circulation growth. Thus the print media as a sector is considered to have a robust future within India for a number of years to come.

Financial Review

Share Capital

The total shareholders' fund as at March 31, 2010 is Rs.1,25,801 lakhs of which equity capital is Rs.4,844.46 lakhs comprising 24,22,22,784 equity shares of Rs.2/- each. During the year under

review the company pursuant to a buy back programme bought back and cancelled 26,54,761 equity shares.

Reserves and Surplus

As at March 31, 2010 the reserves and surplus of the Company aggregated to Rs.1,20,957 lakhs as against Rs.1,10,089 lakhs in the previous year an increase of Rs.10,868 lakhs i.e., 9.87%.

Dividend

The Board of Directors of the Company had declared and paid interim dividend aggregating to Rs.3/- per share for the year under review. The total dividend is 150% for the financial year 2009-10. The dividend outflow including dividend tax aggregated to Rs.8,533 lakhs as against Rs.5,730 lakhs in the previous year.

Debt

The total secured debt as at March 31, 2010 is Rs.32,887 lakhs as against Rs.35,450 lakhs in the previous year a decrease of Rs.2,563 lakhs.

Fixed Assets

The gross block of fixed assets is Rs.91,658 lakhs as against Rs.84,099 lakhs in the previous year an increase of Rs.7,559 lakhs on account of amalgamation, expansion/modernization of the printing facilities.

Investments

The variation in the investments is on account of amalgamation of subsidiaries.

Inventories

Inventories as at March 31, 2010 was Rs.6,204 lakhs. The decrease is on account of reduction in the news print prices and also due to the scaling down of inventory to normal levels in view of better availability of newsprint. Inventory primarily comprises of newsprint, ink and plates.

Debtors

Debtors for the year under review is Rs.19,555 lakhs as against Rs.19,425 lakhs, an improvement in the debtors days from 87 days in the previous year to 80 days for the year under review.

Loans and Advances

The loans and advances increased from Rs.9,849 lakhs in the previous year to Rs.18,551 lakhs, primarily on account of funding support to subsidiaries.

Cash and Bank balances

The cash and bank balances increased from Rs.35,968 lakhs in the previous year to Rs.59,164 lakhs.

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Printing and Other Operative Expenses

The decrease in printing and operative cost from Rs.44,274 lakhs to Rs. 31,758 lakhs is primarily an account of decline in newsprint prices.

Overheads

Overheads comprise personnel cost and sales and administrative expenses. The overheads for the year are Rs.12,334 lakhs compared to Rs.10,395 lakhs for the previous year.

Interest and Financial Charges

The interest and financial charges for the year is Rs.4,513 lakhs as against Rs.7,093 lakhs in the previous year.

Depreciation

The Company provides depreciation on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The depreciation charge has increased from Rs.3,206 lakhs to Rs.4,225 lakhs due to amalgamation, expansion/modernization.

Tax Charge

The total tax charge has increased from Rs.5,499 lakhs to Rs.12,388 lakhs on account of increased profits.

Internal Control Systems

The Company has adequate internal control systems to monitor all aspects of operations and managerial functions. There are well defined procedures and policies laid out to perform the various functions. All functions are regularly reviewed and the results of the same are discussed by the senior management and Audit Committee. The recommendations are duly implemented.

Risk Management

All businesses are subject to internal and external risks. The

internal risks are controllable risks and the senior management has identified such risks and formulated such actions to mitigate the effect of such risks. The external risks like change in government policies are not within the control of the management.

Industry Risk

The print media industry is enjoying significant growth on the basis of the growing economy, high-income levels and increasing literacy amongst the people. Any variations in these can have an impact on the industry

Raw Material Risk

Newsprint constitutes the major raw material for the newspaper industry. Therefore continuous supply of newsprint at competitive price is essential for the business.

Operational Risk

The Company has appointed good quality reporters who provide on daily basis proper and authenticated information. The Company has also deployed good quality machines for printing the newspaper without any breakdowns.

Outlook

The future of the industry and the company is expected to be good backed by a growing economy, higher income levels and literacy.

Cautionary Statement

Readers are cautioned that this section may contain forward looking statements by the management that involves certain risks and uncertainties. This section should be read in conjunction with the Company's financial statements and relevant notes attached thereto.