Hinduja Ventures

Inspiring Growth

Contents

Group Principles

The Group Founder,
Shri Parmanand Deepchand Hinduja

The five principles as under, distilled from the lifetime experience of the Founder of Hinduja Group, late Shri Parmanand D. Hinduja, serve as the cultural cornerstones of the businesses of the Group, leading to a synergistic and creative partnership of professional management and entrepreneurship among the Group Companies.

Work to Give

Word is a Bond

Act Local; Think Global

Partnership for Growth

Advance Fearlessly

Letter to Shareholders
from the Executive Chairman

Dear Shareholders,

I am pleased to report that your company has completed one more successful year of operations. The Treasury and Media segments of your Company have registered healthy growth. Before getting into the specifics of your company's performance, let me say a few words about the current economic scene and business environment.

Although, the Indian economy continued to grow, and business outlook remained by and large buoyant, the rise in inflation has thrown challenges. The Reserve Bank of India, in an effort to contain the inflationary pressure had instituted several rounds of interest rate hikes as well as raising the Reserve Ratios of banks in a number of tranches. The Reserve Bank of India had as a policy measure cautioned that containing inflation is a priority over growth in the short term. Based on monetary measures taken by RBI cost of funds rose significantly during the year. Input costs have increased, both in services as well as in the manufacturing sectors. There is a possibility of a slow-down in the core sector in the coming months, if this trend persists. Inspite of this, the overall outlook for economic growth remains positive and GDP growth should not fall below 8% level during this year.

PERFORMANCE

Treasury Operations - Your Company's portfolio performed well. The market value of portfolio went up steadily from ₹ 233 crores in the opening of the year to ₹ 435 crores at the close of the year. The overall average gain in mark to market for the portfolio was 104.42% over last year. The Company booked a profit of ₹ 39.17 crores during the year.

Investments - Your company stayed on course in its core strategy of identifying and incubating new businesses for the benefit of our shareholders. During the year your company invested at par 8.9% of the equity of the newly formed Hinduja Leyland Finance Limited (HLFL), a start-up company engaged in leasing & hire purchase for Automotive and Capital goods sectors. HLFL has grown very fast during its first year of operation, posting a turnover of ₹ 101.32 crores and profit after tax of ₹ 27.27 crores. HLFL is expected to grow rapidly and your company should reap rich dividends in the years ahead.

Similarly, the company has taken a decision to invest in the power generation sector, which is poised for medium and long term growth. The Board has approved an investment of upto 10% in the equity of Hinduja Energy India Limited (HEIL), the holding company of the Hinduja Group's energy business. HEIL plans to create a portfolio of 10,000 MW of generation capacity in the next 5 - 7 years. It also has plans for developing renewable energy assets such as Wind, Solar and Biomass. One thermal project of HEIL of 1040 MW is being developed through its subsidiary Hinduja National Power Corporation Limited (HNPCL) at Vishakhapatnam, in Andhra Pradesh. Construction is in full swing and ahead of schedule. The project comprises of two units of 520 MW each and is expected to commissioned in the year 2013 with the first unit of 520 MW expected to be commissioned in June 2013. India is chronically short of electric power. Given the expected rate of growth in the Indian economy and the demand for electricity in the next 10 - 15 years, investment in this sector will provide handsome returns to your company in the near future.

Media - The media & entertainment sector continues to grow at around 13%. Your company's principal subsidiary, IndusInd Media & Communications Limited, (IMCL) continued to report strong performance during the year. Its

Letter to Shareholders
from the Executive Chairman

consolidated revenues crossed ₹ 400 crores, registering a growth of 24% over last year. Its EBIDTA margin went up from ₹ 69 crores to ₹ 121 crores, an increase of 75%. Profit After Tax increased from ₹ 34 crores to ₹ 67 crores, representing an increase of 97%.

During the year, IMCL continued with its consolidation strategy by acquiring several small networks and entering into Joint Ventures with medium sized networks. It's present footprint extends to 28 cities. IMCL remains among the top 3 MSOs in the country with the distinction of having the highest profitability in the Indian cable TV industry. For IMCL, this year marks an unbroken profit record extending over last 5 years. IMCL also strengthened its senior management team by inducting experienced executives in Operations, HR, Admin and Technical departments. During this year, IMCL will need to raise more capital to invest in digitization, network up-gradation, acquisition of subscribers & last mile operators and to launch a new initiative for improving its Broadband delivery. Customer service and the front-end of the business also need to be strengthened. The senior team of IMCL has been involved in leading the MSO Alliance and has been engaged in dialogue with the Regulatory Authorities for framing future regulations for the industry as it continues to evolve. There is a strong possibility that IMCL's recommendation of increasing the FDI investment limits in the Cable TV sector to 74% will be accepted during this year. This will enable IMCL to attract private equity and strategic investors to come into the sector with growth capital and technology urgently needed in the industry. The Company is considering listing IMCL this year.

The content side of the media sector is being driven by IN Entertainment (India) Limited (IEIL) which acquired the content business of IMCL last year in business restructuring. The work done during the last year and plans and investments made for the current year for creating TV and movie content, should fructify into significant profits during the next 2 - 3 years and position this media company as a content producer in the Indian entertainment market.

Real Estate – IDL Speciality Chemicals Limited (IDL) had acquired 4.75 acres of land at Kukatpally, in Hyderabad for ₹ 25.17 crores. The value of this land appreciated since its acquisition and now plans are being drawn up to monetize this asset by developing the property. The plans for developing the 47 acres property in the BIAPPA zone near the Bengaluru Airport High-way are underway and would be taken up along with the Joint Developer once all the clearances are in place.

I would like to conclude by thanking all of you for your unstinted support during the past year. My thanks to the Directors, Management & Staff, for the good performance registered. Also my thanks to our Bankers, Auditors, Advisors for their help and guidance during the year to maintain the highest standards of the corporate governance which is of the highest priority for the Group.

Thank you

Ashok P Hinduja
Executive Chairman
Mumbai, 10th May 2011

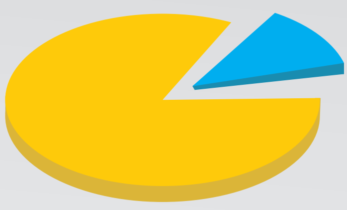
Financial Highlights
Consolidated

[Amount ₹ in Crores]

For the Year	2011	2010	2009	2008	2007
Operating Income	394.40	351.50	322.54	242.83	345.02
Total Income	475.29	401.71	346.00	264.21	1,456.22
Total Expenditure	310.55	294.48	253.59	171.12	319.56
Profit After Minority Interest	86.57	60.58	46.80	55.13	807.92
Share Capital	20.56	20.56	20.56	20.56	20.54
Reserve & Surplus	649.20	597.46	591.21	527.75	496.30
Net worth	669.75	618.02	611.77	548.30	516.84
Loan Funds	102.44	11.57	14.65	74.64	30.00
Net Fixed Assets	265.62	240.49	241.88	101.57	70.75
Investments	272.67	252.50	103.65	160.12	255.11
Net Current Assets	391.97	251.32	417.21	459.57	308.11
Earnings per Share (Rs.)	42.12	29.47	22.77	26.84	262.96
Dividend (%) #	125%	100%	100%	100%	250%
Dividend Amount	25.69	20.56	20.56	20.56	102.35
Book value per Share	326	301	298	267	252

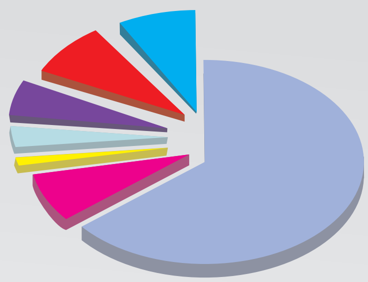
(*demerger of ITES and Hutch Sale)

Rupee Earned



Treasury	14%
Real Estate	0%
Media/Telecommunication	86%
Other	0%

Rupee Spend

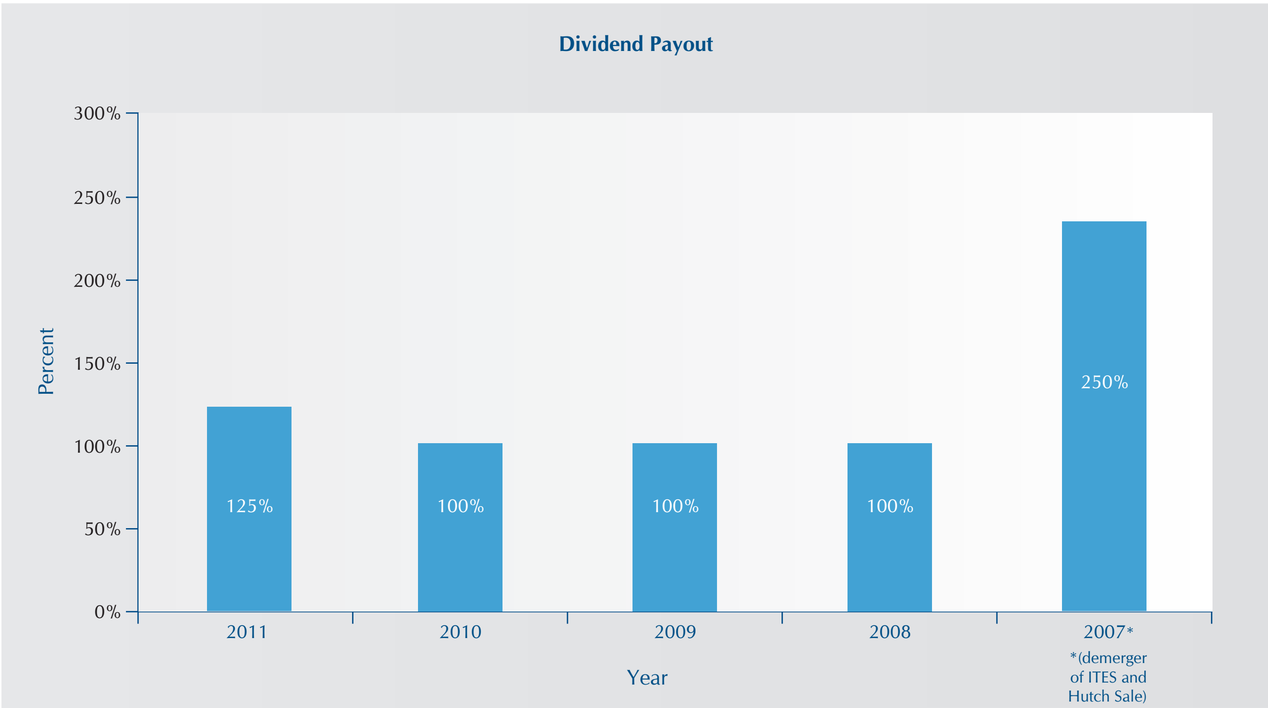


Total Expenditure	64%
Depreciation	6%
Interest & Other Finance Charges	1%
Minority Interest/Share in Associates	5%
Tax(Including defered tax)	6%
Dividened & Dividend tax	6%
Residual Surplus	12%

Financial Highlights
Standalone

[Amount ₹ in Crores]

For the Year	2011	2010	2009	2008	2007
Total Income	83.48	80.49	58.67	66.55	1,077.04
Total Expenditure	13.64	33.10	7.31	7.45	157.83
PBIDTA	69.84	47.39	51.36	59.10	919.21
Profit after Tax	57.61	39.09	33.01	41.65	689.12
As at the end of the year					
Share Capital	20.56	20.56	20.56	20.56	20.54
Reserve & Surplus	624.93	594.69	579.57	570.61	552.65
Net worth	645.49	615.24	600.13	591.17	573.19
Loan Funds	–	–	14.30	74.64	30.00
Net Fixed Assets	21.37	22.45	1.21	1.23	0.62
Investments	302.94	315.63	170.57	226.64	317.21
Net Current Assets	323.21	273.17	442.33	437.55	285.01
Earnings per Share (Rs.)	28.03	19.01	16.06	20.28	224.29
Dividend (%) #	125%	100%	100%	100%	250%
Dividend Amount	25.69	20.56	20.56	20.56	102.35
Book value per Share (Rs.)	314	299	292	288	279



General Information

Board of Directors
Mr. A. P. Hinduja, Executive Chairman
Mr. R. P. Hinduja, Co-Chairman
Mr. D. G. Hinduja
Mr. H. C. Asher
Mr. Anil Harish
Mr. R. P. Chitale
Mr. Prakash Shah
Ms. Vinoo S. Hinduja
(Alternate Director to Mr. R. P. Hinduja)
Mr. Ravi Mansukhani
(Alternate Director to Mr. D. G. Hinduja)
Mr. Dilip Panjwani, Whole-Time Director
(Appointed w.e.f. 10th May 2011)
Mr. Prabal Banerjee (upto 7th December 2010)
Mr. Srinivas Palakodeti (Alternate Director to
Mr. Prabal Banerjee upto 7th December 2010)

Committee of the Board

Audit Committee
Mr. Anil Harish, Chairman
Mr. R. P. Hinduja
Mr. R. P. Chitale
Mr. H. C. Asher
Ms. Vinoo S. Hinduja
(Alternate Director to Mr. R. P. Hinduja)

Committee of Directors
Mr. D. G. Hinduja, Chairman
Mr. R. P. Hinduja

Remuneration Committee
Mr. H. C. Asher, Chairman
Mr. Anil Harish
Mr. Prakash Shah

Investor Grievance Committee
Mr. H. C. Asher, Chairman
Mr. R. P. Hinduja
Mr. D. G. Hinduja
Mr. Prakash Shah

Company Secretary
Mr. Dilip Panjwani

Internal Audit
Mr. Datta Gawade
DGM - Internal Audit

Auditors
Deloitte Haskins & Sells
Chartered Accountants

Solicitors & Advocates
Crawford Bayley & Co.

Bankers
IndusInd Bank Limited
HDFC Bank Limited
State Bank of India
Axis Bank Limited

Registered Office
In Centre, 49/50, MIDC,
12th Road, Andheri (East),
Mumbai 400 093.
Tel.:- 91-22-6691 0945
Fax.:- 91-22-6691 0988

Registrar & Share Transfer Agent
Sharepro Services (India) Pvt. Ltd.
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.
Tel.:- 91-22-6772 0300
Fax.:- 91-22-2850 8927/2859 1568

Directors' Report

To the Members

Your Directors have pleasure in presenting the Director's Report for the year ended 31st March 2011 and Twenty Sixth Annual Report of your company.

FINANCIAL RESULTS

(₹ in million)

	Consolidated		Standalone	
For the year ended 31st March	**2011**	2010	**2011**	2010
Total Income	**4,752.92**	4,017.11	**834.78**	804.90
Total Expenses	**3,383.57**	3,179.97	**159.44**	342.36
Profit before tax	**1,369.35**	837.14	**675.34**	462.54
Provision for tax (incl. deferred tax)	**277.21**	117.57	**99.24**	71.69
Profit after tax	**1,092.14**	719.57	**576.10**	390.85
Minority Interest	**226.43**	113.79	**–**	–
Profit after Minority Interest	**865.71**	605.78	**576.10**	390.85

REVIEW OF FINANCIALS

The Indian economy returned to path of faster growth from a slow down witnessed in the year 2008 and thereafter the economy grew 9% approximately in 2009 & 2010. The economy is expected to register double-digit growth rates over next five years as per estimates of Government. Though growth is expected to continue, the medium to long term challenge to the economy now comes from inflation which is estimated to have touched 15% levels and is expected to continue to remain in the short term. Government has made efforts to contain inflation through monetary measures such as increase in interest rates; however, monetary measures like increase in interest rates and constraining liquidity alone have not been able bring down inflation to acceptable levels and this could become a major challenge to economy. As a policy measure, the Reserve Bank of India (RBI) has already sounded out that containing inflation would be a priority over high growth rates in the economy in the short term. Given, the economic scenario of healthy growth rates and inflation, the company continued to outperform and post healthy results.

Consolidated Income grew by 18.32% from ₹ 4,017.11 mn to ₹ 4,752.92 mn during the year. Consolidated EBIDTA grew from ₹ 1,089.06 mn to ₹ 1,691.68 mn a growth of 55.33%. This was achieved by containing cost, which grew by mere 6.40%. Net Profit After Taxes and Minority Interest grew by 42.90% from ₹ 605.78 mn to ₹ 865.71 mn. Profits grew slower than EBIDTA on account of higher taxes as company registered profitability setting off past losses. Taxes almost doubled from ₹ 117.57 mn to ₹ 277.21 mn as there were no more major tax incentives; however, the company and its material subsidiary continued to be subject to Minimum Alternate Tax.

On standalone basis, the Company posted excellent results. EBIDTA grew 47.36% from ₹ 473.94 mn to ₹ 698.38 mn. Net Profit After Tax grew 47.40% from ₹ 390.85 mn to ₹ 576.10 mn.

DIVIDEND

The Board is pleased to enhance Dividend payout from ₹ 10/- to ₹ 12.50/- (125% Dividend on face value of ₹ 10/- per Equity Share) an increase of 25% over previous years. Enhanced Dividend payment will entail payout of ₹ 298.63 mn. The Dividend payout works out to 51.84% of current year earnings including Dividend Distribution Tax.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 57.61 mn to the General Reserve as required under Transfer to General Reserve Rules and carry forward an amount of ₹ 4,023.09 mn as Balance in Profit & Loss account.

REAL ESTATE

Your company has drawn up plan to develop the real estate piece of land with a developer. The land is situated within 10km of NH-7 and in the BIAPPA Zone, where the new International Airport has come up. The area is being developed as a high end residential villas with a development potential of 1.35 million square feet. The residential villas with a price of approximately ₹ 5,000/- per square feet, the development provides a potential of ₹ 675 crores of development at today's price. The Company has extended the option to develop the property with a developer for a further period of two years and the project is likely to take 3-5 years of time frame in two phases. With buyount market for high end villas, the development potential increases with increase in prices.

Similarly, IDL Speciality Chemicals Limited (IDL) a wholly owned subsidiary of the Company has acquired 4.75 acres of land at kukatpally in Hyderabad. Plans are being drawn up to monetise this piece of land as well. The land was acquired at ₹ 25.17 crores and the value has considerably appreciated since acquisition.

SCHEME OF AMALGAMATION

Your Company had applied for Telecom Licenses under the UASL policy of Government of India through a special purpose vehicle HTMT Telecom Private Limited ('HTMT Telecom') in the year 2007. However, due to scarcity of spectrum the licenses were not allotted to all the applicants. In view of no licensees being awarded, the Company decided to merge its wholly owned subsidiary HTMT Telecom in the current year.

The necessary compliances for merger and the High Court order as required under Section 391 to 394 of the Companies Act, 1956 were completed during April 2011. Post all the compliances, HTMT Telecom now stands merged with the Company from the appointed date of 1st January 2011.

SUBSIDIARIES

Media:

IndusInd Media and Communications Limited (IMCL):

IMCL has in the year under review expanded through alliances, partnerships, strategic investments and joint ventures as part of the growth strategy for its business. IMCL added 8 more subsidiaries during the current year, taking the total subsidiaries to 15. IMCL has made 51% equity participation in these Companies and consolidated its holdings in some companies, which are in the cable business, with a view of expanding its presence in different regions of India. By virtue of acquisition of a majority holding by IMCL, these Companies have become indirect subsidiaries of the Company.

IMCL, the major media cable subsidiary of the Company continued its strong performance in the year under review. The performance of IMCL gets reflected in the robust consolidated results of the Company. IMCL's performance stands out in contrast to its peers in the group over the last few years. The Media Segment reported EBIDTA of ₹ 1,210 mn as compared to ₹ 690 mn in the previous years. Consolidated Media Segment reported revenues of ₹ 4,099 mn. HVL effective stake in IMCL stands at 65.78%.

IMCL installed new digital head ends and now has digital services at 17 locations. IMCL's reach, as per estimates now stands at 8.5 mn cable homes in 28 cities. After enabling digital delivery of services, the focus would now shift to install set top boxes for consumption of digital and high definition services to all its customers. Due to digital initiative and technological innovation undertaken by IMCL, it has moved ahead of competition and can now deliver over 300 channels (including video and audio) in digital delivery network under the brand INDIGITAL. This is the highest number of channels serviced by any distribution platform currently in India.

IMCL infrastructure now spans over 10,000 km of hybrid fibre optic cable network, which includes 2,000 km of underground fibre, which is two ways enabled for exploiting triple-play.

FUTURE OUTLOOK – MEDIA & CABLE TV SECTOR

Last year the Indian Media & Entertainment (M & E) grew at 11%, which is higher than the economic growth rate of 8.6%. The M & E industry grew from ₹ 587 billion to ₹ 652 billion. In the year 2011, the M & E industry is expected to grow at 13% and reach ₹ 738 billion. As per Media Partners Asia estimates, M & E industry is expected to grow at a CAGR of 14% upto 2015 and reach ₹ 1,275 billion, surpassing the print industry to take number two slots in M & E industry. Television and Print would continue to dominate the industry though new technological innovations would also contribute to the growth of other sectors namely, gaming, digital advertising, VFX and animation.

On the Cable Television side, the industry continues remains highly fragmented with around 60,000 to 70,000 local cable operators and around 6,000 to 8,000 Independent Cable Operators, 6 national foot print Multi System Operators (MSOs) and several regional MSOs. This provides an adequate opportunity of growing the sector through consolidation. The industry is now witnessing visible signs of consolidation with smaller LCOs and ICOs joining the mainstream MSOs. Thus this sector offers ample opportunity for long-term growth. The industry is also now attracting institutional funding. IMCL itself attracted debt financing based on its cash flow without any additional recourse. However, the sector will require an estimated institutional funding of ₹ 500 to ₹ 600 billion in investments for capex and similar amounts towards consolidation.

The Cable TV penetration today is approximately 65% of cable and satellite homes which are at par with developed economies. However, the Indian Cable TV is characterized by very low declaration and absence of addressability resulting in low subscriptions and increased dependency on placement revenues. This results in slow investment in the sector. Mandatory digitization is perceived as an opportunity to bring discipline to the sector. Mandatory digitization and addressability will immediately attract a lot of investment and simultaneously offer Government an increased share of taxes. Government has accepted the recommendations of Telecom Regulatory Authority of India, the regulatory authority for cable industry, for mandatory digitization and addressability. This will make the sector more attractive and offer huge opportunity for unlocking value in the long run.

The Indian market landscape for TV viewers stands at 141 million TV homes today and is second only to USA and China. The huge market coupled with initiatives from Government and industry are shaping the opportunity for future to innovate and present the consumer in many ways for viewing content and experiencing content. This consolidation coupled with digitization is expected to push broadband into households and increase the share of cable broadband significantly.

Grant Investrade Limited (GIL):

GIL was formed as a special purpose vehicle for holding stake in IMCL along with Investors. GIL currently holds 6.13% stake in IMCL. Post exit of investor from GIL, it has become wholly owned subsidiary of HVL in the last year.

IDL Specialty Chemicals Limited (IDL):

IDL is a wholly owned subsidiary of company and has a valuable piece of land being 4.75 Acres at Kukatpally in Hyderabad. IDL purchased this land at ₹ 25.17 crores in the financial year 2010-11. IDL has plans to monetize this real estate piece of land. Besides IDL has portfolio of shares, IDL has some tax benefits of ₹ 69 crores in the form of brought forward losses which will be used appropriately for the upcoming business of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February 2011 has provided general exemption from Compliance of Sub-Section 212(8) of the Companies Act, 1956. In view of the exemption from compliance of section 212(8) of the Act, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said general approval, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company includes financial results of its subsidiary companies.

COMMUNICATION AND PUBLIC RELATIONS

Your Company has, on a continuous basis, endeavored to increase awareness among its stakeholders and in the market place about the Company's strategy, new developments and financial performance as per rules laid down by the Regulatory Authority like SEBI etc.

Your Company's senior management members actively participate as speakers in seminars organised by industry, associations and Government forums or as members of taskforces and technical committees.

Brand building of the organization is being given further impetus and your Company is poised to achieve positive results out of these efforts.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as required under clause 49 of the Listing Agreement, and Chief Executive Officer's declaration about code of conduct are furnished in Annexure - A and A-1 to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of the business of your Company, there are no particulars to be disclosed relating to the Conservation of Energy, Research and Development & Technology Absorption pursuant to Section 217(1)(e) of the Companies Act, 1956 during the year under review.

The details of foreign exchange earnings and outgo are given in Annexure - B to this report.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance in compliance with listing agreements forms part of Annexure – D

The Statutory Auditors of your Company have examined the Company's compliance and have certified the same as required under the listing agreements. The certificate is reproduced as Annexure - E.

Further, a separate Management Discussion and Analysis Report covering a wide range of issues relating to performance, outlook etc., is annexed as Annexure - F.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains an adequate system of internal control to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly.

DIRECTORS

Mr. Dilip Panjwani, who was manager under section 2(24) of the Companies Act, 1956 was elevated as Additional Director of the Company. He will act as Executive Director to spearhead finance and business of the Company and will be Whole Time Director of the Company. Being an Additional Director appointed by Board, his appointment as Director would require approval of shareholders as he would hold office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956.

Mr. R. P. Chitale and Mr. H. C. Asher, Directors of your Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Prabal Banerjee, Director has resigned from the Board effective 7th December 2010. Mr. Srinivas Palakodeti, being Alternate to Mr. Prabal Banerjee also resigned from the Board effective 7th December 2010.

The Board places on record its deep sense of appreciation for the invaluable contributions made by Mr. Prabal Banerjee and Mr. Srinivas Palakodeti during their tenure as directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 your Directors, based on the information and documents made available to them, confirm that:

i) in the preparation of annual accounts for year ending 31st March 2011, the applicable accounting standards have been followed;

ii) appropriate accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of your Company as on 31st March 2011 and of the profit of your Company for the year ended 31st March 2011;

iii) proper and sufficient care to the best of their knowledge and ability 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 your Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, retire at the conclusion of the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Board recommends their appointment.

EMPLOYEES PARTICULARS

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975 as amended, form part of this report is annexed as Annexure - C.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank the Company's Employees, Customers, vendors, business partners, shareholders and bankers for the faith reposed in the Company and also to thank various regulatory authorities and agencies for their support and looks forward to their continued encouragement.

For and on behalf of the Board

Place : Mumbai
Date : 10th May 2011

Ashok P. Hinduja
Executive Chairman

Annexure 'A' To the Directors' Report

Certificate in terms of Clause 49 of the Listing Agreement.

a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee that there are;

   i. no significant changes in internal control over financial reporting during the year;

   ii. no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May 2011

Annexure 'A-1' To the Directors' Report

Confirmation towards Code of Conduct:

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ending 31st March 2011.

Place : Mumbai
Date : 10th May 2011

Dilip Panjwani
Manager and Company Secretary

Annexure 'B' to the Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of the Board of Directors) Rules, 1988 in relation to Conservation of Energy, Technology Absorption and Research and development are currently not applicable to the Company.

Foreign exchange earnings and Outgo.

- Foreign exchange Earnings and Outgo

(₹ in million)

	2010-2011	2009-2010
Total Foreign Exchange earned	**1.59**	54.00
Total Foreign Exchange outgo	**0.72**	Nil

For and on behalf of the Board

Place : Mumbai
Date : 10th May 2011

Ashok P. Hinduja
Executive Chairman

Annexure 'C' to the Directors' Report

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2011.

Sr. No.	Name	Age (years)	Designation / Nature of duties	Gross Remuneration (In ₹)	Net Remuneration (In ₹)	Qualifications	Total experience (Years)	Date of commencement of employment	Last employment held, Designation - period for which post held
1	Mr. A. P. Hinduja	61	Executive Chairman	14,917,000	11,484,000	B.Com, Doctrate of Law, UK	40	08-Nov-95	–
2	Mr. Dilip Panjwani	39	Manager and Company Secretary	4,239,000	3,813,000	Bcom, ACA, ACS	13	21-Jul-06	Clearwater Capital Partners (India) Private Limited

Notes:

(1) The Gross remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites as per Income tax rules and company's contibution to provident fund and Superannuation fund. In addition, employees are entitled to Gratuity in accordance with the company's rules.

(2) None of the employees mentioned above is a relative of any director of the company.

For and on behalf of the Board

Place : Mumbai
Date : 10th May 2011

Ashok P. Hinduja
Executive Chairman

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting the best practices in the areas of Corporate Governance. The Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company as a whole.

During the year the Company has taken all steps to bring its corporate practices in line with the revised Clause 49 of the Listing Agreement. The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of the shareholders' wealth and at the same time protect the interests of all its shareholders.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in clause 49 of the Listing Agreement with the Stock Exchanges is set out below:

2. BOARD OF DIRECTORS

A. Composition:

The composition of your Company's Board is as under:

Executive Director (Promoter Group)

Mr. A. P. Hinduja, Executive Chairman

Non-Executive Directors (Promoter Group)

Mr. R. P. Hinduja, Co-Chairman

Mr. D. G. Hinduja

Independent Directors (Non Executive)

Mr. H. C. Asher

Mr. Anil Harish

Mr. R. P. Chitale

Mr. Prakash Shah

The composition of the Board is in conformity with Clause 49 of the Listing Agreement with Stock Exchanges.

B. Dates of Board Meetings held during the year:

Date of Board Meeting	Board Strength	No. of Directors present
30th April 2010	8	8
11th June 2010	8	6
30th July 2010	8	8
26th October 2010	8	6
27th January 2011	7	6

The time gap between any two meetings did not exceed four months. The information as prescribed under Clause 49 of the Listing Agreement was placed before the Board from time to time, as required.

C. Attendance of Directors:

Name of the Director	No. of Meetings Attended	Attendance at the previous AGM held on 31st July 2010
Mr. A. P. Hinduja	4	Yes
Mr. R. P. Hinduja	1	Yes
Mr. D. G. Hinduja	2	Yes
Mr. H. C. Asher	5	Yes
Mr. Anil Harish	5	Yes
Mr. R. P. Chitale	5	Yes
Mr. Prabal Banerjee #	3	Yes
Mr. Prakash Shah	5	Yes
Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)*	1	N.A.
Mr. Ravi Mansukhani (Alternate Director to Mr. D. G. Hinduja)*	2	N.A.
Mr. Srinivas Palakodeti (Alternate Director to Mr. Prabal Banerjee)* ##	1	N.A.

*Does not include attendance at Meetings of Alternate Director where the main director is present.

Resigned from the Directorship with effect from 7th December 2010.

##Resigned as an Alternate Director to Mr. Prabal Banerjee with effect from 7th December 2010.

D. Details of Membership of the Directors in Boards, Board Committees and Chairmanship of Board Committees (including HVL):

Name of the Director	Boards*	All Board Committees**	Chairman-ship of Board Committees
Mr. A. P. Hinduja	5	--	--
Mr. R. P. Hinduja	5	3	--
Mr. D.G. Hinduja	7	2	--
Mr. Anil Harish	14	10	4
Mr. H. C. Asher	10	8	2
Mr. R. P. Chitale	9	7	1
Mr. Prabal Banerjee #	4	2	2
Mr. Prakash Shah	4	1	--
Ms. Vinoo S. Hinduja (Alternate to Mr. R.P. Hinduja)	3	--	--
Mr. Ravi Mansukhani (Alternate to Mr. D. G. Hinduja)	4	1	1
Mr. Srinivas Palakodeti (Alternate to Mr. Prabal Banerjee)##	2	--	--

* (Excludes Foreign Companies, Private Limited Companies and Alternate Directorships).

** (Only the following Board Committees have been considered for this purpose: Audit Committee and Shareholders' /Investors' Grievance Committee).

Resigned from the Directorship with effect from 7th December 2010.

Resigned as an Alternate Director with effect from 7th December 2010.

3. AUDIT COMMITTEE

A. Terms of Reference:

The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with all the items listed in clause 49 (II) (D) and (E) of the listing agreement as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment of Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of subsection (2AA) of section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee's powers include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Composition:

The composition of the Audit Committee is as follows:

Chairman : Mr. Anil Harish

Members : Mr. R. P. Chitale
Mr. R. P. Hinduja
Mr. H. C. Asher
Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)

The Company Secretary acts as secretary to the Committee. The permanent invitees to Audit Committee meetings include representatives of the Statutory Auditor and representatives of the Internal Auditor.

C. Meetings and Attendance:

The details of meetings held during the year and the attendance thereat are as follows:

Dates of Meetings: 30th April 2010, 11th June 2010, 30th July 2010, 26th October 2010, and 27th January 2011

Attendance:

Name of the Director	Number of Meetings attended
Mr. Anil Harish	5
Mr. R. P. Hinduja	1
Mr. R. P. Chitale	5
Mr. H. C. Asher	5
Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)	1

4. REMUNERATION COMMITTEE

A. Terms of Reference:

The terms of reference of the Remuneration Committee are in accordance with clause 49 of the listing agreement as follows:

1. Reviewing and discussing managerial compensation including compensation of Executive chairman.
2. Negotiating/finalising with Executive Chairman the terms and conditions of the office of chairman.
3. Perform such other function in relation to managerial remuneration upto the one level below the Board.

B. Composition:

Chairman : Mr. H. C. Asher

Members : Mr. Anil Harish
Mr. Prakash Shah

C. Meeting:

Two meetings of Remuneration Committee were held during the year.

D. Meeting and Attendance:

The details of meetings held during the year and the attendance thereat are as follows:

Dates of Meetings: 11th June 2010 and 26th October 2010

Attendance:

Name of the Director	Number of Meetings attended
Mr. H. C. Asher	2
Mr. Anil Harish	2
Mr. Prakash Shah	2

E. Remuneration Policy:

For Executive Directors: The Total Remuneration, subject to shareholders' approval consists of salary, allowance and perquisites. Perquisites are as per the rules of the Company. No Sitting Fees is payable to Executive Directors.

For Non-Executive Directors: Sitting Fees as per the Companies Act, 1956 for attending any meeting of the Board or Committee of the Board. Directors are also reimbursed travel cost incurred in connection with attending meeting. There are no pecuniary relationship of transactions between any of the Non-executive Directors and the Company. No other fees are paid to non-executive directors other than the above.

F. Details of remuneration to all the Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2010-11 are given under the head "Remuneration of Directors".

5. INVESTORS' GRIEVANCE COMMITTEE

A. Terms of Reference:

The Committee specifically looks into the redressal of shareholders' and investors' grievances, if any, relating to transfer of shares, non-receipt of financial statements, non-receipt of dividends, issue of duplicate shares and any other matter of shareholders' interest.

The Committee reviews the system of dealing with and responding to correspondence from all categories of investors. The details of complaint letters, if any, received from Stock Exchanges/ SEBI and responses thereto are reviewed by the Committee. The Committee also reviews /approves initiatives for further improvements in servicing investors.

During the year one complaint was received from shareholders, which was resolved.

There were no pending complaints against the Company as on 31st March 2011.

B. Composition:

Chairman : Mr. H. C. Asher

Members : Mr. D. G. Hinduja
Mr. R. P. Hinduja
Mr. Prakash Shah

C. Meetings:

Four meetings of Investor Grievances Committee were held during the year.

D. Meetings and Attendance:

The details of meetings held during the year and the attendance thereat are as follows:

Dates of Meetings: 23rd April 2010, 26th July 2010, 8th October 2010 and 24th January 2011

Attendance:

Name of the Director	Number of Meetings attended
Mr. H. C. Asher	4
Mr. R. P. Hinduja	-
Mr. D. G. Hinduja	-
Mr. Prakash Shah	4

Name and Designation of Compliance Officer:

Mr. Dilip Panjwani, Manager and Company Secretary

6. REMUNERATION OF DIRECTORS

The details of remuneration of the directors during the financial year are as follows:

During the year, the Company has paid remuneration to Mr. A. P. Hinduja (Executive Chairman) aggregates to ₹ 149.17 lacs. The remuneration comprises of salaries and allowances and did not include bonuses or stock option. However, no bonus or stock option was granted during the year.

A. Criteria for Payment to Executive Director:

The fixed component of remuneration to Executive Director is paid as approved by the Board in terms of the approval granted by the shareholders.

Service Contract and Notice period:

Executive Director	Service Contract	Notice Period	Remuneration
Mr. A. P. Hinduja-Executive Chairman	Three Years (From 1st October 2010 to 30th September 2013)	Three months' notice by either party	Not Exceeding ₹ 15,000,000

B. Payment to Non Executive Directors:

There were no material pecuniary relationships or transactions with non-executive Directors except payment of sitting fees for meetings attended by them.

C. Sitting fees paid to Non-Executive Directors during the year under review:

Name of Directors	Board Of Directors (₹)	Audit Committee (₹)	Investor Grievance (₹)	Remuneration Committee (₹)	Total Fees (₹)
Mr. R. P. Hinduja	20,000	20,000	----	N.A	40,000
Mr. D. G. Hinduja	40,000	N.A	----	N.A	40,000
Mr. H. C. Asher	100,000	100,000	40,000	20,000	260,000
Mr. Anil Harish	100,000	100,000	N.A	20,000	220,000
Mr. R. P. Chitale	100,000	100,000	N.A	N.A	200,000
Mr. Prabal Banerjee*	60,000	N.A	N.A	N.A	60,000
Mr. Prakash Shah	100,000	N.A	40,000	20,000	160,000
Mr. Ravi Mansukhani#	40,000	N.A	N.A	N.A	40,000
Ms. Vinoo S. Hinduja##	20,000	20,000	N.A	N.A	40,000
Mr. Srinivas Palakodeti**	20,000	N.A	N.A	N.A	20,000
Total	**600,000**	**340,000**	**80,000**	**60,000**	**1,080,000**

#Alternate to Mr. D. G. Hinduja.
Alternate to Mr. R. P. Hinduja.
*Resigned as a Director with effect from 7th December 2010.
** Resigned as an Alternate Director with effect from 7th December 2010.

D. Fees for professional services rendered by firms of solicitors/ advocates/ chartered accountants in which certain Independent Directors are partners are as under:

Name of Firm	Amount paid during the year under review (Rs.)	Name of Director who is partner
Crawford Bayley & Co.	390,000	Mr. H. C. Asher
M. P. Chitale & Associates	248,412	Mr. R. P. Chitale

7. GENERAL BODY MEETINGS

Details of location, date and time of holding the last three Annual General Meetings:

Financial Year	Location	Date and Time	Special Resolutions Passed
2007-2008	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	27/09/2008 at 1.30 p.m.	Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores).
2008-2009	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	27/07/2009 at 12.30 p.m.	1.Pursuant to provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, to keep the Statutory Registers of the Company at a place outside the Registered Office of the Company. 2. Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), Provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores).
2009-2010	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	31/07/2010 at 2.30 p.m.	1.Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), Provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores). 2.Pursuant to provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to re-appointment of Mr. Ashok P. Hinduja, as the Executive Chairman of the Company with effect from 1st October 2010.

Special Resolution Passed Through Postal Ballot:

A special resolution was passed on 26th March 2011, by the Company's members through postal ballot for providing Corporate Guarantee to the Investor/ Lenders of IndusInd Media and Communication Limited.

(a) Person who conducted the postal ballot exercise:

The Board appointed Mr. Ashish Bhatt, Practicing Company Secretary, as the Scrutinizer to conduct postal ballot voting process. Mr. Ashish Bhatt conducted the process and submitted his report to the Company.

(b) Procedure followed:

(i) The Postal Ballot notice and accompanying documents were dispatched to shareholders under certificate of posting.

(ii) A calender of events alongwith Board Resolution was submitted to the Registrar of Companies, Maharashtra, Mumbai.

(C) Details of voting pattern:

After scrutinizing all the ballot forms received, the scrutinizer reported that the shareholder representing 99.99% of the total voting strength voted in favour of the resolution, based on which the result were declared and the resolution was carried with overwhelming majority.

8. DISCLOSURES

A. There were no material significant related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with related parties have been disclosed vide Note No. 6 in Schedule 20 to the Financial Statements.

B. Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

C. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/ strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority or any matter relating to capital markets during the last three years.

D. The Company has complied with all the mandatory requirements of Corporate Governance as required by the Listing Agreement.

E. No personnel have been denied access to the Audit Committee of the Company to discuss any matter of substance.

F. The Company has not adopted any non-mandatory requirements of the Listing Agreement.

G. The Company has laid down the policies and procedures about the risk assessment and minimization procedures.

9. MEANS OF COMMUNICATION

A. The quarterly results were published in leading national newspapers (The Economic Times and Navbharat Times). The quarterly results are simultaneously displayed on www.hindujaventures.com, the Company's website. The website is updated regularly with the official news releases and disclosures as required from time to time.

B. Management Discussion & Analysis Report is given as an Annexure - F to the Directors' Report.

C. No presentations have been made to institutional investors/ analysts during the year.

10. GENERAL SHAREHOLDER INFORMATION

1.	Next Annual General Meeting	
	Date	1st August 2011
	Time	2.30 p.m.
	Venue	Hall of Harmony, Nehru Centre, Worli, Mumbai 400 018
2.	Financial Calendar for 2011-12	(Tentative)
	Unaudited results for the quarter ending 30th June 2011	4th week of July 2011
	Unaudited results for the quarter/ half year ending 30th September 2011	4th week of October 2011
	Unaudited results for the quarter ending 31st December 2011	4th week of January 2012
	Audited results for the year ending 31st March 2012	4th week of May 2012
3.	Book Closure Dates	From 23rd July 2011 to 1st August 2011 (both days inclusive)
4.	Dividend for the Financial Year 2010-11, if any.	On or after Annual General Meeting
5.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
6.	Stock Code	BSE: 500189. NSE: Hindujaven.

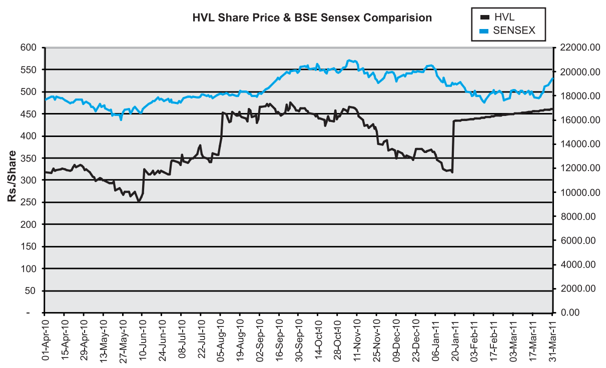
(Note: Annual Listing fee for the Financial Year 2011-12 has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited)

11. STOCK MARKET PRICE DATA

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	Month's High ₹	Month's Low ₹	Month's High ₹	Month's Low ₹
April-2010	346.00	315.25	346.90	312.15
May-2010	331.75	266.25	327.00	266.00
June-2010	367.00	247.80	368.00	250.00
July-2010	392.00	331.00	392.00	332.00
August-2010	497.80	356.00	497.95	356.00
September-2010	487.60	426.55	489.00	436.00
October-2010	475.00	418.35	475.00	411.65
November-2010	484.00	352.00	489.80	357.00
December-2010	395.90	341.25	401.05	307.00
January-2011	374.90	303.00	371.95	292.30
February-2011	335.00	261.00	334.00	260.00
March-2011	284.00	235.00	285.00	234.05

SHARE PRICE MOVEMENT (BSE)

Hinduja Ventures Limited share price performance compared to BSE Sensex. (April 10-March 11)



12. SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on 31st March 2011, about 99.71% of your Company's equity (comprising 20,496,301 shares) had been dematerialized. Shares of your Company are regularly traded on the BSE and NSE.

The power to approve transfer of shares in physical form has been delegated by the Board to a committee consisting of officers of the Company.

Transfer requests received for physical shares are processed/ returned within 30 days from the date of receipt.

On 31st March 2011, there were no unprocessed transfers pending. The details of physical shares transferred during the last three years are as under:

Particulars	2008-09	2009-10	2010-11
No. of transfer deeds	05	03	02
No. of shares transferred	252	200	100

Pattern of Shareholding as of 31st March 2011:

Particulars	No. of Shares	% of Shareholding
Promoters	13,523,140	65.79
FIIs	1,785,032	8.68
N.R.I.s/ OCBs/Non Domestic Companies/ Foreign National	65,708	0.32
Mutual Funds, Banks, Financial Institutions, Insurance Companies	1,644,433	8.00
Private Corporate Bodies	1,004,826	4.89
Individuals / Others	2,532,364	12.32
Total Paid-up Capital	**20,555,503**	**100.00**

Distribution Schedule as of 31st March 2011:

Distribution	No. of Shareholders		No. of Shareholdering	
	No of Shareholders	% of Total Shareholder	No of Shares	% of Shareholding
Less than 500	9,103	93.62	5,62,471	2.74
501-1000	244	2.51	1,90,129	0.92
1001-2000	173	1.78	2,62,147	1.28
2001-3000	58	0.60	1,43,485	0.70
3001-4000	22	0.23	80,319	0.39
4001-5000	15	0.15	67,466	0.33
5001-10000	36	0.37	2,49,820	1.21
Above 10000	72	0.74	1,89,99,666	92.43
Total	9,723	100	2,05,55,503	100

Reconciliation of Share Capital Audit is carried out in line with SEBI requirements and reports submitted by an independent Company Secretary confirming that the aggregate number of equity shares of the Company held in NSDL, CDSL and in physical form tally with the issued/ paid-up capital of the Company, were noted by the Board from time to time.

The number of shares held by the Directors of Hinduja Ventures Limited as on 31st March 2011 are as under:

Sr. No.	Name of Directors	No. of Shares
1	Mr. A. P. Hinduja	1,188,140*
2	Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)	61,065

*A. P. Hinduja (HUF)-54,327, A. P. Hinduja Jt. A/c with Harsha Ashok Hinduja-45,313, Ashok P. Hinduja-31,600, A. P. Hinduja Jt. A/c with S. P. Hinduja HUF (Bigger) and Hinduja Properties Developments Ltd–385,715, A. P. Hinduja Jt. A/c with Hinduja Properties Developments Ltd and S. P. Hinduja HUF (Bigger)-671,185.

Code of Conduct:

The Company has adopted separate Codes of Conduct for Executive Directors, Senior Management and Non-Executive Directors and the same has been posted on the Company's website. As required under Clause 49 of the Listing Agreement, Manager has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as on 31st March 2011.

13. REGISTRAR AND SHARE TRANSFER AGENT

Your Company's Registrar and Share Transfer Agent is Sharepro Services (India) Private Limited, 13 AB Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072.

Shareholders' correspondence should be addressed to the Registrar and Share Transfer Agent at the above address, marked to the attention of Ms. Indira/ Mr. Damodar K.

Tel: (91 22) 6772 0300
Fax: 2850 8927/ 2859 1568

Email: sharepro@shareproservices.com

14. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Queries relating to operational and financial performance of your Company may be addressed to:

Mr. Dilip Panjwani, Manager and Company Secretary

Address: In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400 093. Tel: (91 22) 6691 0945 Fax: 6691 0988

Email: investorgrievances@hindujaventures.com

Shareholders may address queries relating to their holdings to Mr. Dilip Panjwani, Manager and Company Secretary at In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400 093. Tel: (91 22) 6691 0945 Fax: 6691 0988

Pursuant to the SEBI Circular No. MIRSD/ DPS III/Cir-01/07 dated 22nd January 2007, the Company has designated an exclusive e-mail ID viz investorgrievances@hindujaventures.com, on which the investors would be able to register their complaints and also take necessary follow-up actions as necessary.

Plant Locations: Not applicable

15. COMPLIANCE OFFICER

Mr. Dilip Panjwani, Manager and Company Secretary.

For and on behalf of the Board

Place : Mumbai
Date : 10th May 2011

A. P. Hinduja
Executive Chairman

Annexure 'E' to the Directors' Report

Auditors' certificate to the members of Hinduja Ventures Limited on compliance of the conditions of Corporate Governance for the year ended 31st March, 2011, under clause 49 of the listing agreements with relevant stock exchanges.

To

The Members of Hinduja Ventures Limited

1. We have examined the compliance of the conditions of Corporate Governance by Hinduja Ventures Limited, (the company) for the year ended 31st March, 2011, as stipulated in clause 49 of the listing agreements of the said Company with relevant stock exchanges in India (hereinafter referred to as clause 49).
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49.
4. We 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

R. Laxminarayan
Partner
Membership No. 33023

Place : Mumbai
Date : 10th May 2011

Management Discussion & Analysis

Hinduja Ventures Limited ("HVL") currently operates in three principle segments namely Media, Real Estate and Treasury. While Media & Communications is the principal segment of the Company, Real Estate comes in the form of a 47 Acre property at Bangalore. The Treasury segment is result of investment holdings and cash mainly to preserve capital to foray into new ventures.

MEDIA

Media and Entertainment Industry update:

Media & Entertainment (M&E) Industry is highly sensitive to economic cycles. Post the downturn witnessed in 2008-09, M & E industry came out of the downturn to post decent growth of 11% in 2010 as compared to 1.4% growth during 2009. The growth drivers for M & E industry was media spends by corporate for advertising across media platforms. While most sectors within M & E industry grew at double digit growth rates, the film industry witnessed a de-growth owing to lack of quality content which failed to make a strong run at the box office. Television and Print resumed their pace of growth as did Radio and Out of Home. The digital platforms have started to make on impact among the young population of India and their popularity gained in the current year. Content creators now look to build strong foundations to exploit this segment of growth.

Digitization thus now continues to be a key growth driver for M & E industry and this trend became evident in 2010. Film studios spotted an opportunity and witnessed greater adoption of digital prints over physical prints and for the first time in India the music industry witnessed increased digital sales over physical unit sales. Direct to Home (DTH) and Digital Cable clocked a robust growth of 75% over last year.

Considering the above shifts in digitization and Government's stated policy of achieving digitization, the Information & Broadcasting ministry has formally announced digitization of distribution of content, which in essence would be sunset for analogue transmission. The announcement of digitization by Government provides an immense opportunity for digitization coupled with addressability for Cable Sector. As per the policy announced by the Government, digitization is expected to be implemented by December 2014 in the country.

The immediate challenge for the sector would be to garner huge capital outlays required to convert analogue transmission to digital transmission and deployment of set top boxes. The digitization of Cable industry coupled with introduction of 3G Telecom rollouts with their digital content is expected to deepen the market.

Outlook for Pay TV market:

As per Media Partners Asia estimates, between 2010 and 2015, the pay TV advertisement market in India expected to grow at an Compounded Annual Growth Rate (CAGR) of 17%. The subscription revenues in the same period is expected to register 12% CAGR. The growth is expected to be driven by digitization of Cable networks and DTH growth. The subscription market is expected to grow on the back of growth in subscription rates and increase in total subscription households to 166 million by 2015. The total members of households covered are expected to reach 190 million by 2020. These projections take into account households subscribing dual services of DTH and Cable. The pay TV penetration would thus increase from current levels of 79% to 88% by 2020.

The increase in penetration and number of subscribers will result in increased revenues for digital platforms. This will require overhaul of investments and business models. The business model for cable companies will expect significant transition from dominant placement revenues to dominant subscription revenues coupled with some level of carriage revenues. The national MSOs have currently announced a combined development of digital set top boxes to the extent of 4 million every year during 2011 – 14. An increased deployment will come in thereafter as penetration increases, coupled with last mile acquisition. The digital cable paying subscribers are expected to reach 20 million for the Cable Sector. The increase in subscribers is expected to mainly come from increase in declaration by last mile operators i.e. LCOs and thereafter the acquisition of last mile and further penetration of digital cable. Thus there will be 35 million digital cable homes by 2020 and the Average Revenue Per Subscriber is expected to reach US $ 6.8 from US $ 4.8.

The increased penetration of digital cable will provide opportunity to cable MSOs to deploy their networks for providing broadband services. The broadband subscribers are expected to reach 3 million by 2015 and 6.5 million by 2020. Currently most MSOs do provide broadband, however, with digital networks and mandated digitization, MSO's are expected to have direct reach to the customer and this will lead to increased penetration of direct broadband by MSOs to customers. However, the cable broadband is expected to compete with wireless technologies of 3G and broadband wireless access.

Digitization - Rollout by Cable TV networks:

The mandated digitization as recommend by Telecom Regulatory Authority of India and accepted by I & B ministry is expected to go a long way in digitization of content in India. The digitization is expected to require the following:

1) Additional capital requirement to fund network upgrades at last mile level.
2) Capital requirements for consolidation and subscriber acquisitions. This is expected to consume US $ 5 billion over 5 – 6 years.
3) Transitioning business models with focus on subscription and to a lesser extent on carriage.
4) Relationship building with last mile operators.
5) Building robust business models on broadband penetration towards achieving triple-play.
6) Project management for network rollouts and acquisition of right skill sets in growing the pay TV industry.

7) Consumer business mindset from current B2B business structures.

8) Expected shift in share of pay TV revenues from LCOs to MSOs.

Incentives from Government in rationalization of taxes and relaxation in Foreign Investment regulations will be required to attract capital.

SWOT Analysis: IMCL

1) Opportunities:

- Mandated Digital Transition: The MIB has approved the recommendation of TRAI for digitisation of cable networks. However, the plan requires approval of cabinet and amendments to existing legislations covering this sector. However, digitisation provides an opportunity for IMCL to expand and grow exponentially.
- Digitisation is expected to give strength for Triple-play and more robust subscription revenues.
- Opportunity for Quad play – which includes video, internet, voice and e-commerce, opportunity for customer stickiness.
- Additional value added revenue stream in digital play out from pay per view, HDTV and DVR.

2) Strengths:

- One among the top 3 national MSOs with a pan India foot print, and presence in 28 cities with an estimated reach of around 8.5 million subscribers.
- First mover advantage with established infrastructure.
- Stable technology with experienced management in place.
- 10,000 km of hybrid fiber optic network including 2,000 km of underground fiber optic network.

3) Challenges:

- Huge capital outlays required for achieving the business plan. Any change in Government policy would impact raising capital with appropriate mix of debt and equity.
- Relationship management with last mile operators in a competing environment in digital cable and competing technologies.
- Competing technologies like viewing content on alternate platforms like mobile TV, I Pads etc. makes it fragmented market with each technology competing for same customer.
- Reduction in placement fees on creation of additional bandwidth in a digital environment.
- Payout to last mile operators for their share without any control over quality of service of the operator.

4) Threats:

- Strong and quick growth of Direct to Home (DTH) has build up a huge base.
- Execution, as cable has to be laid, requiring huge infrastructure push in many cities.
- Innovation in technology for distributing content in more cost-effective manner than cable.

TREASURY

The Government has been increasing rates of interest through money market operating and other policy measures. However the market continues to bullish, in view of the India growth story. HVL has been able to generate adequate returns from its portfolio. However going forward with further rise in interest rates, it will be difficult to predict market movements. HVL's philosophy however continues to be to preserve capital and generate steady returns.

REAL ESTATE

HVL has Real Estate within the BIAPPA Zone, which is where the New Airport at Devanhalli in Bangalore has come up. The land is located at Navratna Agrahara Village. The Company has extended the Development Agreement with the developer for development of its property for a further period of two years and once the company has received all approvals, the Company will develop the property. HVL intends to monetize this assets, and expect to get good returns.

PERFORMANCE REVIEW

Discussion on Financial results with respect to Operational Performance

The consolidated financial highlights for the year 2010-11 are set out below. The following are relevant financial highlights with respect to the operational performance of the company.

(₹ in million)

For the Year	2010-11	2009-10
Operating, Interest & Dividend Income	3,944.04	3,514.99
Expenses	3,061.24	2,928.06
Operating Profit (PBIDTA)	882.80	586.93
Financial Expenses	44.29	16.71
Depreciation/Amortization	278.04	235.21
Operating Profit after Interest and Depreciation	560.47	335.01
Profit on Sale of long term Investments (net)	391.74	249.44

Other Income	417.14	252.69
Profit before tax and exceptional items	1,369.35	837.14
Provision for tax (incl. deferred tax)	277.21	117.57
Profit after tax	1,092.14	719.57
EPS Basic (Rupees)	42.12	29.47
EPS Diluted (Rupees)	42.12	29.47

Segmental Review

The Consolidated business segment wise analysis for the year ended 31st March 2011 is as under:

(₹ in million)

	Real Estate	Media & Communication	Treasury	Other/ (Unallocated)
Segment Revenues	—	4,106.00	645.32	1.60
Segment Results (PBT)	(5.63)	880.98	520.46	(26.45)
Capital Employed	105.65	2,942.09	5,353.94	(179.97)

RISKS, CONCERNS AND MITIGATION PLANS

The Company has a proper framework for analysis of Risks and Concerns and continuously evaluates risk mitigation on an ongoing basis. On compliance risk, the Company has a robust process of risk and mitigation planning in place. The risk management system put in place in the previous years is working smoothly and will be evaluated for stress test or modification upon change in size or nature of business.

The Risk Management plan which was already in place is constantly reviewed. This being dynamic, the Company will keep re-evaluating as the business keeps developing.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems and processes of your Company cover operational efficiency, accuracy and promptness in financial reporting, compliance with laws and regulations and development of mature, disciplined and effective processes. The processes also are designed to meet the goals of cost, schedule, functionality and product quality, thus resulting in higher levels of customer satisfaction.

A well-defined organizational structure, clearly demarcated authority levels and well-documented policy and guidelines to ensure process efficiencies are the hallmarks of the Company's internal control system.

The internal and external Auditor's reports with comments of the management are regularly placed before the Audit Committee, which discusses the reports with the Management and the Auditors to satisfy them about the internal control environment designed to ensure that the results of operations are reflected properly in the financial statements and process control and quality standards are maintained.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE MANAGEMENT/ INDUSTRIAL RELATIONS

The Company had cordial relations with its employees during the year. The Company has adopted best practices to retain key talent. Based on business needs the Company will constantly review.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes, other statutes and other factors such as litigation and industrial relations.

Balance Sheet

as at 31st March, 2011

	Schedule	As at 31.03.2011		As at 31.03.2010 (Rs. 000's)	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	**205,555**		205,555	
Reserves and Surplus	2	**6,249,310**		5,946,863	
			6,454,865		6,152,418
Deferred Tax Liability (Net)			**20,430**		–
(Refer Note 4 of Schedule 20)					
TOTAL			**6,475,295**		**6,152,418**
APPLICATION OF FUNDS					
Fixed Assets	3				
Gross Block		**243,476**		16,293	
Less: Accumulated Depreciation		**29,739**		6,697	
Net Block		**213,737**		9,596	
Capital Work-in-Progress		**–**		214,939	
			213,737		224,535
Investments	4		**3,029,447**		3,156,277
Deferred Tax Asset (Net)			**–**		39,827
(Refer Note 4 of Schedule 20)					
Current Assets, Loans and Advances					
Stock-in-Trade	5	**162,745**		217,104	
Sundry Debtors	6	**105,767**		44,826	
Cash and Bank Balances	7	**23,613**		103,658	
Other Current Assets	8	**40,627**		34,377	
Loans and Advances	9	**3,218,100**		2,667,802	
		3,550,852		3,067,767	
Less: Current Liabilities and Provisions					
Current Liabilities	10	**10,692**		88,545	
Provisions	11	**308,049**		247,554	
		318,741		336,099	
Net Current Assets			**3,232,111**		2,731,668
Miscellaneous Expenditure					
(to the extent not written off or adjusted)	12		**–**		111
TOTAL			**6,475,295**		**6,152,418**
Significant Accounting Policies and Notes to Accounts	20				

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Profit and Loss Account
for the year ended 31st March, 2011

	Schedule	Year ended 31.03.2011	(Rs. 000's) Year ended 31.03.2010
INCOME			
Operating Income	13	**64,736**	83,267
Interest and Dividend Income	14	**375,801**	462,949
Gain on Sale of Long Term Investments (Net) - Non-Trade		**391,739**	249,440
Other Income	15	**2,510**	9,244
TOTAL		**834,786**	804,900
EXPENDITURE			
Direct Costs	16	**54,122**	250,421
Employee Costs	17	**26,117**	23,323
Administrative and Other Expenses	18	**56,162**	57,218
Financial Expenses	19	**—**	9,779
Depreciation/ Amortisation		**23,042**	1,616
TOTAL		**159,443**	342,357
Profit Before Tax		**675,343**	462,543
Less: Tax Expense			
- Current Tax [including for earlier years Rs. 6,840 (Previous Year-Rs.763)]		**138,455**	109,263
- Mat Credit Entitlement (Refer Note 20 of Schedule 20)		**(99,470)**	—
- Deferred Tax Charge/ (Credit)		**60,257**	(37,576)
Profit After Tax		**576,101**	390,856
Add : Balance Brought Forward from Previous Year		**3,778,253**	3,666,178
Add : Amount transferred on Amalgamation of HTMT Telecom Private Limited (Refer Note 18 of Schedule 20)		**24,973**	—
PROFIT AVAILABLE FOR APPROPRIATION		**4,379,327**	4,057,034
Dividend			
- Proposed Dividend		**256,944**	205,555
- Dividend Distribution Tax		**41,683**	34,140
Transfer to General Reserve		**57,610**	39,086
Balance carried to Balance Sheet		**4,023,090**	3,778,253
Earnings Per Share (Face Value Rs. 10/- per Share)			
- Basic and Diluted (Rupees) (Refer Note 3 of Schedule 20)		**28.03**	19.01
Significant Accounting Policies and Notes to Accounts	20		

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Cash Flow Statement
for the year ended 31st March, 2011

				(Rs. 000's)
		2010-2011		2009-2010
A Cash Flow from Operating Activities :				
Profit Before Tax		**675,343**		462,543
Adjustments for :				
Share issue and deferred revenue expenses written off	**111**		719	
Depreciation	**23,042**		1,616	
Amortisation of Film Rights	**53,628**		190,000	
Liability no longer required written back	**(1,503)**		–	
Miscellaneous Expenses	**123**		–	
Fixed Assets written-off	**–**		78	
Sundry debit balances written-off	**–**		125	
Interest on Income Tax Refunds	**–**		(9,014)	
Gain on Sale of Long Term Investments	**(391,739)**		(249,440)	
Wealth Tax	**3,604**		–	
Interest Expenses	**–**		9,779	
(Gain)/Loss on Foreign Exchange Fluctuation (Net)	**(713)**		1,706	
		(313,447)		(54,431)
Operating Profit before working capital changes		**361,896**		408,112
Adjustments for changes in working capital:				
Trade Receivables	**(60,229)**		(24,182)	
Stock-in-Trade	**731**		(297,793)	
Trade Payables	**(14,312)**		14,627	
Other Receivables	**(992,267)**		143,672	
		(1,066,077)		(163,676)
Operating Profit/ (Loss) after working capital changes		**(704,181)**		244,436
Direct Taxes Paid		**(149,440)**		(107,717)
Net Cash (used in)/ from Operating Activities (A)		**(853,621)**		136,719
B Cash Flow from Investing Activities :				
Purchase of Fixed Assets	**(72,610)**		(154,557)	
Investments Made - Subsidiaries/ Associates	**(186,000)**		(827,341)	
Investments Made - others	**(200,031)**		(348,364)	
Investments Sold - others	**743,623**		737,852	
Net Cash from/ (used in) Investing Activities (B)		**284,982**		(592,410)

Cash Flow Statement
for the year ended 31st March, 2011

(Rs. 000's)

		2010-2011		2009-2010
C Cash Flow from Financing Activities :				
Borrowings/ (Repayment) of Secured Loan	–		(143,030)	
Interest Paid	–		(9,779)	
Dividend Paid (including tax thereon)	(239,796)		(240,468)	
Net Cash (used in)/ from Financing Activities (C)		(239,796)		(393,277)
Net Increase/ (Decrease) in Cash and Cash Equivalents **(A+B+C)**		(808,435)		(848,968)
Cash and Cash Equivalents as at the beginning of the year		866,893		1,715,861
Cash and Cash Equivalent Received Consequent to Amalgamation		15,348		–
Cash and Cash Equivalents as at the end of the year		73,806		866,893
Cash and Cash Equivalents comprise :				
Cash on Hand		49		21
Cheques on Hand		–		60
Bank Balances with Scheduled Banks in :				
- Current Accounts		3,956		14,711
- Deposit Accounts (inculdes Rs. 12,203 (Previous Year - Rs. 11,816) Secured against bank guarantees given by bank/ on which bank has a lien)		12,659		81,816
- Unclaimed Dividend Accounts		6,949		7,050
Short Term Investments (Refer Note 3)		50,193		763,235
		73,806		866,893

Notes :

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement.

2 Previous year's figures have been regrouped / rearranged wherever necessary.

3 Short Term Investments comprises investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Schedules

forming part of the Balance Sheet as at 31st March, 2011

(Rs. 000's)

		As at 31.03.2011		As at 31.03.2010
SCHEDULE 1				
Share Capital				
Authorised				
70,000,000 Equity Shares of Rs. 10 each		**700,000**		700,000
		700,000		700,000
Issued, Subscribed and Paid-up				
20,555,503 Equity Shares of Rs. 10 each, fully paid-up		**205,555**		205,555
		205,555		205,555

Of the above:

Notes :

1. 8,965,157 Equity Shares were issued for consideration other than cash pursuant to the Scheme of Amalgamation with erstwhile Ashok Leyland Information Technology Limited, Richman Investrade Private Limited, Melody Trading Private Limited, Hinduja Telecom India Limited and Sarthak Mercantile Private Limited.
2. 103,559 Equity Shares of Rs. 10 each have been allotted to employees under Employee Stock Option Scheme.

		As at 31.03.2011		As at 31.03.2010
SCHEDULE 2				
Reserves and Surplus				
Securities Premium Account				
As per last Balance Sheet		**67,058**		67,058
General Reserve				
As per last Balance Sheet	**2,101,552**		2,054,582	
Add : Transferred from Statutory Reserve Fund	–		7,884	
Add : Transferred from Profit and Loss Account	**57,610**		39,086	
		2,159,162		2,101,552
Statutory Reserve Fund				
As per last Balance Sheet	–		7,884	
Less: Transfer to General Reserve	–		7,884	
		–		–
Profit and Loss Account		**4,023,090**		3,778,253
		6,249,310		5,946,863

SCHEDULE 3
Fixed Assets

(Rs. 000's)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2010	Additions during the year	Deletions during the year	As at 31.03.2011	Upto 31.03.2010	For the Year	On Deletions during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets										
Computer Software - Acquired	–	936	–	936	–	156	–	156	780	–
Tangible Assets										
Office Equipments	637	38	–	675	219	33	–	252	423	418
Computers	4,194	133	–	4,327	3,495	365	–	3,860	467	699
Plant & Machinery	–	224,593	–	224,593	–	21,304	–	21,304	203,289	–
Furniture and Fixtures	151	–	–	151	148	1	–	149	2	3
Vehicles	11,311	1,483	–	12,794	2,835	1,183	–	4,018	8,776	8,476
TOTAL	**16,293**	**227,183**	**–**	**243,476**	**6,697**	**23,042**	**–**	**29,739**	**213,737**	**9,596**
Previous Year	16,154	400	261	16,293	5,264	1,616	183	6,697		
Capital Work-in-Progress includes capital advances aggregating Rs. Nil [Previous Year — Rs. 7,260 (000's)]									–	214,939
									213,737	**224,535**

Schedules
forming part of the Balance Sheet as at 31st March, 2011

(Rs. 000's)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 4			
Investments			
(As per Annexure - 'A')		**3,058,881**	3,185,711
Less: Provision for Diminution in Value of Investments		**29,434**	29,434
		3,029,447	3,156,277
SCHEDULE 5			
Stock-in-Trade (At cost or net realisable value whichever is lower)			
Shares (As per Annexure - 'B')		**–**	731
Real Estate (pending registration in the name of the Company)		**106,373**	106,373
Unamortised Cost of Film Rights		**56,372**	110,000
		162,745	217,104
SCHEDULE 6			
Sundry Debtors (Unsecured)*			
Debts Outstanding for a period exceeding six months			
- Considered good		**12,069**	–
- Considered doubtful		**–**	–
		12,069	–
Less: Provision for doubtful debts		**–**	–
	(a)	**12,069**	–
Other Debts			
- Considered good	(b)	**93,698**	44,826
Total	(a) + (b)	**105,767**	44,826
*includes due from a subsidiary company Rs. 43,512 (Previous Year - Rs. Nil)			
SCHEDULE 7			
Cash and Bank Balances			
Cash on Hand		**49**	21
Cheques on Hand		**–**	60
Balances with Scheduled Banks in :			
- Current Accounts		**3,956**	14,711
- Deposit Accounts #		**12,659**	81,816
- Unclaimed Dividend Accounts		**6,949**	7,050
		23,613	103,658
# includes Rs. 12,203 (Previous Year - Rs. 11,816) under lien with Banks towards Bank Guarantee, Letters of Credit and Term Loan/ Cash Credit Facility issued by them.			
SCHEDULE 8			
Other Current Assets			
Interest Accrued on			
- Inter-Corporate Deposits (Refer Note 21 of Schedule 20) [Includes due from a subsidiary company - Rs. 31,895 (Previous Year - Rs. 14,169)]		**39,912**	33,590
- Others		**715**	787
		40,627	34,377

(Rs. 000's)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 9		
Loans and Advances		
(Unsecured and Considered Good, unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for value to be received	17,040	4,446
Advance Tax and Tax Deducted at Source (Net of Provisions)	62,290	54,356
MAT Credit Entitlement (Refer Note 20 of Schedule 20)	99,470	–
Inter-Corporate Deposits to:		
(Refer Note 21 of Schedule 20)		
- Subsidiary Company	1,730,800	737,000
- Others		
- Secured	820,000	950,000
- Unsecured	488,500	922,000
	3,218,100	2,667,802
SCHEDULE 10		
Current Liabilities		
Sundry Creditors (Refer Note 14 of Schedule 20)		
- Due to micro and small enterprises	–	28
- Due to others	3,394	79,045
Advance Received from Customer	–	250
Unclaimed Dividend (Refer Note 15 of Schedule 20)	6,949	7,050
Other Liabilities	349	2,172
	10,692	88,545
SCHEDULE 11		
Provisions		
Gratuity	4,121	3,421
Leave Encashment	1,697	817
Wealth Tax	3,604	3,602
Fringe Benefit Tax (Net of Advance Tax)	–	19
Proposed Dividend	256,944	205,555
Dividend Distribution Tax	41,683	34,140
	308,049	247,554
SCHEDULE 12		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	–	111
	–	111

Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2011

	Year ended 31.03.2011	(Rs. 000's) Year ended 31.03.2010
SCHEDULE 13		
Operating Income		
Income/ (Loss) from trading of securities and equity index/ stock futures	**3,312**	6,098
Sub-broking Income	**851**	148
Income from sale/ distribution of film rights	**5,701**	77,021
Lease Income - Optical Fibre Cable	**54,872**	–
	64,736	83,267
SCHEDULE 14		
Interest and Dividend Income		
Interest [Tax Deducted at Source Rs. 35,091 (Previous Year - Rs. 60,592)]		
- On Inter-Corporate Deposits	**349,719**	345,015
- On Deposits with Bank	**887**	101,729
Dividend		
- Long Term Investments - Non-Trade	**20,605**	13,798
- Current Investments	**4,590**	2,407
	375,801	462,949
SCHEDULE 15		
Other Income		
Interest on Income Tax Refund	–	9,014
Gain on Foreign Exchange Fluctuation (Net)	**713**	–
Miscellaneous Income	**1,784**	230
Profit on Sale of Current investments	**13**	–
	2,510	9,244
SCHEDULE 16		
Direct Costs		
Advertisement, Publicity and Distribution Costs	**469**	53,280
Loss on Foreign Exchange Fluctuation (Net)	–	1,864
Amortisation of Film Rights	**53,628**	190,000
Other Expenses	**25**	5,277
	54,122	250,421

(Rs. 000's)

	Year ended 31.03.2011	Year ended 31.03.2010
SCHEDULE 17		
Employee Costs		
Salary and Other Benefits	**22,938**	20,012
Gratuity	**710**	776
Contribution to Provident and Other Funds	**2,336**	2,451
Staff Welfare Expenses	**133**	84
	26,117	23,323
SCHEDULE 18		
Administrative and Other Expenses		
Rent	**5,698**	4,384
Repairs and Maintenance - Others	**2,453**	4,038
Insurance	**720**	684
Rates, Taxes and Duties	**6,755**	6,073
Advertisement and Business Promotion	**2,039**	1,344
Communication	**699**	590
Travelling, Conveyance and Car Hire Charges	**1,425**	846
Legal and Professional	**19,845**	18,331
Motor Car Expenses	**1,194**	709
Auditors' Remuneration		
- As Auditors	**2,000**	2,300
- For Other Matters	–	90
- Out-of-Pocket Expenses	–	51
Directors' Sitting Fees	**1,080**	960
Share issue and deferred revenue expenses written-off	**111**	719
Donation	**10,000**	14,500
Fixed Assets written-off	–	78
Sundry debit balances written-off	–	125
Miscellaneous Expenses	**2,143**	1,396
	56,162	57,218
SCHEDULE 19		
Financial Expenses		
Interest on:		
- Cash Credit/ Overdraft and Other Facilities	–	9,779
	–	9,779

Schedules

forming part of the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year then ended

Schedule 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India, applicable accounting standards and provisions of the Companies Act, 1956 read with Companies (Accounting Standard) Rules, 2006.

b) Fixed Assets

Fixed assets are stated at cost of acquisition, which includes taxes and duties (net of cenvat), including any cost attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation.

c) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction, if any, is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

d) Depreciation/ Amortisation

i) **On Tangible Assets**

Depreciation on assets is provided on Straight Line Method on pro-rata basis at the rates prescribed under Schedule XIV to the Act. Assets costing less than Rs. 5,000 each are depreciated fully in the year of acquisition.

ii) **On Intangible Assets**

Computer Software is amortised over a period of six years on straight line basis.

e) Valuation of Stock-in-Trade

i) Real Estate is valued at cost or net realisable value, whichever is lower.

ii) Shares have been valued at cost and fair value whichever is lower. The cost is computed by the "First In First Out" method.

iii) The cost of acquisition relating to Indian theatrical rights, overseas theatrical rights, satellite T.V., video and other rights of films are amortised as follows:

- The cost of aforesaid rights assigned to third parties for a perpetual period at an agreed consideration are fully amortised in the year in which such rights are assigned.
- 70% of the cost of the aforesaid rights is amortised on the first theatrical release of the movie. In case, certain rights are not exploited alongwith first theatrical release, the cost of such rights is carried forward to be written-off on commercial exploitation. Balance 30% will be amortised over the balance license period or based on management estimate of future revenue potential, as the case may be.

f) Investments

Long-term investments are stated at cost and provision is made for diminution, other than temporary, in the value of investments.

Current investments are valued at lower of cost and fair value.

g) Revenue Recognition

i) Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

ii) Interest income is accounted on accrual basis and dividend income is recognised when the right to receive the dividend is established.

iii) Profits/ Losses from share trading is determined on the basis of the "First In First Out" method. Profits/ Losses from investment activities (including gain/ (loss) on sale of stake in subsidiaries) is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of trade dates/ contracts/ agreements entered with respective parties.

iv) Revenue from sale/ distribution of film rights is recognised as follows:

- In case of income from distribution of Indian theatrical rights, revenue is recognised on accrual basis on receipt of business statements from theatres and sub distributors.
- Income from assignment of certain overseas rights for a perpetual period at an agreed consideration is recognised on the date of assignment of such rights and income from other rights is recognised based on terms of the agreements with respective parties.

v) Equity Index/ Stock – Futures

1. Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, disclosed under Loans and Advances or Current Liabilities respectively, in the "Mark-to-Market Margin - Index/ Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of Index/ Stock Futures till the Balance Sheet date.
2. As at the Balance Sheet date, the profit/ loss on open positions, if any, in Equity Index/ Stock Futures are accounted for as follows:
   - Credit balance in the "Mark-to-Market Margin – Equity Index/ Stock Futures Account", being anticipated profit, is ignored and no credit is taken in the Profit and Loss Account.
   - Debit balance in the "Mark-to-Market Margin - Equity Index/ Stock Futures Account", being anticipated loss, is recognised in the Profit and Loss Account.
3. On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in "Mark-to-Market Margin - Equity Index/ Stock Futures Account" is recognised in the Profit and Loss Account upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out method for calculating profit/ loss on squaring-up.
4. "Initial Margin – Equity Index/ Stock Futures Account", representing the initial margin and "Margin Deposits" representing additional margin paid over and above the initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

h) Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time of occurrence of the transactions.

Monetary items denominated in foreign currency, are restated using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognized in the Profit & Loss Account.

i) Employee Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Company has a Defined Contribution Plan namely Provident Fund.

Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company makes contributions to State plans namely Employees State Insurance Fund and Employees Pension Scheme and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

Defined Benefit Plan

The Company has a Defined Benefit Plan (unfunded) namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation at the year-end using Projected Unit Credit Method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

ii) Other Employee Benefits:

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment is provided, based on an actuarial valuation carried out by an independent actuary as at the year-end using Projected Unit Credit Method. Short term compensated absences, if any, are provided on cost to Company basis.

j) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

ii) Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – “Accounting for Taxes on Income” notified under the Companies Accounting Standard Rules 2006. Income Tax comprises of Current and Deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

iii) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing differences the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

k) Borrowing cost

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies being considered for segment reporting:

a) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.

b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under “Unallocated corporate expenses”.

m) Miscellaneous Expenditure

Preliminary Expenses and Share Issue Expenses are amortised over a period of ten years.

n) Leases

Assets leased out under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term.

Assets acquired on lease where all significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease Rentals are charged to Profit and Loss Account on straight line basis over the lease term.

o) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts (net of capital advances) remaining to be executed on capital account and not provided for Rs. Nil [Previous Year Rs. 3,880 (000's)].

b) Contingent liabilities in respect of:

(Rs. 000's)

Sr. No.	Particulars	As at 31.03.2011	As at 31.03.20010
i.	Counter Guarantee provided by the Company for guarantee given by IndusInd Bank Limited to IndusInd Media and Communications Limited, a subsidiary company.	10,000	10,000
ii.	Income Tax matters against which the Company has filed appeals/ objections. (Refer Note 1 below).	1,613,887	1,379,202
iii.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated 25th November, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	86,712	86,712

Notes:

1. Includes an amount of Rs. 1,539,048 (000's) [Previous Year - Rs. 1,220,843 (000's)] being disputed income tax liabilities pertaining to IT/ ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES business sanctioned by High Court of Judicature of Bombay and made effective on 7th March, 2007. In respect of the aforesaid disputed dues, an amount of Rs. 379,712 (000's) [Previous Year - Rs. 194,712 (000's)] has been deposited by the Company with income tax authorities under protest. The Company has received Rs. 315,000 (000's) [Previous Year - Rs. 135,000 (000's)] upto 31st March, 2011 from Hinduja Global Solutions Limited to discharge part payment of disputed income tax liabilities pertaining to IT/ ITES business, which is netted from advance tax and tax deducted at source (Net of Provisions).
2. With respect to the above, the Company does not expect any outflow of cash/ resources

3. Earnings Per Equity Share (Basic and Diluted)

	2010-11	2009-10
Profit Attributable to Equity Shareholders (Rs. 000's)	576,101	390,856
Number of equity shares outstanding during the year		
- For Basic and Diluted Earnings Per Share (Nos.)	20,555,503	20,555,503
Nominal Value of Equity Shares (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share (Rs.)	28.03	19.01

Schedules

forming part of the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year then ended

4. Net Deferred Tax Asset/ (Liability)

(Rs. 000's)

	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability:		
Depreciation on Fixed Assets	4,026	540
Unamortised Preliminary/ Miscellaneous Expenditure	–	39
Unamortised cost of Film Rights	18,290	–
Total Deferred Tax Liability	**22,316**	**579**
Deferred Tax Asset:		
Liabilities to be deducted for tax purposes when paid	1,886	1,441
Unamortised cost of Film Rights	–	38,402
Demerger Expenses	–	563
Total Deferred Tax Asset	**1,886**	**40,406**
Net Deferred Tax Asset /(Liability)	**(20,430)**	**39,827**

5. Segment Reporting

Primary Segment

In accordance with Accounting Standard 17 - Segment Reporting, the Management has identified its business segments based on the nature of services, nature of risks and returns as applicable to each segment and the internal financial reporting systems, so far as they relate to the specific groups included in the segments, which are as under:

I. **Media and Communications** - consists of various media / communication related activities spearheaded by the Corporate Group. This segment also includes all activities relating to increase in shareholders value in subsidiaries belonging to the Company in this sector.

II. **Real Estate** – The Company has real estate activities in the form of property development. The segment also identifies potential investment opportunities in real estate properties either itself or through participation in the form of shares or securities of real estate companies.

III. **Treasury** – This segment consists of activities relating to

i. deployment of surplus funds and

ii. existing stock in trade/ investments in shares and securities, other than subsidiaries.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Expenses". Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/ Liabilities".

Secondary Segment

There are no Reportable Geographical Segment

Business Segments

(Rs. 000's)

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1.	Segment Revenues	120,717	152,529	–	–	713,921	643,357	834,638	795,886
	Add: Other Income							148	9,014
								834,786	**804,900**
2.	Segment Results	30,108	(112,384)	(5,631)	(11,513)	666,133	585,352	690,610	461,455
	Add: Other Income							148	9,014
	Less: Unallocated Corporate Expenses							(15,415)	(7,926)
	Total Profit Before Tax							**675,343**	**462,543**
3.	Capital Employed								
	Segment Assets	994,428	1,798,848	106,390	106,389	5,499,009	4,461,835	6,599,827	6,367,072
	Add: Unallocated Corporate Assets		–		–		–	194,209	121,445
	Total Assets							**6,794,036**	**6,488,517**
	Segment Liabilities	3,418	78,736	741	4,182	3,189	2,348	7,348	85,266
	Add: Unallocated Corporate Liabilities							331,823	250,833
	Total Liabilities							**339,171**	**336,099**
	Segment Capital Employed	991,010	1,720,112	105,649	102,207	5,495,820	4,459,487	6,592,479	6,281,806
	Add: Unallocated Capital Employed							(137,614)	(129,388)
	Total Capital Employed							**6,454,865**	**6,152,418**
4.	Capital Expenditure	25,978	213,505	–	–	1,967	608	27,945	214,113
5.	Depreciation/ Amortisation	21,304	–	–	–	1,738	1,616	23,042	1,616
6.	Significant Non Cash Expenditure	53,739	192,424	–	–	123	204	53,862	192,628
	Add: Unallocated Non Cash Expenditure							–	–
								53,862	**192,628**

Notes:

1. There are no Inter Segment Revenues.
2. Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.

Schedules

forming part of the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year then ended

6. Related Party Disclosures (as identified by the Management)

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Subsidiaries

A) Direct Subsidiaries

1. IndusInd Media and Communications Limited
2. Grant Investrade Limited
3. HTMT Telecom Private Limited (upto 31st December, 2010)
4. IDL Speciality Chemicals Limited

B) Indirect Subsidiaries

1. USN Networks Private Limited
2. Gold Star Noida Network Private Limited
3. Seven Star Information Technology Private Limited
4. Bhima Riddhi Infotainment Private Limited
5. United Mysore Network Private Limited
6. Apna Incable Broadband Services Private Limited
7. Sangli Media Services Private Limited
8. Sainath In Entertainment Private Limited (effective 29th May, 2010)
9. Sunny Infotainment Private Limited (effective 26th October, 2010)
10. Goldstar Infotainment Private Limited (effective 18th October, 2010)
11. Ajanta Sky Darshan Private Limited (effective 25th October, 2010)
12. V4U Entertainment Private Limited (effective 29th October, 2010)
13. Darpita Trading Company Private Limited (effective 15th November, 2010)
14. RBL Digital Cable Network Private Limited (effective 29th November, 2010)
15. Vistaar Telecommunication and Infrastructure Private Limited (effective 1st December, 2010)

III. Associates

1. Planet E-Shop Holdings India Limited
2. IN Entertainment (India) Limited

IV. Key Management Personnel

Mr. Dilip Panjwani, Manager and Company Secretary

V. Enterprises where common control exists

1. Aasia Management and Consultancy Private Limited
2. Hinduja Group India Limited
3. Hinduja Realty Ventures Limited
4. Hinduja Global Solutions Limited
5. APDL Estates Limited

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Interest Income						
IndusInd Media and Communications Limited	– [–]	57,854 [75,494]	– [–]	– [–]	– [–]	57,854 [75,494]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	74,683 [119,232]	74,683 [119,232]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	13,010 [14,713]	13,010 [14,713]
IN Entertainment (India) Limited	– [–]	– [–]	58,482 [29,774]	– [–]	– [–]	58,482 [29,774]
IDL Speciality Chemicals Limited	– [–]	98,329 [–]	– [–]	– [–]	– [–]	98,329 [–]
Total	**–** [–]	**156,183** [75,494]	**58,482** [29,774]	**–** [–]	**87,693** [133,945]	**302,358** [239,213]
Lease Charges						
IndusInd Media and Communications Limited	– [–]	54,872 [–]	– [–]	– [–]	– [–]	54,872 [–]
Total	**–** [–]	**54,872** [–]	**–** [–]	**–** [–]	**–** [–]	**54,872** [–]
Miscellaneous Income						
IndusInd Media and Communications Limited	– [–]	– [14]	– [–]	– [–]	– [–]	– [14]
IN Entertainment (India) Limited	– [–]	– [–]	– [156]	– [–]	– [–]	– [156]
Grant Investrade Limited	– [–]	60 [60]	– [–]	– [–]	– [–]	60 [60]
Total	**–** [–]	**60** [74]	**–** [156]	**–** [–]	**–** [–]	**60** [230]
Reimbursement of Expenses from Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [25]	– [25]
HTMT Telecom Private Limited	– [–]	– [110]	– [–]	– [–]	– [–]	– [110]
Total	**–** [–]	**–** [110]	**–** [–]	**–** [–]	**–** [25]	**–** [135]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [13]	– [13]
IN Entertainment (India) Limited	– [–]	– [–]	40 [13,638]	– [–]	– [–]	40 [13,638]
IndusInd Media and Communications Limited	– [–]	315 [195]	– [–]	– [–]	– [–]	315 [195]
IDL Speciality Chemicals Limited	– [–]	5 [–]	– [–]	– [–]	– [–]	5 [–]
Total	**–** [–]	**320** [195]	**40** [13,638]	**–** [–]	**–** [13]	**360** [13,846]

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Acquisition of Film Rights (including VAT)						
IN Entertainment (India) Limited	– [–]	– [–]	– [304,000]	– [–]	– [–]	– [304,000]
Total	**–** [–]	**–** [–]	**–** [304,000]	**–** [–]	**–** [–]	**–** [304,000]
Agency Fees						
IN Entertainment (India) Limited	– [–]	– [–]	– [1,000]	– [–]	– [–]	– [1,000]
Total	**–** [–]	**–** [–]	**–** [1,000]	**–** [–]	**–** [–]	**–** [1,000]
Professional Fees						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	10,600 [10,600]	10,600 [10,600]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**10,600** [10,600]	**10,600** [10,600]
Rent/Service Charges						
IndusInd Media and Communications Limited	– [–]	784 [784]	– [–]	– [–]	– [–]	784 [784]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	4,914 [3,600]	4,914 [3,600]
Total	**–** [–]	**784** [784]	**–** [–]	**–** [–]	**4,914** [3,600]	**5,698** [4,384]
Sundry Debit Balances Written–off						
Hindua Reality Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [125]	– [125]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [125]	**–** [125]
Purchase of Fixed Assets						
IN Entertainment (India) Limited	– [–]	– [–]	1,483 [–]	– [–]	– [–]	1,483 [–]
Total	**–** [–]	**–** [–]	**1,483** [–]	**–** [–]	**–** [–]	**1,483** [–]
Purchase of Investments						
HTMT Telecom Private Limited	– [–]	– [2,341]	– [–]	– [–]	– [–]	– [2,341]
Total	**–** [–]	**–** [2,341]	**–** [–]	**–** [–]	**–** [–]	**–** [2,341]
Managerial Remuneration						
Mr. Ashok P. Hinduja	14,917 [11,484]	– [–]	– [–]	– [–]	– [–]	14,917 [11,484]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	4,239 [3,813]	– [–]	4,239 [3,813]
Total	**14,917** [11,484]	**–** [–]	**–** [–]	**4,239** [3,813]	**–** [–]	**19,156** [15,297]

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Counter Guarantees provided and terminated during the year						
IndusInd Media and Communications Limited	– [–]	– [15,000]		– [–]	– [–]	– [15,000]
IN Entertainment (India) Limited	– [–]	– [–]	– [40,000]	– [–]	– [–]	– [40,000]
Total	**–** [–]	**–** [15,000]	**–** [40,000]	**–** [–]	**–** [–]	**–** [55,000]
Inter–Corporate Deposits/ Loans Given						
IndusInd Media and Communications Limited	– [–]	32,500 [961,000]	– [–]	– [–]	– [–]	32,500 [961,000]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1,290,000 [882,500]	1,290,000 [882,500]
HTMT Telecom Private Limited	– [–]	543,000 [554,000]	– [–]	– [–]	– [–]	543,000 [554,000]
Grant Investrade Limited	– [–]	200 [–]	– [–]	– [–]	– [–]	200 [–]
IN Entertainment (India) Limited	– [–]	– [–]	583,550 [520,900]	– [–]	– [–]	583,550 [520,900]
IDL Speciality Chemicals Limited	– [–]	1,768,250 [–]	– [–]	– [–]	– [–]	1,768,250 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	– [25,000]	– [25,000]
Total	**–** [–]	**2,343,950** [15,15,000]	**583,550** [520,900]	**–** [–]	**1,290,000** [907,500]	**4,217,500** [2,943,400]
Subscription to Preference Share Capital						
HTMT Telecom Private Limited	– [–]	170,000 [820,000]	– [–]	– [–]	– [–]	170,000 [820,000]
Total	**–** [–]	**170,000** [820,000]	**–** [–]	**–** [–]	**–** [–]	**170,000** [820,000]
Inter Corporate Deposits Receivable as at the Year–end						
IndusInd Media and Communications Limited	– [–]	– [737,000]	– [–]	– [–]	– [–]	– [737,000]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	820,000 [900,000]	820,000 [900,000]
IN Entertainment (India) Limited	– [–]	– [–]	360,000 [73,500]	– [–]	– [–]	360,000 [73,500]
IDL Speciality Chemicals Limited	– [–]	1,730,800 [–]	– [–]	– [–]	– [–]	1,730,800 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	128,500 [128,500]	128,500 [128,500]
Total	**–** [–]	**1,730,800** [737,000]	**360,000** [73,500]	**–** [–]	**948,500** [1,028,500]	**3,039,300** [1,839,000]

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Receivable Net of Payable as at the Year–end						
IndusInd Media and Communications Limited	– [–]	43,512 [14,031]	– [–]	– [–]	– [–]	43,512 [14,031]
IDL Speciality Chemicals Limited	– [–]	31,895 [–]	– [–]	– [–]	– [–]	31,895 [–]
Total	**–** [–]	**75,407** [14,031]	**–** [–]	**–** [–]	**–** [–]	**75,407** [14,031]
Payable Net of Receivable as at the Year–end						
IN Entertainment (India) Limited	– [–]	– [–]	1,274 [3,693]	– [–]	– [–]	1,274 [3,693]
Total	**–** [–]	**–** [–]	**1,274** [3,693]	**–** [–]	**–** [–]	**1,274** [3,693]
Amount received related to Income Tax matters						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	315,000 [135,000]	315,000 [135,000]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**315,000** [135,000]	**315,000** [135,000]
Counter Guarantees provided on behalf of and outstanding at the Year–end						
IndusInd Media and Communications Limited	– [–]	10,000 [10,000]	– [–]	– [–]	– [–]	10,000 [10,000]
Total	**–** [–]	**10,000** [10,000]	**–** [–]	**–** [–]	**–** [–]	**10,000** [10,000]
Investments as at the Year–end						
HTMT Telecom Private Limited	– [–]	– [920,454]	– [–]	– [–]	– [–]	– [920,454]
IndusInd Media and Communications Limited	– [–]	650,886 [650,886]	– [–]	– [–]	– [–]	650,886 [650,886]
Grant Investrade Limited	– [–]	23,531 [23,531]	– [–]	– [–]	– [–]	23,531 [23,531]
IDL Speciality Chemicals Limited	– [–]	21,000 [5,000]	– [–]	– [–]	– [–]	21,000 [5,000]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	253,830 [253,830]	253,830 [253,830]
Total	**–** [–]	**695,417** [1,599,871]	**–** [–]	**–** [–]	**253,830** [253,830]	**949,247** [1,853,701]

Notes :

1. Dividend paid/ payable to related parties aggregates to Rs. 169,039 (000's) [Previous Year Rs. 135,284 (000's)].
2. Figures in brackets represent previous year figures.

7. a) Loans and Advances in the nature of loans to subsidiaries and associates (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges):

(Rs. 000's)

Name of the Company	Relationship	Balance		Maximum Balance Outstanding	
		31.03.2011	31.03.2010	2010-11	2009-10
IndusInd Media and Communications Limited	Subsidiary	Nil	737,000	737,000	1,376,500
HTMT Telecom Private Limited	Subsidiary	Nil	Nil	543,000	433,000
IDL Specilaity Chemicals Limited	Subsidiary	1,730,800	Nil	1,730,800	Nil
Grant Investrade Limited	Subsidiary	Nil	Nil	200	Nil
IN Entertainment (India) Limited	Associate	360,000	73,500	483,550	377,450

- Loans and Advances, in the nature of Loans to Subsidiaries and Associates as shown above are repayable on demand.
- There are no other loans and advances in the nature of loans where there is no repayment schedule.
- All loans and advances in the nature of loans are given on terms within the limits specified under Section 372A of the Act.
- Loans and Advances to employees and investment by such employees in the shares of the company, if any are excluded from the above disclosure.

b) Balance due from companies under the same management

(Rs. 000's)

Name of the Company	Balance		Maximum Balance Outstanding	
	31.03.2011	31.03.2010	2010-11	2009-10
a) Included in Sundry Debtors – Schedule 6				
i) IndusInd Media and Communications Limited	43,512	Nil	43,512	Nil
b) Included in Other Assets – Schedule 8				
i) IDL Specilaity Chemicals Limited	31,895	Nil	56,601	Nil
ii) IndusInd Media and Communications Limited	Nil	14,169	22,446	18,471
iii) IN Entertainment (India) Limited	Nil	6,879	13,295	18,319
c) Included in Loans and Advances - Schedule 9				
i) IDL Specilaity Chemicals Limited	1,730,800	Nil	1,730,800	Nil
ii) IndusInd Media and Communications Limited	Nil	737,000	737,000	1,376,500
iii) Grant Investrade Limited	Nil	Nil	200	Nil
iv) HTMT Telecom Private Limited	Nil	Nil	543,000	433,000
v) IN Entertainment (India) Limited	360,000	73,500	483,550	377,450

The Companies under the same management are identified by the management and relied upon by the auditor.

8. Managerial Remuneration under section 198 of the Companies Act, 1956

Employee Costs includes remuneration of Executive Chairman and Manager as under:

(Rs. 000's)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Salary and Allowances	17,383	13,298
Contribution to Provident Fund	1,728	1,728
Perquisites	45	271
Total	**19,156**	**15,297**

The remuneration paid above is within the limits specified under section 198 of the Companies Act, 1956.

9. Quantitative Details

a) The Company traded in the following. The relevant information in quantities and contract values is as follows:

(Rs. 000's)

Traded Goods	Unit	Opening Stock (A)	Purchases (B)	Sales (C)	Closing Stock (D)	Net Income for the year (A+B-C-D)
Equity Shares	Qty (Nos.)	31,700	–	31,700	–	–
		(63,597)	(–)	(31,897)	(31,700)	(–)
	Value	731	–	1,631	–	900
		(2,938)	(–)	(3,247)	(731)	(1,040)
Stock/ Index Futures	Qty (Nos.)	–	40,000	40,000	–	–
		(–)	(87,500)	(87,500)	(–)	(–)
	Value	–	130,866	133,278	–	2,412
		(–)	(333,478)	(338,536)	(–)	(5,058)
Real Estate	Value	106,373	–	–	106,373	–
		(106,373)	(–)	(–)	(106,373)	(–)
Film Rights (Refer Note 2)	Value	110,000	–	59,329	56,372	5,701
		(–)	(300,000)	(267,021)	(110,000)	(77,021)

Notes:

1. Figures in brackets represent previous year figures.
2. Sales include amortisation of cost of film rights exploited during the year.

b) Refer Annexure C in respect of investments purchased and sold during the year.

10. Operating Leases

a) Where the Company is a lessee:

The operating lease arrangement relating to office premises extend upto a maximum of five years from the respective date of inception and are renewable on mutual consent. In addition, the Company has entered into cancellable leasing arrangements for office premises and towards which the lease rental of Rs. 5,698 (000's) [Previous Year - Rs. 4,384 (000's)] has been included in 'Rent' under Schedule 18 to the Profit and Loss Account.

b) Where the Company is a lessor:

The Company has given Optical Fibre Cable under operating lease. These are generally cancelable and are renewable by mutual consent on mutually agreeable terms. The lease income recognized in the Profit and Loss Account under Lease Income – Optical Fibre Cable of Rs. 54,872 (000's) [Previous Year - Rs. Nil] under Schedule 13 to the Profit and Loss Account.

11. a) Earnings in Foreign Exchange

(Rs. 000's)

Particulars	2010-11	2009-10
Income on Sale/ Distribution of Film Rights	1,597	53,998

b) Expenditure in Foreign Exchange

(Rs. 000's)

Particulars	2010-11	2009-10
Foreign Travels	723	–

12. Dividend Remitted in Foreign Currency

Particulars	2010-11	2009-10
Amount Remitted (Rs. 000's)	28,042	263
Dividend related to financial year	2009-10	2008-09
Number of non resident shareholders	22	21
Number of shares	2,804,197	26,270

13. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are Nil [Previous Year – Nil].

14. The company has not received any intimation from "Suppliers" regarding their status under the "Micro, Small and Medium Enterprise Development Act 2006" and hence disclosures if any, relating to amounts unpaid as at year end together with amount paid / payable as required under the said Act has not been given.

15. As at 31st March, 2011, there are no amounts on account of Unclaimed Dividend, which are Due to the Investors' Education Protection Fund (IEPF). During the year, the Company has transferred Rs. 349 (000's) [Previous Year - Rs. 187 (000's)] to the IEPF on account of Unclaimed Dividend outstanding for the period exceeding seven years.

16. Disclosure in accordance with Accounting Standard 15 (Revised 2005) 'Employee Benefits'

The Company has classified various benefits provided to employees as under:

I Defined Contribution Plans

a) Provident Fund

b) State Defined Contribution Plans

i) Employer's Contribution to Employees' State Insurance

ii) Employer's Contribution to Employees' Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account

(Rs. 000's)

	2010-11	2009-10
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995] *	2,318	2,440
- Employers' Contribution to Employees' State Insurance *	18	11

* Included in Contribution to Provident and Other Funds (Refer Schedule 17)

II Defined Benefit Plan

Gratuity

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	2010-11	2009-10
Discount Rate (per annum)	8.25%	8.25%
Rate of increase in Compensation levels	4%	4%
Rate of Return on Plan Assets	Not Applicable	Not Applicable

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2010-11	2009-10
	Unfunded	Unfunded
Present Value of Obligation as at the beginning of the year	3,421	2,678
Interest Cost	342	264
Current Service Cost	723	727
Transfers*	(10)	(33)
Benefits Paid	–	–
Actuarial (gain) / loss on obligations	(355)	(215)
Present Value of Obligation at the end of the year	**4,121**	**3,421**

* Represents liability discharged in respect of employees transferred to group companies.

B) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Rs. 000's)

	2010-11	2009-10
Present Value of Unfunded Obligation at the end of the year	(4,121)	(3,421)
Unrecognised Actuarial (gains) / losses	–	–
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	**(4,121)**	**(3,421)**

* Included in Provisions (Refer Schedule 11)

C) Amount recognised in the Balance Sheet

(Rs. 000's)

	2010-11	2009-10
Present Value of Obligation at the end of the year	4,121	3,421
Liability recognised in the Balance Sheet*	**4,121**	**3,421**

* Included in Provisions (Refer Schedule 11)

D) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2010-11	2009-10
Current Service Cost	723	727
Interest Cost	342	264
Net actuarial (gain) / loss recognised in the year	(355)	(215)
Total Expenses recognised in the Profit and Loss Account*	**710**	**776**

* Included in Employee Costs (Refer Schedule 17)

E) Other Information

(Rs. 000's)

	2010-11	2009-10	2008-09	2007-08
	Unfunded	Unfunded	Unfunded	Unfunded
Present Value of Obligation at the end of the year	4,121	3,421	2,678	3,262
Experience Adjustments on Plan Liabilities – (Gain)/ Loss	(355)	(152)	(359)	725

The liability for leave encashment and compensated absences as at 31st March, 2011 aggregates Rs. 1,697 (000's) [Previous Year - 817 (000's)].

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factor, such as supply and demand in the employment market.

17. Employee Stock Option Scheme (ESOS)

Pursuant to the resolution passed at the Extraordinary General Meeting of the Shareholders of the Company on 20th February, 2001, the Company had introduced ESOS for its employees. The ESOS Compensation Committee of Board or Board of Directors have granted stock options to eligible employee of the Company or Group as under:

Date of Grant	Grant	Total Options Granted	Exercise Price Per share	Fair Value of Stock Option
23rd November, 2005	I	673,500	363.90	130.39
31st January, 2006	II	88,320	362.70	125.64
26th April, 2006	III	12,000	520.60	211.77

The exercise price per share is calculated on the basis of closing price at the National Stock Exchange of India Limited immediately preceding the date of grant.

Under the scheme, one-third of the granted options shall vest and become exercisable one year from date of grant; and thereafter the right under the options would be exercisable after the earliest applicable vesting date and prior to the completion of the 48th month from the grant. The balance two third of the options will vest equally on the second and third anniversary of the grant date, respectively.

Details of options granted and lapsed under the Employee Stock Options Plan, 2001 are as follows:

Particulars	Number of Options Grant I		Number of Options Grant II	
	2010-11	2009-10	**2010-11**	2009-10
Outstanding at the beginning of the year	–	2,260	–	17,140
Granted during the year	–	–	–	–
Lapsed during the year	–	2,260	–	17,140
Exercised/ Allotted during the year	–	–	–	–
Outstanding at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted Average remaining life in years	–	–	–	–

12,000 Options granted under Grant III have lapsed in earlier years.

The fair value of stock option has been calculated using Black-Scholes Option Pricing Model.

The compensation costs of stock options granted to employees are accounted using the intrinsic value method. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. In view of exercise price being equal to closing market price on the day prior to the date of the grant, the intrinsic value of the option is Rs. Nil. Consequently, the accounting value of the option (compensation cost) is also Rs. Nil.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been lower by Rs. Nil [Previous Year - lower by Rs. 2,448 (000's)], Profit After Tax would have been higher by Rs. Nil [Previous Year - higher by Rs. 2,448 (000's)], and the basic and diluted earning per share would have been higher by Rs. Nil (Previous Year - lower by Rs. 0.12).

18. Scheme of Amalgamation of HTMT Telecom Private Limited with the Company

a) Pursuant to the Scheme of Amalgamation made under section 391 and 394 of the Companies Act 1956, between the Company and HTMT Telecom Private Limited (HTMT Telecom), a wholly owned subsidiary of the Company, as sanctioned by the Honourable High Court of Judicature at Bombay on 15th April, 2011, all the assets and liabilities of HTMT Telecom were transferred to and vested in the Company with effect from 1st January, 2011, the appointed date. Accordingly, the Financial Statements of the Company for the year reflect the aforesaid Scheme. The said amalgamation has been accounted for under the 'Pooling of interests' method as prescribed by Accounting Standard (AS-14) notified under the Companies Accounting Standard Rules 2006. Accordingly, all the assets, liabilities and other reserves of HTMT Telecom as on the appointed date have been taken over at book values. No adjustment is required to be made for the differences in the accounting policies between the Companies.

   The assets and liabilities transferred to the Company pursuant to the Scheme are in the name of HTMT Telecom as on 31st March, 2011 pending completion of the relevant formalities of transfer.

b) In terms of the scheme, the Company has acquired assets having net book value of Rs. 1,115,427 (000's) as detailed below:

(Rs. 000's)

Particulars	Amount
Assets	
Investments	1,657,589
Current Assets	
- Cash and Bank Balances	278
- Loans and Advances	2,819
Total	**1,660,686**
Liabilities	
Unsecured Loan	543,000
Current liabilities and Provisions	2,259
Total	**545,259**
Net Assets	**1,115,427**

c) No consideration is due for the acquisition of the net assets of HTMT Telecom Private Limited as it is a Wholly Owned subsidiary of the Company. The 10,010,000 Equity shares of Rs. 10 each and 9,90,000 1% Participatory Redeemable Non-Cumulative Preference shares of Rs.10 each at a premium of Rs.990/- each of HTMT Telecom held as investments by the Company have been cancelled, pursuant to the Scheme.

19. The Company had obtained registration as a sub-broker for National Stock Exchange of India Limited and Bombay Stock Exchange Limited from Securities and Exchange Board of India. The Company is engaged in the activity of sub-broking during the year. In the opinion of the Management and based on a legal opinion, the Company is not considered as a Non-Banking Financial Company as per the guidelines issued by Reserve Bank of India.

20. The Company has recognised Minimum Alternate Tax (MAT) credit as per the provisions of section 115JAA of the Income tax Act, 1961 in the current year, which can be carried forward for a period of ten years and can be set-off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by subsequent performance of the Company and subsisting business, which will ensure availability of sufficient future taxable income against which the above MAT credit will be adjusted.

21. a) Inter Corporate Deposit aggregating Rs. 820,000 (000's) [Previous Year - Rs. 900,000 (000's)] is secured by way of pledge of equity shares held by a borrower in a company.

b) Inter Corporate Deposit aggregating Rs. Nil [Previous Year - Rs. 50,000 (000's)] and accrued interest of Rs. Nil [Previous Year – Rs. 12,541 (000's)] are secured by way of mortgage of borrower's immovable property at Bangalore.

22. Previous Year's figures have been regrouped/ rearranged, wherever considered necessary to conform to current year figures. However the current year's figures are strictly not comparable due to amalgamation of a subsidiary i.e. HTMT Telecom Private Limited, with the Company.

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Annexure 'A'

Details of Investments

(Rs. 000's)

Sr. No.	Name of Security	Face Value Per Share/ Unit Rs.	As at 31.03.2011 Quantity Nos.	As at 31.03.2011 Amount	As at 31.03.2010 Quantity Nos.	As at 31.03.2010 Amount
I	INVESTMENT IN SUBSIDIARY COMPANIES, FULLY PAID (AT COST) - LONG TERM					
(a)	**UNQUOTED EQUITY SHARES**					
1	Grant Investrade Limited	10	4,154,902	23,531	4,154,902	23,531
2	HTMT Telecom Private Limited	10	–	–	10,010,000	100,454
3	IDL Speciality Chemicals Limited	10	10,000,000	21,000	10,000,000	5,000
4	IndusInd Media and Communications Limited	10	40,421,200	500,886	40,421,200	500,886
	Total (A)			**545,417**		**629,871**
(b)	**UNQUOTED 12% CUMULATIVE OPTIONALLY CONVERTIBLE PREFERENCE SHARES**					
1	IndusInd Media and Communications Limited	10	15,000,000	150,000	15,000,000	150,000
	Total (B)			**150,000**		**150,000**
(c)	**UNQUOTED 1% PARTICIPATORY REDEEMABLE NON - CUMULATIVE PREFERENCE SHARES**					
1	HTMT Telecom Private Limited	1,000	–	–	820,000	820,000
	Total (C)			**–**		**820,000**
	TOTAL INVESTMENTS IN SUBSIDIARIES (A+B+C)			**695,417**		**1,599,871**
II	OTHER UNQUOTED INVESTMENTS (NON - TRADE), FULLY PAID					
(a)	**EQUITY SHARES - LONG TERM (At cost)**					
1	Ashley Airways Limited	10	–	–	480,000	4,800
2	Plus Paper Foodpac Limited	10	1,045,000	39,885	1,045,000	39,885
3	Hinduja Leyland Finance Limited	10	20,000,000	200,000	–	–
(b)	**MUTUAL FUNDS - CURRENT (At lower of cost and fair value)**					
1	DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment	10	–	–	64,894,197	650,240
2	Fortis Overnight - Institutional Plus - Daily Dividend	10	–	–	2,612,135	26,121
3	Fortis Money Plus Institutional Plan Daily Dividend	10	–	–	687,514	6,875
4	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	1,000	–	–	79,893	79,999
5	Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	10	993,842	15,193	–	–
6	Pramerica Ultra Short Term Bond Fund - Daily Dividend	1,000	34,992	35,000	–	–
	Total (D)			**290,078**		**807,920**
	TOTAL VALUE OF UNQUOTED INVESTMENTS (A+B+C+D)			**985,495**		**2,407,791**
III	QUOTED INVESTMENTS (NON - TRADE) - LONG TERM, FULLY PAID (AT COST)					
	EQUITY SHARES :					
1	Gulf Oil Corporation Limited	2	3,833	109	2,875	78
2	Hinduja Global Solutions Limited	10	518,812	253,830	518,812	253,830
3	IndusInd Bank Limited	10	12,845,383	1,817,475	6,083,818	522,040
4	NHPC Limited	10	50,736	1,826	50,736	1,826
5	VCK Capital Market Services Limited	10	24,007	146	24,007	146
	Total (E)			**2,073,386**		**777,920**
	AGGREGATE COST OF INVESTMENTS (A+B+C+D+E)			**3,058,881**		**3,185,711**
	Less : Diminution in Value of Long Term Investments			29,434		29,434
	TOTAL INVESTMENTS			**3,029,447**		**3,156,277**

Aggregate Cost of Quoted Investments is Rs. 2,073,386 (Previous Year - Rs. 777,920).
Market Value Rs. 3,579,135 (Previous Year - Rs. 1,270,051).
Aggregate Book Value of Unquoted Investments is Rs. 956,061 (Previous Year - Rs. 2,378,357).

Annexure ‘B’

STOCK IN TRADE
[Valued at cost or market value whichever is lower]

(Rs. 000’s)

Sr. No.	Name of Security	Face Value Per Share Rs.	As at 31.03.2011		As at 31.03.2010	
			Quantity Nos.	Amount	Quantity Nos.	Amount
I	**QUOTED SHARES**					
1	Carol Info Services Limited	10	–	–	10,000	585
2	Godrej Industries Limited	1	–	–	500	194
3	VCK Capital Market Services Limited	10	–	–	21,200	212
	AGGREGATE COST OF QUOTED SHARES (A)		–	–	**31,700**	**991**
	AGGREGATE MARKET VALUE OF QUOTED SHARES (B)			–		**731**
	(A) OR (B) WHICHEVER IS LOWER			–		**731**

Annexure 'C'

INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

(Rs. 000's)

Name of Security	Purchases				Sales			
	Year Ended 31.03.2011		Year Ended 31.03.2010		Year Ended 31.03.2011		Year Ended 31.03.2010	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
A. Mutual Funds								
AXIS Liquid Fund - Daily Dividend	–	–	20,001	20,001	–	–	20,001	20,001
AXIS Treasury Advance Fund - Institutional Plan - Daily Dividend	–	–	20,034	20,034	–	–	20,034	20,034
Bharti - AXA - Liquid Fund - Daily Dividend	153,515	153,515	298,520	298,520	153,515	153,515	298,520	298,520
Bharti - AXA - Treasury Fund - Institutional Plan Daily Dividend	–	–	299,223	299,223	–	–	299,223	299,223
DWS Insta Cash Plus Fund - Institutional Plan - Daily Dividend	66,315,607	665,172	70,543,622	707,553	66,315,607	665,172	70,543,622	707,553
DWS Ultra Short Term Fund - Institutional Plan - Daily Dividend	37,945	380	70,641,346	707,826	64,932,142	650,484	5,747,149	57,586
Fortis Overnight Fund - Institutional Plus Daily Dividend	2,291	23	23,257,182	232,571	2,614,425	26,152	20,645,047	206,450
Fortis Money Plus Fund - Daily Dividend	658	7	14,883,115	148,831	688,172	6,884	14,195,601	141,956
IDFC Cash Fund - Institutional Plan - Daily Dividend	–	–	2,835,339	29,998	–	–	2,835,339	29,998
IDFC Money Manager Fund - Treasury Plan - Daily Dividend	–	–	2,984,395	30,053	–	–	2,984,395	30,053
Prudential ICICI Liquid Plan	–	–	299,960	30,002	–	–	299,960	30,002
Prudential ICICI Inst. Liquid Plan - SIP - Daily Dividend	–	–	720,158	72,030	–	–	720,158	72,030
Prudential ICICI Flax Income Plan - Daily Dividend Investment	–	–	511,802	54,113	–	–	511,802	54,113
Reliance Liquid Fund - Daily Dividend	–	–	47,906,858	479,069	–	–	47,906,858	479,069
Reliance Money Manager Fund - Institutional Plan - Daily Dividend	52	52	244,258	244,562	79,945	80,055	164,365	164,563
Bharti AXA Treasury Advance Fund - Institutional Plan - Daily Dividend	178,737	178,737	–	–	178,737	178,737	–	–
AIG India Liquid Super Institutional Daily Dividend	749,845	750,595	–	–	749,845	750,595	–	–
AIG India Treasury Fund Super Institutional Daily Dividend	106,765,131	1,068,826	–	–	106,765,131	1,068,826	–	–
Shinsei Liquid Fund - Institutional Plan - Daily Dividend Option	9,996	10,001	–	–	9,996	10,001	–	–
Shinsei Treasury Advantage Fund - Daily Dividend	10,010	10,011	–	–	10,010	10,011	–	–
SBNPP Money Fund Inst. - Daily Div. Reinvestment Plan	1,984,444	20,034	–	–	1,984,444	20,034	–	–
Pramerica Liquid Fund - Daily Dividend Option - Reinvestment Plan	2,002,576	20,026	–	–	2,002,576	20,026	–	–
Pramerica Ultra Short Term Bond Fund - Daily Dividend	2,014,400	277,795	–	–	1,979,408	242,799	–	–
Reliance Fixed Horizon Fund -XV Series 3 (Refer Note 1)	1,506,924	15,069	–	–	1,506,924	15,069	–	–
Reliance Liquid Fund - Treasury Plan	993,842	15,193	–	–	–	–	–	–
Total Investments in Mutual Funds (A)		**3,185,436**		**3,374,386**		**3,898,359**		**2,611,151**
B. Shares								
IndusInd Bank Limited (Refer Note 1)	10,011,565	1,642,331	1,095,196	92,708	3,250,000	738,823	5,088,769	689,341
HTMT Telecom Private Limited - Preference Shares (Refer Note - 2)	170,000	170,000	820,000	820,000	–	–	–	–
Hinduja Global Solutions Limited	–	–	518,812	253,830	–	–	–	–
Gulf Oil Corporation Limited	958	31	–	–	–	–	–	–
IDL Speciality Chemicals Limited	–	16,000	10,000,000	5,000	–	–	–	–
NHPC Limited	–	–	50,736	1,826	–	–	–	–
Ashok Leyland Limited	–	–	–	–	–	–	1,450,000	48,511
Grant Investrade Limited	–	–	2,035,900	2,341	–	–	–	–
Ashley Airways Limited	–	–	–	–	48,000	4,800	–	–
Hinduja Leyland Finance Limited	20,000,000	200,000	–	–	–	–	–	–
Total Investment in Equity Shares (B)		**2,028,362**		**1,175,705**		**743,623**		**737,852**
Grand Total (A+B)		**5,213,798**		**4,550,091**		**4,641,982**		**3,349,003**

Note -

1. Includes Investments received consequent to Scheme of Amalgamation of HTMT Telecom Private Limited and the Company as sanctioned by Honourable High Court of Judicature at Bombay on 15th April, 2011 and made effective on 1st January, 2011.
2. Pursuant to the Scheme the Investment held by the Company in Equity and Preference Shares of HTMT Telecom Private Limited has been cancelled.

Annexure 'D'

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT

Balance Sheet Abstract and Company's General Business Profile:

I Registration Details

Registration No. 36896 State Code. 11

Balance Sheet Date 31032011

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

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

Total Liabilities	Total Assets
6794036	6794036

Sources of Funds

Paid-Up Capital	Reserves and Surplus
205555	6249310
Secured Loans	**Unsecured Loans**
NIL	NIL
Deferred Tax Liabilities	
20430	

Application of Funds

Net Fixed Assets	Investments
213737	3029447
Net Current Assets	**Miscellaneous Expenditure**
3232111	NIL
Accumulated Losses	
NIL	

IV Performance of Company (Amount in Rs. Thousands)

Total Income*	Total Expenditure
834786	159443

(*including other income)

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

+	-	Profit/Loss Before Tax	+	-	Profit/Loss After Tax
✓		675343	✓		576101

(Please tick appropriate box + for positive, - for negative)

+	-	Earning per Share in Rs.	Dividend Rate %
✓		28.03	125

V Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
NOT APPLICABLE	TREASURY
	MEDIA & COMMUNICATIONS
	REAL ESTATE

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Auditors' Report

To the Members of Hinduja Ventures Limited

1. We have audited the attached Balance Sheet of HINDUJA VENTURES LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

R. Laxminarayan
Partner
Membership No. 33023

Place: Mumbai
Date : 10th May, 2011

Annexure to the Auditors’ Report

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company’s activities clauses (xiii) of paragraph 4 of CARO is not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company has not disposed off any fixed asset during the year.

(iii) In respect of its inventory:

(a) The inventory (real estate and Shares) have been physically verified/ confirmed by the Management with the statement of holdings provided by the depository participant at the year-end.

(b) In our opinion, 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) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted loans aggregating Rs.5,127,300 (000’s) to six companies during the year. At the year-end, the outstanding balances of such loans from four companies aggregated Rs.3,039,300 (000’s) and the maximum amount involved during the year from eight companies aggregated Rs.5,592,850 (000’s).

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

(c) The receipts of principal amounts and interest have been regular/as per stipulations.

(d) With regard to the aforesaid loan, there are no overdue amounts.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

In view of what has been stated above, clauses (iii)(f) and (iii)(g) of Para 4 of the Order are not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, are not applicable to the Company.

(viii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(ix) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount involved	Forum where Dispute is pending
The Income Tax Act, 1961 of India	Matters in Appeal for the Assessment Years 1994-1995, 1995-1996, 1996 –1997, 1999-2000, 2000-2001	20,035	High Court of Judicature at Bombay
	Matters in Appeal for the Assessment Years 2005-2006 and 2006-2007	323,717	Incomte Tax Appellate Tribunal, Mumbai
	Matters in Appeal for the Assessment Years 2002-2003, 2003-2004, 2004-2005 and 2007-2008	905,343	Commissioner of Income tax (Appeals)
Total		**1,249,095***	

* includes an amount of Rs. 1,159,336 (000’s) pertaining to IT/ ITES business is reimbursable by Hinduja Global Solutions Limited as stated in footnote 1 to note 2(b) of Schedule 20

(xi) The Company has no accumulated losses as at 31st March, 2011 and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xii) According to the information and explanations given to us, there were no dues payable by the Company to financial institutions, banks and debenture holders during the year. Therefore, the provisions of paragraph 4 (xi) of the Order are not applicable to the Company.

(xiii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted any loans and advances on the basis of security by way of pledge of debentures and other securities.

(xiv) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares securities, debentures and other investments and timely entries have been made therein. Further, such securities have been held by the Company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xvi) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no term loans availed during the year. Hence clause (xvi) of paragraph 4 of the said Order is not applicable to the Company.

Annexure to the Auditors' Report

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Hence clause (xviii) of paragraph 4 of the said Order is not applicable to the Company.

(xix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not issued debentures during the year. Hence clause (xix) of paragraph 4 of the said Order is not applicable to the Company.

(xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year. Hence, clause (xx) of paragraph 4 of the Order is not applicable to the Company for the year.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

R. Laxminarayan
Partner
Membership No. 33023

Place: Mumbai
Date : 10th May, 2011

Statement Pursuant Section 212 of The Companies Act, 1956
(Forming part of the Directors' Report)

(Rs. In 000's unless other wise stated)

Name of the Subsidiary Company	Holding Company	Extent of Holding Company's Interest	Face Value of Equity Shares held by the Holding Company	Number of shares held by Holding Company	Net Aggregate amount of Subsidiary Company's Profit/ (Loss) so far as not dealt with in the Company's Accounts	Net Aggregate amount of Subsidiary Company's Profit/ (Loss) so far as not dealt with in the Company's Accounts for previous financial years since it became Company's Subsidiary
1	2	3	4	5	6	7
IndusInd Media and Communications Limited (IMCL)*	Hinduja Ventures Limited	65.78%	10/-	40,421,200	447,793	(435,927)
Grant Investrade Limited	Hinduja Ventures Limited	100.00%	10/-	4,154,902	(201)	(415)
IDL Speciality Chemicals Limited	Hinduja Ventures Limited	100.00%	10/-	10,000,000	(172,563)	–
USN Networks Private Limited	IndusInd Media and Communications Limited	99.96%	100/-	4,998	(695)	(4,116)
United Mysore Network Private Limited	IndusInd Media and Communications Limited	95.91%	100/-	29,218	5,996	(5,052)
Seven Star Information Technology Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	2,182,800	(2,091)	(3,201)
Bhima Riddhi Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	520,400	922	1,245
Gold Star Noida Network Private Limited	IndusInd Media and Communications Limited	100.00%	10/-	2,620,000	(1,065)	(2,104)
Apna Incable Broadband Services Private Limited	IndusInd Media and Communications Limited	66.71%	10/-	1,157,500	(158)	87
Sangli Media Services Private Limited	IndusInd Media and Communications Limited	51.00%	1/-	5,204,100	(364)	(763)
Sainath In Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	255,000	(399)	–
Sunny Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	76,500	(260)	–
Goldstar Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	193	–
Ajanta Sky Darshan Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,200	(217)	–
V4U Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	(15)	–
Darpita Trading Company Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	374,000	(1,196)	–
RBL Digital Cable Network Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	(226)	–
Vistaar Telecommunication and Infrastructure Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	(90)	–

* Hinduja Ventures Limited directly holds 59.65% of IMCL and Grant Investarde Limited holds 6.13% of IMCL's paid up equity share capital.

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Section 212 Statement

Statement pursuant to exemption recevied under Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies

(Rs. In 000's unless other wise stated)

Sr. No.	Name of Subsidiary Company	Paid up Capital	Reserves	Total Assests	Total Liabilities	Investments (except in case of Investments in the subsidiary)	Turnover Income	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
1	IndusInd Media and Communications Limited	1,569,086	913,663	4,768,365	2,285,616	412,215	3,697,496	841,355	160,612	680,743	Nil
2	Grant Investrade Limited	41,549	2,174,782	2,216,403	72	–	82	(201)	–	(201)	Nil
3	IDL Speciality Chemcals Limited	100,000	(253,336)	1,636,634	1,789,970	–	16,305	(172,563)	–	(172,563)	Nil
4	U S N Networks Private Limited	3,500	(12,788)	9,213	18,501	–	9,391	(847)	210	(1,057)	Nil
5	United Mysore Network Private Limited	3,046	(9,756)	20,302	27,012	–	25,710	9,350	236	9,115	Nil
6	Gold Star Noida Network Private Limited	26,200	(9,767)	28,302	11,869	–	23,873	(4,067)	(893)	(3,174)	Nil
7	Seven Star Information Technology Private Limited	42,800	(16,252)	47,448	20,900	–	21,404	(5,308)	925	(6,232)	Nil
8	Bhima Riddhi Infotainment Private Limited	10,204	121,417	183,387	51,766	–	168,506	10,162	7,414	2,748	Nil
9	Apna Incable Broadband Services Private Limited	17,350	(172)	29,577	12,399	–	41,139	132	493	(361)	Nil
10	Sangli Media Services Private Limited	10,204	30,236	72,041	31,601	–	58,833	413	1,497	(1,085)	Nil
11	Sainath In Entertainment Private Limited	5,000	(1,146)	13,799	9,945	–	19,612	(1,086)	102	(1,188)	Nil
12	Sunny Infotainment Private Limited	1,500	21,827	25,905	2,578	–	4,462	(264)	512	(776)	Nil
13	Goldstar Infotainment Private Limited	204	30,852	40,675	9,618	–	10,952	1,068	493	575	Nil
14	Ajanta Sky Darshan Private Limited	200	5,254	6,397	943	–	2,324	(342)	304	(646)	Nil
15	V4U Entertainment Private Limited	1,000	11,930	13,903	974	–	3,373	120	165	(45)	Nil
16	Darpita Trading Company Private Limited	7,333	53,769	77,247	16,146	–	38,213	1,943	5,508	(3,565)	Nil
17	RBL Digital Cable Network Private Limited	1,000	13,008	15,837	1,829	–	4,119	(473)	201	(674)	Nil
18	Vistaar Telecommunication and Infrastructure Private Limited	204	23,387	26,150	2,559	–	4,861	182	450	(267)	Nil

Consolidated Financial Statements

Consolidated Balance Sheet
as at 31st March, 2011

	Schedule		As at 31.03.2011		(Rs. 000's) As at 31.03.2010
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	205,555		205,555	
Reserves and Surplus	2	6,491,991		5,974,602	
			6,697,546		6,180,157
Minority Interest			1,524,165		1,181,809
Loan Funds					
Secured Loan	3	1,000,690		354	
Unsecured Loan	4	23,684		115,349	
			1,024,374		115,703
Deferred Tax Liability (Net)			56,515		–
(Refer Note 8 of Schedule 23)					
TOTAL			9,302,600		7,477,669
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		3,632,075		2,929,793	
Less: Accumulated Depreciation/ Amortisation		1,437,291		1,148,082	
Net Block		2,194,784		1,781,711	
Capital Work-in-Progress		239,306		511,766	
			2,434,090		2,293,477
Goodwill (On Consolidation)			222,110		111,400
(Refer Note 15 of Schedule 23)					
Investments	6		2,726,683		2,524,975
Deferred Tax Asset (Net)			–		33,563
(Refer Note 8 of Schedule 23)					
Current Assets, Loans and Advances					
Stock-in-Trade	7	1,822,329		252,277	
Sundry Debtors	8	1,158,123		731,335	
Cash and Bank Balances	9	443,889		385,943	
Other Current Assets	10	10,716		22,043	
Loans and Advances	11	2,151,769		2,764,879	
		5,586,826		4,156,477	
Less: Current Liabilities and Provisions					
Current Liabilities	12	1,332,497		1,377,217	
Provisions	13	334,612		266,102	
		1,667,109		1,643,319	
Net Current Assets			3,919,717		2,513,158
Miscellaneous Expenditure	14		–		1,096
(to the extent not written off or adjusted)					
TOTAL			9,302,600		7,477,669
Significant Accounting Policies and Notes to Consolidated Accounts	23				

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Consolidated Profit and Loss Account

for the year ended 31st March, 2011

(Rs. 000's)

	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Operating Income	15	**3,694,551**	3,127,531
Interest and Dividend Income	16	**249,490**	387,455
Gain on Sale of Long Term Investments (Net) - Non Trade		**391,739**	249,440
Other Income	17	**417,142**	252,688
TOTAL		**4,752,922**	4,017,114
EXPENDITURE			
Operating Expenses and Direct Cost	18	**1,757,778**	1,754,730
Increase/ (Decrease) in Stock-in-Trade	19	**77,854**	—
Employee Costs	20	**321,183**	259,687
Administrative and Other Expenses	21	**904,431**	913,642
Financial Expenses	22	**44,288**	16,706
Depreciation/ Amortisation		**278,036**	235,211
TOTAL		**3,383,570**	3,179,976
Profit Before Tax		**1,369,352**	837,138
Less : Tax Expense			
- Current Tax [including for earlier years Rs. 6,840 (Previous Year - Rs. 36,348)]		**325,152**	152,852
- Mat Credit Entitlement (Refer Note 21 of Schedule 23)		**(134,393)**	—
- Deferred Tax Charge/ (Credit)		**86,453**	(35,285)
Profit After Tax		**1,092,140**	719,571
Add : Share of Profit from Associate		**—**	—
Less : Minority Interest		**226,425**	113,793
Profit After Minority Interest		**865,715**	605,778
Add : Balance brought forward from Previous Year		**3,028,117**	2,701,120
Profit Available for Appropriation		**3,893,832**	3,306,898
Dividend			
- Proposed Dividend		**256,944**	205,555
- Dividend Distribution Tax		**41,683**	34,140
Transfer to General Reserve		**57,610**	39,086
Balance carried to Balance Sheet		**3,537,595**	3,028,117
Earnings Per Share (Face Value of an Equity Share - Rs. 10)			
- Basic and Diluted (Rupees)		**42.12**	29.47
(Refer Note 9 of Schedule 23)			
Significant Accounting Policies and Notes to Consolidated Accounts	23		

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Consolidated Cash Flow Statement

for the year ended 31st March, 2011

(Rs. 000's)

		2010-11		2009-10	
A	**Cash Flow from Operating Activities :**				
	Net Profit Before Tax		1,369,352		837,138
	Adjustments for :				
	Preliminary and Share Issue Expenses written off	1,379		957	
	Depreciation/ Amortisation	278,036		235,211	
	Amortisation of Film Rights	53,628		190,000	
	Interest and Dividend Income (Other than Treasury Activities)	(11,758)		(26,102)	
	Bad Debts/ Advances written off (Net)	131,339		232,798	
	Provisions for Doubtful Debts/ Advances	9,233		–	
	Loss on sale of Undertaking	–		6,400	
	Liabilities/ Provisions no longer payable written back	(322,431)		(100,491)	
	Loss on Sale of Fixed Assets/ Fixed Assets written off	338		13,668	
	Unrealised Foreign Exchange Loss	663		941	
	Gain on Sale of Long Term Investments (Net)	(391,739)		(249,440)	
	Wealth Tax	3,640		–	
	Diminution in Value of Stock-in-Trade	77,854		–	
	Interest Expenses	44,288		16,706	
	Sundry balances written off	9,582		–	
	Provision for Gratuity and Leave Encashment	9,569		685	
			(106,379)		321,333
	Operating Profit before working capital changes		1,262,973		1,158,471
	Adjustments for :				
	Sundry Debtors	(548,011)		(586,201)	
	Stock-in-Trade	(1,701,534)		(310,705)	
	Current Liabilities	106,990		172,577	
	Other Receivables	720,505		68,450	
			(1,422,050)		(655,879)
	Operating Profit after working capital changes		(159,077)		502,592
	Direct Taxes Paid		(298,376)		(168,910)
	Net Cash (used in)/ from Operating Activities (A)		(457,453)		333,682
B	**Cash Flow from Investing Activities :**				
	Purchase of Fixed Assets	(314,133)		(384,413)	
	Purchase Consideration paid on acquisition of interest in Subsidiaries	(207,320)		(45,641)	
	Sale of Fixed Assets	1,169		404	
	Investments Made - Others	(940,082)		(1,265,925)	
	Sales Proceeds (Net) received on divesture of interest in Subsidiaries/ Associates	–		600	
	Investments Sold - Others	743,623		737,851	
	Interest and Dividend Income (Other than Treasury Activities)	6,215		31,052	
			(710,528)		(926,072)
	Net Cash (used in)/ from Investing Activities (B)		(710,528)		(926,072)

Consolidated Cash Flow Statement

for the year ended 31st March, 2011

(Rs. 000's)

		2010-11		2009-10	
C	**Cash Flow from Financing Activities :**				
	Proceeds/ (Payments) of long term borrowings (net)	**907,664**		(154,460)	
	Interest Paid	**(44,288)**		(16,706)	
	Dividend Paid (including tax thereon)	**(239,796)**		(240,468)	
			623,580		(411,634)
	Net Cash from/ (used in) Financing Activities (C)		**623,580**		(411,634)
	Net increase/ (decrease) in Cash and Cash equivalents **(A+B+C)**		**(544,401)**		(1,004,024)
	Cash and Cash equivalents as at the beginning of the year		**1,058,735**		1,984,522
	Cash and Cash equivalents transferred pursuant to Scheme of Arrangement		**–**		(2,912)
	Cash and Cash Equivalents taken over pursuant to acquisition of subsidiaries/ joint ventures		**17,832**		81,149
	Cash and Cash equivalents as at the end of the year		**532,166**		1,058,735
	Cash and Cash Equivalents comprise :				
	Cash on Hand		**13,683**		6,602
	Cheques on Hand		**167,309**		87,073
	Balance with Banks		**262,897**		292,268
	Short Term Investments		**307,354**		763,235
	Temporary Overdrawn Bank Balances		**(219,077)**		(90,443)
			532,166		1,058,735

Notes

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

2 Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.

3 Short Term Investments comprises investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

In term of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 10th May, 2011

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Schedules
forming part of the Consolidated Balance Sheet as at 31st March, 2011

	As at 31.03.2011	(Rs. 000's) As at 31.03.2010
SCHEDULE 1		
Share Capital		
Authorised		
70,000,000 Equity Shares of Rs. 10 each, fully paid-up	**700,000**	700,000
	700,000	700,000
Issued, Subscribed and Paid-up		
20,555,503 Equity Shares of Rs. 10 each, fully paid-up	**205,555**	205,555
	205,555	205,555

Of the above:

1. 8,965,157 Equity Shares were issued for consideration other than cash pursuant to the Scheme of Amalgamation with erstwhile Ashok Leyland Information Technology Limited, Richman Investrade Private Limited, Melody Trading Private Limited, Hinduja Telecom India Limited and Sarthak Mercantile Private Limited

2. 103,559 Equity Shares of Rs. 10 each have been allotted to employees under Employee Stock Option Scheme.

				(Rs. 000's)
		As at 31.03.2011		As at 31.03.2010
SCHEDULE 2				
Reserves and Surplus				
Securities Premium Account				
As per last Balance Sheet		**109,263**		109,263
General Reserve				
As per last Balance Sheet	**2,101,552**		2,054,582	
Less : Adjustment on account of Minority	**35,472**		–	
Add : Transferred from Profit and Loss Account	**57,610**		39,086	
Add : Transferred from Statutory Reserve Fund	–		7,884	
		2,123,690		2,101,552
Capital Reserve				
As per last Balance Sheet	**729,283**		632,112	
Add : Addition due to acquisitions during the year (Refer Note 15 of Schedule 23)	**(14,227)**		97,171	
		715,056		729,283
Revaluation Reserve				
As per last Balance Sheet	**6,387**		407,105	
Less : Adjustments pursuant to Scheme of Amalgamation	–		400,718	
		6,387		6,387
Statutory Reserve Fund				
As per last Balance Sheet	–		7,884	
Less: Transfer to General Reserve	–		7,884	
		–		–
Profit and Loss Account		**3,537,595**		3,028,117
		6,491,991		5,974,602
SCHEDULE 3				
Secured Loan				
Loan from a Financial Institution by a Subsidiary				
- GE Money Financial Services (The first charge on all present and future assets of a subsidiary including fixed and current, immovable and movable, tangible and intangible assets as per Indenture of Mortgage dated 29th December 2010 except the Borrowers Corporate Office at Incentre, Andheri (East), Mumbai).		**1,000,636**		–
Cash Credit facility from Bank		**54**		354
		1,000,690		354
SCHEDULE 4				
Unsecured Loans				
Short Term Loans - Others [Including Rs. 662 (000's) from a director of Subsidiary]		**23,684**		115,349
		23,684		115,349

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2011

SCHEDULE 5
Fixed Assets

(Rs. 000's)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/ AMORTISATION/ IMPAIRMENT						NET BLOCK	
	As at 01.04.2010	Additions on account of acquisition (Refer Note 4 below)	Additions during the Period	Deletions	As at 31.03.2011	Upto 01.04.2010	Additions on account of acquisition (Refer Note 4 below)	For the Year	Impairment of assets	Deletions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Intangible Assets													
Goodwill	50	–	–	–	50	50	–	–	–	–	50	–	–
Computer Software Acquired	18,739	–	7,165	–	25,904	16,790	–	1,101	–	–	17,891	8,013	1,949
Network Rights	390,445	77,502	48,146	653	515,440	63,959	12,360	46,544	–	131	122,732	392,708	326,486
Tangible Assets													
Leasehold Land (Refer Note 1 below)	249	–	–	–	249	78	–	3	–	–	81	168	171
Building (Refer Note 2 below)	478,041	–	1,614	–	479,655	97,903	–	16,013	–	–	113,916	365,739	380,138
Set Top Boxes	209,968	–	52,223	2	262,189	194,530	–	7,734	–	5	202,259	59,930	15,438
Plant and Machinery (Refer Note 3 below)	1,667,238	41,435	461,902	2,494	2,168,081	687,917	1,824	193,963	–	2,192	881,512	1,286,569	979,321
Office Equipments and	85,150	587	5,879	63	91,553	55,194	5	5,632	–	70	60,761	30,792	29,956
Furniture and Fixtures													
Computers	46,372	226	5,853	68	52,383	22,962	30	3,742	–	90	26,644	25,739	23,410
Live Stock	762	–	–	–	762	–	–	–		–	–	762	762
Vehicles	22,669	–	4,303	1,273	25,699	7,348	–	2,290	–	558	9,080	16,619	15,321
Total	**2,919,683**	**119,750**	**587,085**	**4,553**	**3,621,965**	**1,146,731**	**14,219**	**277,022**	–	**3,046**	**1,434,926**	**2,187,039**	**1,772,952**
Share in Joint Ventures (Refer Note 17 of Schedule 23)	10,110	–	–	–	10,110	1,351	–	1,014	–	–	2,365	7,745	8,759
Total	**2,929,793**	**119,750**	**587,085**	**4,553**	**3,632,075**	**1,148,082**	**14,219**	**278,036**	–	**3,046**	**1,437,291**	**2,194,784**	**1,781,711**
Previous Year	2,937,758	64,341	156,369	228,675	2,929,793	902,628	2,278	235,211	174,274	166,309	1,148,082		
Capital Work-in-Progress [includes capital advances aggegating Rs. Nil (Previous Year - Rs. 7,260 (000's)]												239,306	511,766
												2,434,090	**2,293,477**

1. Leasehold Land acquired at the time of amalgamation of IN Network Entertainment Limited with the Company is yet to be transferred in the name of a subsidiary company.
2. Building- Includes shares in co-operative society, amount not material.
3. Plant and machinery includes assets viz optical fibre cable ducts given on operating lease, cost of which is not practicable to ascertain.
4. Represents gross block and accumulated depreciation of subsidiaries on the date of acquisition.
5. Land and Building was revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of Rs. 276,029 (000's) being surplus on revaluation. Consequently revalued amount of Rs. 371,050 (000's) has been substituted for historical cost on said date of revaluation.
6. Plant and Machinery which includes Optical Fiber Cables was revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of Rs. 372,434 (000's) being surplus on revaluation. Consequently revalued amount of Rs. 496,454 (000's) has been substituted for historical cost on said date of revaluation.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2011

		As at 31.03.2011		(Rs. 000's) As at 31.03.2010
SCHEDULE 6				
Investments				
Equity and Preference Shares in Associates (Unquoted)	144,061		59,600	
Add : Share of Brought Forward Accumulated Losses from Associates	(9,600)		(10,200)	
Less : Adjustment on dilution/ sale of stake in Associate	–		600	
		134,461		50,000
Equity Shares, Mutual Fund Units and National Saving Certificates				
- Quoted	2,073,537		1,695,631	
- Unquoted	548,119		808,778	
		2,621,656		2,504,409
		2,756,117		2,554,409
Less : Provision for Diminution in Value of Investments		29,434		29,434
		2,726,683		2,524,975
SCHEDULE 7				
Stock-in-Trade				
(At cost or net realisable value whichever is lower)				
Shares		1,369,066		731
Real Estate (pending registration in the name of the Company of Rs. 106,373)		358,125		106,373
Unamortised Cost of Film Rights		56,372		110,000
Network Cables and Equipments		38,766		31,455
Set Top Boxes (Traded)		–		3,718
		1,822,329		252,277
SCHEDULE 8				
Sundry Debtors (Unsecured)				
Considered Good				
- Over Six Months		37,581		19,064
- Other Debts		1,118,226		711,030
(A)		1,155,807		730,094
Considered Doubtful				
- Over Six Months		16,768		17,006
(B)		16,768		17,006
TOTAL (A) + (B)		1,172,575		747,100
Less : Provision for Doubtful Debts		16,768		17,006
		1,155,807		730,094
Share of Joint Venture (Refer Note 17 of Schedule 23)		2,316		1,241
		1,158,123		731,335

Schedules
forming part of the Consolidated Balance Sheet as at 31st March, 2011

	As at 31.03.2011	(Rs. 000's) As at 31.03.2010
SCHEDULE 9		
Cash and Bank Balances		
Cash on Hand	13,683	6,602
Cheques on Hand	167,309	87,073
Bank Balances in :		
- Current Accounts	100,060	136,733
- Deposit Accounts #	155,260	148,269
- Unclaimed Dividend Accounts (Refer Note 7 of Schedule 23)	6,949	7,050
	443,261	385,727
Share of Joint Venture (Refer Note 17 of Schedule 23)	628	216
	443,889	385,943

#- includes Rs. 12,203 (000's) [Previous Year - Rs. 11,816 (000's)] under lien with banks towards Bank Guarantee, Letters of Credit and Term Loan/ Cash Credit Facility issued by them.

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 10		
Other Current Assets		
Interest Accrued on		
- Inter-Corporate Deposits (Refer Note 18 of Schedule 23)	8,799	20,207
- Others	1,917	1,836
	10,716	22,043
SCHEDULE 11		
Loans and Advances		
(Unsecured and Considered Good, unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for value to be received	495,488	642,618
Advance Tax and Tax Deducted at Source (Net of Provisions)	141,855	172,242
Mat Credit Entitlement (Refer Note 21 of Schedule 23)	134,393	—
Inter-Corporate Deposits:		
(Refer Note 18 of Schedule 23)		
- Secured	820,000	950,000
- Unsecured	543,500	945,819
Deposits	14,082	53,902
	2,149,318	2,764,581
Share of Joint Venture (Refer Note 17 of Schedule 23)	2,451	298
	2,151,769	2,764,879

	As at 31.03.2011	As at 31.03.2010 (Rs. 000's)
SCHEDULE 12		
Current Liabilities		
Sundry Creditors		
- Due to micro and small enterprises	**–**	–
- Due to others	**528,245**	783,713
Income Received in Advance	**136,902**	150,586
Advance Received from Customers	**–**	17,498
Temporary overdrawn Book balances	**219,077**	90,443
Unclaimed Dividend (Refer Note 6 of Schedule 23)	**6,949**	7,050
Trade Deposits	**65,518**	127,614
Other Liabilities	**372,668**	199,934
	1,329,359	1,376,838
Share of Joint Venture (Refer Note 17 of Schedule 23)	**3,138**	379
	1,332,497	1,377,217
SCHEDULE 13		
Provisions		
Gratuity	**7,918**	3,970
Leave Encashment	**24,410**	18,789
Wealth Tax	**3,657**	3,629
Fringe Benefit Tax (Net of Advance Tax)	**–**	19
Proposed Dividend	**256,944**	205,555
Dividend Distribution Tax	**41,683**	34,140
	334,612	266,102
SCHEDULE 14		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	**–**	971
	–	971
Share of Joint Venture (Refer Note 17 of Schedule 23)	**–**	125
	–	1,096

Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

(Rs. 000's)

	Year ended 31.03.2011	Year ended 31.03.2010
SCHEDULE 15		
Operating Income		
Cable Television Transmission [including for prior years - Rs. Nil (Previous Year - Rs. 36,292)]	3,503,889	2,866,464
Income/ (Loss) from trading of securities and equity index/ stock futures	3,312	6,098
Sale of Modems/ Set Top Boxes	2,790	8,069
Subscription from Internet Operations	51,822	50,791
Lease Income - Optic Fiber Cable	79,575	73,555
Advertisement	42,362	41,011
Income from sale/ distribution of film rights	5,701	77,160
Commission Income	750	750
Sub Broking Income	851	148
	3,691,052	3,124,046
Share of Joint Venture (Refer Note 17 of Schedule 23)	3,499	3,485
	3,694,551	3,127,531
SCHEDULE 16		
Interest and Dividend Income (From Treasury Activities)		
Interest		
- On Inter-Corporate Deposits	193,535	269,521
- On Deposits with Banks	970	101,729
Dividend		
- Long Term Investments - Non-Trade	50,395	13,798
- Current Investments	4,590	2,407
	249,490	387,455
SCHEDULE 17		
Other Income		
Interest		
- On Deposits with Banks	4,623	5,482
- On Others	1,934	9,057
- On Income Tax Refund	–	9,016
Dividend	5,201	2,547
Service Charges	5,255	6,614
Bad Debts Recovered	64,281	118,083
Liabilities/ Provisions no longer payable written-back	322,431	100,491
Profit on Sale of Current investments	13	–
Miscellaneous Income	13,404	1,398
	417,142	252,688
SCHEDULE 18		
Operating Expenses and Direct Costs		
Subscription - Pay Channels	1,587,217	1,406,786
Direct Cost, Product Charges and Connectivity Cost (net)	11,597	15,095
Advertisement, Publicity and Distribution Costs	469	53,280
Amortisation of Film Rights	53,628	190,000
Consumables	30,600	33,311
Royalty and Equipment Hiring Charges	71,586	49,673
Other Operating Expenses	2,071	6,123
	1,757,168	1,754,268
Share of Joint Venture (Refer Note 17 of Schedule 23)	610	462
	1,757,778	1,754,730
SCHEDULE 19		
Increase/ (Decrease) in Stock-in-Trade		
Purchases	1,446,919	–
Less : Closing Stock	1,369,065	–
	77,854	–

(Rs. 000's)

	Year ended 31.03.2011	Year ended 31.03.2010
SCHEDULE 20		
Employee Costs		
Salary and Other Benefits	283,578	230,482
Gratuity	6,115	2,703
Contribution to Provident and Other Funds	18,026	16,429
Staff Welfare Expenses	13,082	9,737
	320,801	259,351
Share of Joint Venture (Refer Note 17 of Schedule 23)	382	336
	321,183	259,687
SCHEDULE 21		
Administrative and Other Expenses		
Rent	49,297	43,374
Repairs and Maintenance		
- Plant and Machinery	35,534	39,383
- Others	39,702	39,910
Power and Fuel	49,045	48,767
Insurance	7,505	4,693
Rates, Taxes and Duties	11,708	12,910
Advertisement/ Business Promotion/ Marketing Expenses	2,039	1,855
Communication	15,178	15,223
Travelling, Conveyance and Car Hire Charges	61,123	53,723
Legal and Professional	231,756	172,266
Freight and Octroi	3,967	3,591
Commission	175,698	158,389
Auditors' Remuneration	7,936	2,441
Donation	10,000	14,500
Bad Debts/ Advances written off (net of withdrawal from provisions)	131,339	232,798
Directors' Sitting Fees	1,515	1,230
Preliminary and Share Issue Expenses written-off	1,379	957
Fixed Assets written-off	–	13,331
Loss on Sale of Fixed Assets	338	337
Loss on Sale of Undertaking	–	6,400
Sundry balances written off	9,582	–
Exchange Loss	663	1,864
Provision for Doubtful Debts	9,233	–
Miscellaneous Expenses	48,141	44,036
	902,678	911,978
Share of Joint Venture (Refer Note 17 of Schedule 23)	1,753	1,664
	904,431	913,642
SCHEDULE 22		
Financial Expenses		
Interest/ Bank Charges on:		
-Term Loan/ Cash Credit/ Overdraft and Other Facilities	44,288	16,701
	44,288	16,701
Share of Joint Venture (Refer Note 17 on Schedule 23)	–	5
	44,288	16,706

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2011 and the Consolidated Profit and Loss Account for the year then ended

SCHEDULE 23

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India, applicable accounting standards and provisions of the Companies Act, 1956 read with Companies (Accounting Standard) Rules, 2006.

b) Principles of Consolidation

The Consolidated Financial Statements relate to Hinduja Ventures Limited (the 'Company'/'HVL'/ 'Parent') and its direct and indirect subsidiaries, associate company and jointly controlled entity (collectively referred to as 'the Group'). The consolidated financial statements have been prepared using uniform accounting policies and on the following basis:

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and intra-group balances and resultant unrealised profits/ losses.
- The excess of cost to the Company of its investment in the subsidiaries is recognised in the consolidated financial statements as Goodwill. The excess of the Company's portion of equity and reserves of the subsidiaries as at the time of its investment is treated as Capital Reserve.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the shareholders of the Company.
- Investments of the Group in associates are accounted as per the Equity Method under Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- Interests in a jointly controlled entity is reported using Proportionate Consolidation Method as per requirements of Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures.'
- The financial statements of the subsidiaries, jointly controlled entity and associate company used in the consolidated financial statements are consolidated from the date of the acquisition and are drawn upto the same reporting date as of the Company.

c) Fixed Assets

Fixed assets are stated at cost of acquisition, which includes taxes and duties (net of cenvat), including any cost attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation.

Intangible assets are stated at cost of acquisition less amortisation.

Land and Building (constituting a single property) at Andheri (East), Mumbai and certain class of Plant and Machinery are reflected at revalued amounts.

Purchase of subscriber points is recognised as Network Rights under Intangible Assets and purchase of headends is recognised as Plant and Machinery.

Set Top Boxes (STBs) issued for free to customers are capitalised at cost on installation.

d) Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction, if any, is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

e) Depreciation/ Amortisation

<u>Intangible Assets</u>

Computer Software is amortised over the period of six years on straight-line basis.

Network rights are amortised over the period of ten years on straight-line basis.

The carrying value of goodwill arising on consolidation is evaluated for impairment, if any, at the year-end.

Tangible Assets

Depreciation is provided for fixed assets (including assets costing up to Rs.5,000/-) on straight-line method, on month basis, at rates prescribed under Schedule XIV of the Companies Act, 1956. Set Top Boxes are depreciated over a period of Five years on straight-line basis. Leasehold land is amortized over the balance period of lease in equal annual instalments.

All subsidiaries, other than USN Network Private Ltd (USN) and United Mysore Network Private Limited, are following the depreciation methods and rates in line with the parent company. The method of depreciation followed by USN is different from that followed by the parent company.

However, differing depreciation policies and notes as mentioned above do not have a material impact on the depreciation charged or the net value of the assets of the group.

f) Valuation of Stock-in-Trade

i) Securities and inventory consisting of cables, head-end equipments and other network items are valued at lower of cost and Fair Value/ Net Realisable Value. The cost of securities is computed by the "First In First Out" method and cost of cables, head-end equipments and other network items are computed on Weighted Average basis.

ii) Real Estate is valued at cost or net realisable value, whichever is lower.

iii) The cost of acquisition relating to Indian theatrical rights, overseas theatrical rights, satellite T.V., video and other rights of films are amortised as follows:

- The cost of aforesaid rights assigned to third parties for a perpetual period at an agreed consideration are fully amortised in the year in which such rights are assigned.
- 70% of the cost of the aforesaid rights is amortised on the first theatrical release of the movie. In case certain rights are not exploited along with first theatrical release, the cost of such rights is carried forward to be written-off on commercial exploitation. Balance 30% will be amortised over the balance license period or based on management estimate of future revenue potential, as the case may be.

g) Valuation of Investments

Long-term investments are stated at cost and provision is made for diminution, other than temporary, in the value of investments.

Current investments are valued at lower of cost and fair value.

h) Revenue Recognition

i) Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

ii) Cable Television Transmission Income by way of subscription and carriage fees are recognised on the basis of bills raised on direct subscribers/ cable operators and agreements with parties, respectively.

iii) Subscription Income of internet services rendered is recognised on pro-rata basis over the period in which such services are rendered.

iv) Profits/ Losses from share trading is determined on the basis of the "First In First Out" method. Profits/ Losses from investment activities (including gain/ (loss) on sale of stake in subsidiaries) is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of trade dates/ contracts/ agreements entered with respective parties.

v) Revenue from sale/ distribution of film rights is recognised as follows:

- In case of income from distribution of Indian theatrical rights, revenue is recognised on accrual basis on receipt of business statements from theatres and sub distributors.
- Income from assignment of certain overseas rights for a perpetual period at an agreed consideration is recognised on the date of assignment of such rights and income from other rights is recognised based on terms of the agreements with respective parties.

vi) Interest income is accounted on accrual basis and dividend income is recognised when the right to receive the dividend is established.

vii) Equity Index/ Stock – Futures

a. Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, disclosed under Loans and Advances or Current Liabilities respectively, in the “Mark-to-Market Margin - Index/ Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Index/ Stock Futures till the Balance Sheet date.

b. As at the balance sheet date, the profit/ loss on open positions, if any, in Equity Index/ Stock Futures are accounted for as follows:

- Credit balance in the “Mark-to-Market Margin – Equity Index/ Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the Profit and Loss Account.
- Debit balance in the “Mark-to-Market Margin - Equity Index/ Stock Futures Account”, being anticipated loss, is recognised in the Profit and Loss Account.

c. On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract in “Mark-to-Market Margin -Equity Index/ Stock Futures Account” is recognised in the Profit and Loss Account upon expiry of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using First In First Out method for calculating profit/ loss on squaring-up.

d. “Initial Margin – Equity Index/ Stock Futures Account”, representing the initial margin and “Margin Deposits” representing additional margin paid over and above the initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Loans and Advances.

viii) In respect of other heads of income, the Group follows the practice of accounting of such income on accrual basis.

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time of occurrence of the transactions.

Monetary items denominated in foreign currency, are restated using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognized in the Profit & Loss Account.

j) Employee Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Group has Defined Contribution Plan namely Provident Fund.

Under the Provident Fund Plan, the Group contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The Group makes contributions to State plans namely Employee’s State Insurance Fund and Employee’s Pension Scheme 1995 and has no further obligation beyond making the payment to them.

The Group’s contributions to the above funds are charged to revenue every year.

Defined Benefit Plan

The Group has a Defined Benefit plan namely Gratuity for all its employees. In respect of employees of IndusInd Media and Communications Limited, the gratuity scheme is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India (‘LIC’). For the balance employees in the Group, the scheme is unfunded. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation at the year-end using Projected Unit Credit Method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

ii) Other Employee Benefits:

The employees of the Group are entitled to leave encashment as per the leave policy of the Group. The liability in respect of leave encashment is provided, based on an actuarial valuation, carried out by an independent actuary as at the year-end using Projected Unit Credit Method. Short term compensated absences, if any, are provided on cost to Company basis.

k) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

ii) Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – "Accounting for Taxes on Income" notified under the Companies Accounting Standard Rules 2006. Income Tax comprises of Current and Deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

iii) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing differences the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

l) Borrowing cost

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the period in which they are incurred. Processing Fees incurred on term Loan is amortised over the tenure of the loan.

m) Miscellaneous Expenditure

Preliminary and Share issue expenses are amortised over a period of ten years.

n) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

o) Leases

(i) Assets acquired under lease where substantially all the risks and rewards of ownership are retained by the Group are classified as Finance Leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments. Assets acquired under finance lease are depreciated on straight line basis over the lease term.

(ii) Assets acquired on lease where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. Lease rentals are charged to the Profit and Loss Account on straight line basis over the lease term.

(iii) Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs are recognised immediately in the Profit and Loss Account.

(iv) Assets given under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

q) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/ materialised.

2. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts [net of capital advances aggregating Rs. Nil (Previous Year Rs. 7,260 (000's)] remaining to be executed on capital account and not provided for – Rs. 79,847 (000's) [Previous Year - Rs. 28,759 (000's)].

b) Contingent liabilities in respect of:

(Rs. 000's)

Sr. No.	Particulars	As at 31.03.2011	As at 31.03.2010
i.	Bank Guarantees given on behalf of the Group.	19,102	19,662
ii.	Guarantees/ Counter Guarantees given to Custom Authorities.	34,705	34,705
iii	Claims against the Group not acknowledged as debts :		
	- Entertainment Tax	18,157	52,341
	- Sales Tax	635	Nil
	- Telecasting of films, copyrights etc. and claims from pay channel providers for subscription charges under negotiation	Not Ascertainable	Not Ascertainable
	- Service tax	14,170	7,268
	- Others (to the extent ascertainable)	–	20,353
iv.	Income tax matters against which the Group has filed appeals/ objections. (Refer Note 1 below).	1,613,887	1,379,202
v.	Demands of Custom Duty in a subsidiary company against which it has filed appeal.	19,441	19,441
vi.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated 25th November, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	86,712	86,712
vii.	Arrears of dividend on preference shares issued by a subsidiary company. (Refer note 22 below)	–	889,800

Notes:

1. Includes an amount of Rs. 1,539,048 (000's) [Previous Year – Rs. 1,220,843 (000's)] being disputed income tax liabilities pertaining to IT/ ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES business sanctioned by High Court of Judicature of Bombay and made effective on 7th March, 2007. In respect of the aforesaid disputed dues, an amount of Rs. 379,712 (000's) [Previous Year - Rs. 194,712 (000's)] has been deposited by the Company with income tax authorities under protest. The Company has received Rs. 315,000 (000's) [Previous Year – Rs. 135,000 (000's)] upto 31st March, 2011 from Hinduja Global Solutions Limited to discharge part payment of disputed income tax liabilities pertaining to IT/ ITES business, which is netted from advance tax and tax deducted at source (Net of Provisions).
2. With respect to the above, the Company does not expect any outflow of cash/ resources.

3. **The direct and indirect subsidiaries (all incorporated in India) considered in the consolidated financial statements with the Company's share in voting power in these companies is as follows:**

Sr. No.	Name of the Company	Held by	Parent's Shareholding and Voting Power (%)		Company's Effective Stake (%)	
			Year-ended		Year-ended	
			31.03.2011	31.03.2010	31.03.2011	31.03.2010
A	**DIRECT SUBSIDIARIES**					
1.	IndusInd Media and Communications Limited (IMCL)	HVL and GIL	65.78	65.78	65.78	65.78
2.	Grant Investrade Limited (GIL)	HVL	100.00	100.00	100.00	100.00
3.	HTMT Telecom Private Limited (Refer Note 17)	HVL	100.00	100.00	100.00	100.00
4.	IDL Speciality Chemicals Limited	HVL	100.00	100.00	100.00	100.00
B	**INDIRECT SUBSIDIARIES**					
1.	USN Networks Private Limited	IMCL	99.96	99.96	65.75	65.75
2.	United Mysore Network Private Limited	IMCL	95.91	95.91	63.09	63.09
3.	Seven Star Information Technology Private Limited	IMCL	51.00	51.00	33.55	33.55
4.	Bhima Riddhi Infotainment Private Limited	IMCL	51.00	51.00	33.55	33.55
5.	Gold Star Noida Network Private Limited	IMCL	100.00	51.00	65.78	33.55
6.	Apna Incable Broadband Services Private Limited	IMCL	66.71	66.71	43.88	43.88
7.	Sangli Media Services Private Limited	IMCL	51.00	51.00	33.55	33.55
8.	Sainath In Entertainment Private Limited (effective 29th May, 2010)	IMCL	51.00	–	33.55	–
9.	Sunny Infotainment Private Limited (effective 26th October, 2010)	IMCL	51.00	–	33.55	–
10.	Goldstar Infotainment Private Limited (effective 18th October, 2010)	IMCL	51.00	–	33.55	–
11.	Ajanta Sky Darshan Private Limited (effective 25th October, 2010)	IMCL	51.00	–	33.55	–
12.	V4U Entertainment Private Limited (effective 29th October, 2010)	IMCL	51.00	–	33.55	–
13.	Darpita Trading Company Private Limited (effective 15th November, 2010)	IMCL	51.00	–	33.55	–
14.	RBL Digital Cable Network Private Limited (effective 29th November, 2010)	IMCL	51.00	–	33.55	–
15.	Vistaar Telecommunication and Infrastructure Private Limited (effective 1st December, 2010)	IMCL	51.00	–	33.55	–

4. **The associate and joint ventures companies considered in the consolidated financial statements for the year ended 31st March, 2011 with the Company's shareholding in these companies is as follows:**

Sr. No.	Name of the Company	Held through	Share in Voting Power (%)		Company's Effective Stake (%)	
			Year- ended		Year- ended	
			31.03.2011	31.03.2010	31.03.2011	31.03.2010
	Associates					
1.	Planet E-Shop Holdings India Limited (PES-H) (including IN Entertainment (India) Limited being subsidiary of PES-H)	IMCL	48.00	48.00	31.57	31.57
	Joint Venture					
2.	RMD Baroda Network Private Limited	IMCL	50.00	50.00	32.89	32.89

5. **Operating Leases**

The operating lease arrangement relating to office premise extend upto a maximum of five years from the respective dates of inception and is renewable on mutual consent. In addition, the Group has entered into various cancellable leasing arrangements for office premises and towards which lease rentals of Rs. 49,319 (000's) [Previous Year - Rs. 43,374 (000's)] has been recognised in 'Rent' under Schedule 21 to the Profit and Loss Account.

6. Details of gross investments, unearned finance income and present value of lease rentals in respect of assets given under finance lease as at the year-end are as follows:

(Rs. 000's)

Particulars	Gross Investment	Unearned Finance Income	Present Value of Minimum Lease Payments
Not later than 1 year	1,644 [1,644]	1,644 [1,644]	– [–]
Between 1 and 5 years	6,575 [6,575]	6,549 [6,567]	26 [8]
Later than 5 years	4,931 [6,575]	4,174 [5,800]	758 [775]

Note : Figures in brackets represent previous year figures.

7. As at 31st March, 2011, there are no amounts on account of Unclaimed Dividend, which are due to the Investors' Education Protection Fund (IEPF). During the year, the Company has transferred Rs. 349 (000's) [Previous Year - Rs. 187 (000's)] to the IEPF on account of Unclaimed Dividend outstanding for the period exceeding seven years.

8. Net Deferred Tax Asset/ (Liability)

(Rs. 000's)

	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability:		
Depreciation on Fixed Assets	198,781	176,041
Unamortised Preliminary/ Miscellaneous Expenses	18,290	39
Total Deferred Tax Liability	**217,071**	176,080
Deferred Tax Asset:		
Liabilities to be deducted for tax purposes when paid	8,490	1,441
Unamortised cost of Film Rights	–	38,402
Demerger Expenses	–	563
Unabsorbed Depreciation in a subsidiary	152,740	170,255
Total Deferred Tax Asset	**161,230**	210,661
	(55,841)	**34,581**
Share of Joint Venture - Deferred Tax Asset/ (Liability)	(674)	(1,018)
Net Deferred Tax Asset/ (Liability)	**(56,515)**	**33,563**

9. Earnings per Equity Share (Basic and Diluted)

	2010-11	2009-10
Profit After Minority Interest (Rs. 000's)	865,715	605,778
Number of equity shares outstanding during the year		
- For Basic and Diluted Earnings Per Share (Nos.)	20,555,503	20,555,503
Nominal Value of an equity share (Rs.)	10.00	10.00
Basic and Diluted Earnings per share (Rs.)	42.12	29.47

10. Segment Information

Primary Segment

In accordance with Accounting Standard 17 - Segment Reporting, the Management has identified its business segments based on the nature of services, nature of risks and returns as applicable to each segment and the internal financial reporting systems, so far as they relate to the specific groups included in the segments, which are as under:

I. **Media and Communications** - consists of various media/ communications, related activities spearheaded by the Corporate Group. This segment includes all activities relating to cable television and broadband internet, local television programming, movie channel and movie based programming.

II. **Real Estate** – The Group has real estate activities in the form of property development. The segment also identifies potential investment opportunities in real estate properties either itself or through participation in the form of shares or securities of real estate companies.

III. **Treasury** – This segment consists of activities relating to

i) deployment of surplus funds and

ii) existing stock in trade/ investments in shares and securities.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Expenses". Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Assets/ Liabilities".

Secondary Segment

There is no reportable Geographical Segment.

Business Segments

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1	Segment Revenues	4,105,996	3,364,743	–	–	645,322	643,357	4,751,318	4,008,100
	Add: Other Income							1,604	9,014
								4,752,922	**4,017,114**
2	Segment Results	880,978	262,212	(5,631)	(11,513)	520,463	585,351	1,395,810	836,050
	Add: Other Income							1,604	9,014
	Less: Unallocated Corporate Expenses							(28,062)	(7,926)
	Total Profit Before Tax							**1,369,352**	**837,138**
3	Capital Employed								
	Segment Assets	5,317,164	4,304,158	106,390	106,389	5,357,130	4,458,942	10,780,684	8,869,489
	Add: Unallocated Corporate Assets							189,024	251,499
	Total Assets							**10,969,708**	**9,120,988**
	Segment Liabilities	2,375,074	1,385,830	741	4,182	3,189	2,348	2,379,004	1,392,360
	Add: Unallocated Corporate Liabilities							368,993	366,662
	Total Liabilities							**2,747,997**	**1,759,022**
	Segment Capital Employed	2,942,090	2,918,328	105,649	102,207	5,353,941	4,456,594	8,401,680	7,477,129
	Add: Unallocated Capital Employed							(179,969)	(115,163)
	Total Capital Employed							**8,221,711**	**7,361,966**
4	Capital Expenditure	386,500	443,379	–	–	1,967	608	388,467	443,987
5	Depreciation / Amortisation	276,298	233,595	–	–	1,738	1,616	278,036	235,211
6	Significant Non Cash Expenditure	206,287	443,651	–	–	77,977	204	284,264	443,855
	Add: Unallocated Non Cash Expenditure							–	–
								284,264	**443,855**

Notes:
1. There are no Inter Segment Revenues.
2. Capital expenditure does not include assets of the subsidiaries, acquired during the year.
3. Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.

11. Related Party Disclosures (as identified by the Management)

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Associates

1. Planet E-Shop Holdings India Limited
2. IN Entertainment (India) Limited

III. Joint Venture

1. RMD Baroda Network Private Limited

IV. Key Management Personnel

1. Mr. Dilip Panjwani, Manager and Company Secretary
2. Mr. Ravi Mansukhani, Managing Director in IndusInd Media and Communications Limited

V. Enterprises where common control exists

1. Aasia Management and Consultancy Private Limited
2. Hinduja Group India Limited
3. Hinduja Realty Ventures Limited
4. Hinduja Global Solutions Limited
5. APDL Estates Limited

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forming part of the Consolidated Balance Sheet as at 31st March, 2011 and the Consolidated Profit and Loss Account for the year then ended

The following details partain to transactions carried out with the related parties in the ordinary course of business

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Interest Income						
Hinduja Realty Ventures Limited	–	–	–	–	74,726	74,726
	[–]	[–]	[–]	[–]	[119,232]	[119,232]
APDL Estates Limited	–	–	–	–	13,010	13,010
	[–]	[–]	[–]	[–]	[14,713]	[14,713]
IN Entertainment (India) Limited	–	58,482	–	–	–	58,482
	[–]	[29,774]	[–]	[–]	[–]	[29,774]
Aasia Management and Consultancy	–	–	–	–	–	–
Private Limited	[–]	[–]	[–]	[–]	[2,551]	[2,551]
Total	**–**	**58,482**	**–**	**–**	**87,736**	**146,218**
	[–]	[29,774]	[–]	[–]	[136,496]	[166,270]
Infrastructure Charges						
Hinduja Global Solutions Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[2,991]	[2,991]
IN Entertainment (India) Limited	–	617	–	–	–	617
	[–]	[633]	[–]	[–]	[–]	[633]
Total	**–**	**617**	**–**	**–**	**–**	**617**
	[–]	[633]	[–]	[–]	[2,991]	[3,624]
Internet Income						
Hinduja Global Solutions Limited	–	–	–	–	1,079	1,079
	[–]	[–]	[–]	[–]	[1,161]	[1,161]
Aasia Management and Consultancy	–	–	–	–	–	–
Private Limited	[–]	[–]	[–]	[–]	[1,107]	[1,107]
Hinduja Group India Limited	–	–	–	–	420	420
	[–]	[–]	[–]	[–]	[1,079]	[1,079]
Hinduja Realty Ventures Limited	–	–	–	–	774	774
	[–]	[–]	[–]	[–]	[–]	[–]
IN Entertainment (India) Limited	–	24	–	–	–	24
	[–]	[53]	[–]	[–]	[–]	[53]
Total	**–**	**24**	**–**	**–**	**2,273**	**2,297**
	[–]	[53]	[–]	[–]	[3,347]	[3,400]
Miscellaneous Income						
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[156]	[–]	[–]	[–]	[156]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[156]	[–]	[–]	[–]	[156]
Reimbursement of Expenses from Other Companies						
Hinduja Global Solutions Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[25]	[25]
IN Entertainment (India) Limited	–	287	–	–	–	287
	[–]	[125]	[–]	[–]	[–]	[125]
Planet E-Shop Holding India Limited	–	–	–	–	–	–
	[–]	[7,402]	[–]	[–]	[–]	[7,402]

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
RMD Baroda Network Private Limited	– [–]	– [–]	– [375]	– [–]	– [–]	– [375]
Total	**–** [–]	**287** [7,527]	**–** [375]	**–** [–]	**–** [25]	**287** [7,927]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [168]	– [168]
IN Entertainment (India) Limited	– [–]	14,502 [13,638]	– [–]	– [–]	– [–]	14,502 [13,638]
Planet E-Shop Holding India Limited	– [–]	1,022 [838]	– [–]	– [–]	– [–]	1,022 [838]
RMD Baroda Network Private Limited	– [–]	– [–]	75 [–]	– [–]	– [–]	75 [–]
Total	**–** [–]	**15,524** [14,476]	**75** [–]	**–** [–]	**–** [168]	**15,599** [14,644]
Interest Paid						
IN Entertainment (India) Limited	– [–]	– [44]	– [–]	– [–]	– [–]	– [44]
Total	**–** [–]	**–** [44]	**–** [–]	**–** [–]	**–** [–]	**–** [44]
Agency Fees						
IN Entertainment (India) Limited	– [–]	– [1,000]	– [–]	– [–]	– [–]	– [1,000]
Total	**–** [–]	**–** [1,000]	**–** [–]	**–** [–]	**–** [–]	**–** [1,000]
Professional/ Technical Fees						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	15,600 [15,600]	15,600 [15,600]
RMD Baroda Network Private Limited	– [–]	– [–]	1,500 [1,500]	– [–]	– [–]	1,500 [1,500]
Total	**–** [–]	**–** [–]	**1,500** [1,500]	**–** [–]	**15,600** [15,600]	**17,100** [17,100]
Link Charges						
RMD Baroda Network Private Limited	– [–]	– [–]	762 [762]	– [–]	– [–]	762 [762]
Total	**–** [–]	**–** [–]	**762** [762]	**–** [–]	**–** [–]	**762** [762]
Rent / Service Charges Paid						
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	7,829 [6,780]	7,829 [6,780]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**7,829** [6,780]	**7,829** [6,780]

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forming part of the Consolidated Balance Sheet as at 31st March, 2011 and the Consolidated Profit and Loss Account for the year then ended

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Acquisition of Film Rights (including VAT)						
IN Entertainment (India) Limited	– [–]	– [304,000]	– [–]	– [–]	– [–]	– [304,000]
Total	**–** [–]	**–** [304,000]	**–** [–]	**–** [–]	**–** [–]	**–** [304,000]
Sundry Debit Balances Written-off						
Hindua Reality Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [125]	– [125]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [125]	**–** [125]
Advertisements and Business Promotional Expenses						
IN Entertainment (India) Limited	– [–]	1,860 [4,019]	– [–]	– [–]	– [–]	1,860 [4,019]
Total	**–** [–]	**1,860** [4,019]	**–** [–]	**–** [–]	**–** [–]	**1,860** [4,019]
Purchase of Fixed Assets						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [275]	– [275]
IN Entertainment (India) Limited	– [–]	1,483 [–]	– [–]	– [–]	– [–]	1,483 [–]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	498 [–]	498 [–]
Total	**–** [–]	**1,483** [–]	**–** [–]	**–** [–]	**498** [275]	**1,981** [275]
Managerial Remuneration						
Mr. Ashok P. Hinduja	14,917 [11,484]	– [–]	– [–]	– [–]	– [–]	14,917 [11,484]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	4,239 [3,813]	– [–]	4,239 [3,813]
Mr. Ravi Mansukhani	– [–]	– [–]	– [–]	4,800 [4,800]	– [–]	4,800 [4,800]
Total	**14,917** [11,484]	**–** [–]	**–** [–]	**9,039** [8,613]	**–** [–]	**23,956** [200,97]
Counter Guarantees provided and terminated during the year						
IN Entertainment (India) Limited	– [–]	– [40,000]	– [–]	– [–]	– [–]	– [40,000]
Total	**–** [–]	**–** [40,000]	**–** [–]	**–** [–]	**–** [–]	**–** [40,000]
Inter-Corporate Deposits/ Loans Given						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1,340,000 [882,500]	1,340,000 [882,500]
IN Entertainment (India) Limited	– [–]	583,550 [805,425]	– [–]	– [–]	– [–]	583,550 [805,425]

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	– [80,000]	– [80,000]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	– [25,000]	– [25,000]
Total	**–** [–]	**583,550** [805,425]	**–** [–]	**–** [–]	**1,340,000** [987,500]	**1,923,550** [1,792,925]
Inter–Corporate Deposits/ Loans Taken						
IN Entertainment (India) Limited	– [–]	– [449,114]	– [–]	– [–]	– [–]	– [449,114]
Total	**–** [–]	**–** [449,114]	**–** [–]	**–** [–]	**–** [–]	**–** [449,114]
Inter Corporate Deposits Receivable as at the Year-end						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	870,000 [900.000]	870,000 [900.000]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	128,500 [128,500]	128,500 [128,500]
IN Entertainment (India) Limited	– [–]	360,000 [73,500]	– [–]	– [–]	– [–]	360,000 [73,500]
Total	**–** [–]	**360,000** [73,500]	**–** [–]	**–** [–]	**998,500** [1,028,500]	**1,358,500** [1,102,000]
Receivable Net of Payable as at the Year-end						
IN Entertainment (India) Limited	– [–]	15,414 [10,233]	– [–]	– [–]	– [–]	15,414 [10,233]
Planet E-Shop Holding India Limited	– [–]	– [407]	– [–]	– [–]	– [–]	– [407]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	892 [–]	892 [–]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	1,907 [8,238]	1,907 [8,238]
RMD Baroda Network Private Limited	– [–]	– [–]	5,407 [45]	– [–]	– [–]	5,407 [45]
Total	**–** [–]	**15,414** [10,640]	**5,407** [45]	**–** [–]	**2,799** [8,238]	**23,620** [18,923]
Payable Net of Receivable as at the Year-end						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	403 [259]	403 [259]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	1,283 [64]	1,283 [64]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**1,686** [323]	**1,686** [323]
Amount received related to Income Tax matters						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	315,000 [135,000]	315,000 [135,000]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**315,000** [135,000]	**315,000** [135,000]

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Investments as at the Year-end						
Planet E-Shop Holding India Limited	– [–]	59,600 [59,600]	– [–]	– [–]	– [–]	59,600 [59,600]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	253,830 [253,830]	253,830 [253,830]
IN Entertainment (India) Limited	– [–]	84,461 [–]	– [–]	– [–]	– [–]	84,461 [–]
RMD Baroda Network Private Limited	– [–]	– [–]	10,050 [–]	– [–]	– [–]	10,050 [–]
Total	**–** [–]	**144,061** [59,600]	**10,050** [–]	**–** [–]	**253,830** [253,830]	**407,941** [313,430]
Shares (Pending Allotment)						
IN Entertainment (India) Limited	– [–]	– [84,461]	– [–]	– [–]	– [–]	– [84,461]
Total	**–** [–]	**–** [84,461]	**–** [–]	**–** [–]	**–** [–]	**–** [84,461]

Notes:

1. Dividend paid/ payable to related parties aggregates to Rs. 169,039 (000's) [Previous Year - Rs. 135,284 (000's)].
2. Figures in brackets represent previous year figures.
3. Transactions with joint venture company as reflected in III above are at full value.

12. Land, Building and Plant and Machinery consisting of Optical Fibre Cable of Company's subsidiary IndusInd Media and Communications Limited (IMCL) had been revalued on 31st March, 2009 on the basis of the fair market values considering the factors such as permissible floor space index, rate of commercial property, total life, inflation, age in life and other relevant factors. This resulted in a net increase in the value of the Land and Building by Rs. 276,029 (000's) and of Plant and Machinery by Rs. 372,434 (000's) respectively, which has been transferred to Revaluation Reserve Account. Land and Building has been considered as single property for revaluation and in the absence of specific value assigned to land by external valuer, the entire revaluation amount has been added to Building.

13. Disclosure in accordance with Accounting Standard 15 (Revised 2005) 'Employee Benefits': -

The Group has classified various benefits provided to its employees as under:

I. **Defined Contribution Plans**

a. Provident Fund

b. State Defined Contribution Plans

i) Employer's Contribution to Employees' State Insurance

ii) Employer's Contribution to Employees' Pension Scheme 1995

During the year, the Group has recognised the following amounts in the Profit and Loss Account

(Rs. 000's)

	2010-11	**2009-10**
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employees' Pension Scheme 1995]*	**13,606**	14,224
- Employers' Contribution to Employees' State Insurance *	**4,386**	2,162
- Employers' Contribution to Other Employees' Benefit Scheme *	**34**	43

* Included in Contribution to Provident and Other Funds (Refer Schedule 20)

II. Defined Benefit Plan

Gratuity

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	2010-11	**2009-10**
Discount Rate (per annum)	8.00% - 8.25%	8.00% - 8.25%
Rate of increase in Compensation levels	4-5%	4-5%
Rate of Return on Plan Assets	8%	8%

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2010-11		2009-10	
	Funded	**Unfunded**	Funded	Unfunded
Present Value of Obligation as at the beginning of the year	**12,564**	**3,421**	11,851	2,678
Interest Cost	**1,005**	**342**	1,005	264
Current Service Cost	**2,385**	**723**	2,435	727
Transfers	–	**(10)**	(426)	(33)
Benefits Paid	**(2,235)**	–	(1,773)	–
Actuarial (gain) / loss on obligations	**1,814**	**(355)**	(528)	(215)
Present Value of Obligation at the end of the year	**15,533**	**4,121**	**12,564**	**3,421**

B) Changes in the Fair Value of Plan Assets

(Rs. 000's)

	2010-11	**2009-10**
Opening Fair Value of Plan Assets	**12,015**	11,568
Expected Return on Plan Assets	**961**	1,010
Actuarial Gains and (Losses)	**(75)**	(25)
Contributions	**2,158**	1,949
Transfers	–	(714)
Benefits Paid	**(2,235)**	(1,773)
Closing Fair Value of Plan Assets	**12,824**	**12,015**

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Rs. 000's)

	2010-11		**2009-10**	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Present Value of Funded Obligation as at the end of the year	**15,533**	–	12,564	–
Fair Value of Plan Assets as at the end of the year	**12,824**	–	12,015	–
Funded Status	**12,824**	–	12,015	–
Present Value of Unfunded Obligation at the end of the year	–	**(4,121)**	–	(3,421)
Unfunded Net Asset/ (Liability) Recognised in Balance Sheet*	**(2,709)**	**(4,121)**	**(549)**	**(3,421)**

* Included in Provisions (Refer Schedule 13)

D) Amount recognised in the Balance Sheet

(Rs. 000's)

	2010-11		2009-10	
	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation at the end of the year	**15,533**	**4,121**	12,564	3,421
Fair Value of Plan Assets as at the end of the year	**12,824**	–	12,015	–
Liability recognised in the Balance Sheet*	**2,709**	**4,121**	**549**	**3,421**

*Included in Provisions (Refer Schedule 13)

E) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2010-11	2009-10
Current Service Cost	**3,108**	3,162
Interest Cost	**1,347**	1,269
Expected Return on Plan Assets	**(962)**	(1,010)
Net actuarial (gain) / loss recognised in the year	**1,534**	(718)
Total Expenses recognised in the Profit and Loss Account*	**5,027**	2,703

*Included in Employee Costs (Refer Schedule 20). Based on management estimates an additional amount of Rs. 1,088 (000's) (Previous Year - Nil) in respect of certain subsidiaries has been charged to Profit and Loss Account.

F) Other Information

(Rs. 000's)

	2010-11		2009-10		2008-09	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation at the end of the year	**15,533**	**4,121**	12,564	3,421	11,851	2,678
Fair Value of Plan Assets at the end of the year	**12,824**	**–**	12,015	–	11,568	–
Surplus/ (Deficit)	**2,709**	**–**	549	–	283	–
Experience Adjustments on Plan Liabilities – (Gain)/ Loss	**2,031**	**(355)**	399	(152)	710	(359)
Experience Adjustments on Plan Assets – (Gain)/ Loss	**(75)**	**–**	(25)	–	(52)	–

G) Percentage of each category of Plan Asset to the Fair Value of Plan Assets as at 31st March, 2011

The Plan Assets are administered through the Group Gratuity Scheme with Life Insurance Corporation of India ('LIC') as per the investment pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority Regulations. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation.

H) Expected Contribution to Fund for the next year

Expected Employer's Contribution to fund maintained with LIC for the next year aggregates Rs. 2,912(000's) [Previous Year – Rs. 2,312 (000's)].

The liability for leave encashment and compensated absences as at 31st March, 2011 aggregates Rs.4,130 (000's) [Previous Year - Rs. 18,789 (000's)].

The estimates of future salary increases considered in actuarial valuation, take account of Inflation, seniority, promotion, and other relevant factor, such as supply and demand in the employment market.

14. Employee Stock Option Scheme (ESOS)

Pursuant to the resolution passed at the Extraordinary General Meeting of the Shareholders of the Company on 20th February, 2001, the Company has introduced ESOS for its employees. The ESOS Compensation Committee of Board or Board of Directors have granted stock options to eligible employee of the Group as under:

Date of Grant	Grant	Total Options Granted	Exercise Price Per share	Fair Value of Stock Option
23rd November, 2005	I	673,500	363.90	130.39
31st January, 2006	II	88,320	362.70	125.64
26th April, 2006	III	12,000	520.60	211.77

The exercise price per share is calculated on the basis of closing price at the National Stock Exchange of India Limited immediately preceding the date of grant.

Under the scheme, one-third of the granted options shall vest and become exercisable one year from date of grant; and thereafter the right under the options would be exercisable after the earliest applicable vesting date and prior to the completion of the 48th month from the grant. The balance two third of the options will vest equally on the second and third anniversary of the grant date, respectively.

Details of options granted and lapsed under Employee Stock Options Plan, 2001 are as follows:

Particulars	Number of Options Grant I		Number of Options Grant II	
	2010-11	2009-10	**2010-11**	2009-10
Outstanding at the beginning of the year	–	2,260	–	17,140
Granted during the year	–	–	–	–
Lapsed during the year	–	2,260	–	17,140
Exercised/ Allotted during the year	–	–	–	–
Outstanding at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–
Weighted Average remaining life in years	–	–	–	–

12,000 Options granted under Grant III have lapsed in previous years.

The fair value of stock option has been calculated using Black-Scholes Option Pricing Model.

The compensation costs of stock options granted to employees are accounted using the intrinsic value method. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. In view of exercise price being equal to closing market price on the day prior to the date of the grant, the intrinsic value of the option is Rs. Nil. Consequently, the accounting value of the option (compensation cost) is also Rs. Nil.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been lower by Rs. Nil) [Previous Year - Rs. 2,448 (000's)], Profit After Tax would have been higher by Rs. Nil [Previous Year - Rs. 2,448 (000's)], and the basic and diluted earning per share would have been higher by Rs. Nil (Previous Year - lower by Rs. 0.12).

15. The effect of acquisition of stake in subsidiaries during the year on the Consolidated Financial Statements are as under:

(Rs. 000's)

Name of the Company	Goodwill/ (Capital Reserve) on Consolidation	Effect on Group Profit/ (Loss) After Tax	Effect on Net Assets as on 31.03.2011
Sainath In Entertainment Private Limited	18,339	(1,188)	3,947
Sunny Infotainment Private Limited	11,107	(776)	23,327
Goldstar Infotainment Private Limited	27,804	575	31,056
Ajanta Sky Darshan Private Limited	2,889	(646)	5,454
V4U Entertainment Private Limited	5,868	(45)	12,930
Darpita Trading Company Private Limited	23,115	(3,565)	61,164
RBL Digital Cable Network Private Limited	6,704	(674)	14,008
Vistaar Telecommunication and Infrastructure Private Limited	11,591	(267)	23,621

16. Scheme of Amalgamation of HTMT Telecom Private Limited with the Company

a) Pursuant to the Scheme of Amalgamation made under section 391 and 394 of the Companies Act 1956, between the Company and HTMT Telecom Private Limited (HTMT Telecom), a wholly owned subsidiary of the Company, as sanctioned by the Honourable High Court of Judicature at Bombay on 15th April, 2011, all the assets and liabilities of HTMT Telecom were transferred to and vested in the Company with effect from 1st January, 2011, the appointed date. Accordingly, the Financial Statements of the Company for the year reflect the aforesaid Scheme. The said amalgamation has been accounted for under the 'Pooling of interests' method as prescribed by Accounting Standard (AS-14) notified under the Companies Accounting Standard Rules 2006. Accordingly, all the assets, liabilities and other reserves of HTMT Telecom as on the appointed date have been taken over at book values. No adjustment is required to be made for the differences in the accounting policies between the Companies.

The assets and liabilities transferred to the Company pursuant to the Scheme are in the name of HTMT Telecom as on 31st March, 2011 pending completion of the relevant formalities of transfer.

b) In terms of the scheme, the Company has acquired assets having net book value of Rs. 1,115,427 (Rs. 000's) as detailed below:

(Rs. 000's)

Particulars	Amount
Assets	
Investments	1,657,589
Current Assets-	
- Cash and Bank Balances	278
- Loans and Advances	2,819
Total	**1,660,686**
Liabilities	
Unsecured Loan	543,000
Current liabilities and Provisions	2,259
Total	**545,259**
Net Assets	**1,115,427**

c) No consideration is due for the acquisition of the net assets of HTMT Telecom Private Limited as it is a Wholly Owned subsidiary of the Company. The 10,010,000 Equity shares of Rs. 10 each and 9,90,000 1% Participatory Redeemable Non-Cumulative Preference shares of Rs.10 each at a premium of Rs.990/- each of HTMT Telecom held as investments by the Company have been cancelled, pursuant to the Scheme.

17. The Company's subsidiary IndusInd Media and Communications Limited (IMCL) has 50% of the equity shareholding in RMD Baroda Network Private Limited (RMD) as of 31st March, 2011.

IMCL's share of assets and liabilities as at 31st March, 2011 and income and expenditure for the year ended 31st March, 2011 of the above joint venture company based on audited financial statements are as follows:

Particulars	2010-11	2009-10
A. Assets		
Fixed Assets (Net)	7,745	8,759
Current Assets		
- Sundry Debtors	2,316	1,241
- Cash and Bank Balances	628	216
- Loans and Advances	2,451	298
Miscellaneous Expenditure	–	125
B. Liabilities		
Current Liabilities	3,138	379
Deferred Tax Liability	674	1,018
C. Income		
Subscription Income	3,499	3,485
D. Expenditure		
Operating Expenses and Direct Costs	610	462
Employee Cost	382	336
Administrative and Other Expenses	1,753	1,664
Depreciation	1,014	1,013
Financial Expenses	–	5
Taxation	345	730
E. Other Matters		
Capital Commitments	Nil	Nil
Contingent Liabilities	Nil	Nil

18. a) Inter Corporate Deposit aggregating Rs. 820,000 (000's [Previous Year - Rs. 900,000 (000's)] is secured by way of pledge of equity shares held by a borrower in a company.

b) Inter Corporate Deposit aggregating Rs. Nil [Previous Year - Rs. 50,000 (000's)] and accrued interest of Rs. Nil [Previous Year – Rs. 12,541 (000's)] are secured by way of mortgage of borrower's immovable property at Bangalore.

19. The Company's subsidiary, IndusInd Media and Communications Limited, as a Multi System Operator is required to be registered with the Information and Broadcasting Ministry on a year-to-year basis under the provisions of The Cable Television Networks (Regulation) Act, 1995. IndusInd Media and Communications Limited is in the process of renewing the licences that have lapsed during the year/ previous year at some of the locations.

20. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements and the amounts retained by way of providing for diminution in the value of assets or for any known liability is not in excess of the amounts reasonably necessary for the purpose.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2011 and the Consolidated Profit and Loss Account for the year then ended

21. The Group has recognised Minimum Alternate Tax (MAT) credit for the Company and one of it's subsidiary as per the provisions of section 115JAA of the Income tax Act, 1961 in the current year, which can be carried forward for a period of ten years and can be set-off against the tax payable when the Company and its subsidiary will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by subsequent performance of the Company and subsisting business and orders under execution, which will ensure availability of sufficient future taxable income against which the above MAT credit of the Company and its subsidiary will be adjusted.

22. Minority Interest includes 12% cumulative redeemable non-convertible preference shares aggregating Rs. 741,500 (000's) issued by a subsidiary company, IndusInd Media and Communications Limited (IMCL), As per the terms of the issue, the 12% cumulative redeemable non- convertible preference shares aggregating to Rs.741,500/- issued by the company were due for redemption in July, 2005. However the said preference shares have not been redeemed so far. In terms of the Foreign Investments in the Preference Shares Revised Guidelines issued by the Reserve Bank of India vide circular - RBI/2006-2007/434 A.P. (DIR Series) circular No. 73 dated 8th June, 2007 the irredeemed preference shares amounting to Rs. 741,500/- could be considered as debt requiring compliance with External Commercial Borrowings (ECB) guidelines/ sectoral cap. The company has obtained legal opinion in the matter and has filed an application for approval with the RBI. Pending final confirmation for roll forward, the said amount has been shown under share capital.

    In the meanwhile IMCL has obtained the consent from Amas Mauritius Limited, the holder of the aforesaid cumulative redeemable non convertible preference shares aggregating to Rs.741,500/- to the conversion of the said preference shares into 5,113,793 equity shares of IMCL at a price of Rs. 145/- per share and upon such conversion all the rights and the IMCL's obligations there under shall stand fully discharged. Pursuant to such consent, a special resolution has been passed by the members of IMCL at their Extra Ordinary General Meeting held on 25th March, 2011 granting approval for the above conversion. However, pending requisite approvals from the Foreign Investment Promotion Board/ Reserve Bank of India as the case may be, effect has not been given in the books of accounts to the above conversion.

23. The current year figures are not comparable with previous year figures in view of acquisition of subsidiaries during the year.

24. Previous Year's figures have been regrouped/ rearranged, wherever considered necessary to conform to current year figures.

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 10th May, 2011

Auditor's Report

(on the Consolidated Financial Statements of Hinduja Ventures Limited)

To The Board of Directors of Hinduja Ventures Limited

1. We have audited the attached Consolidated Balance Sheet of HINDUJA VENTURES LIMITED ("the Company"), its subsidiaries and a jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entity accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. We did not audit the financial statements of:

   a. eighteen subsidiaries, whose financial statements reflect total net assets (Total assets less current liabilities) of Rs. 6,126,946 (000's) as at 31st March, 2011, total revenues of Rs. 482,265 (000's) and net cash inflows amounting to Rs. 9,970 (000's) for the year ended on that date as considered in the Consolidated Financial Statements;

   b. one jointly controlled entity, in which the Group's proportionate share in the total net assets (Total assets less current liabilities) as at 31st March, 2011 amounts to Rs. 15,408 (000's), the Group's proportionate share in the total revenues amounts to Rs. 3,499 (000's) and the Group's proportionate share in the cash flows amounts to Rs. 412 (000's) for the year ended on that date as considered in the Consolidated Financial Statement; and

   c. two associates which has been accounted for based on the equity method which reflects the Group's share of loss upto 31st March, 2011 of Rs. 9,600 (000's) and the Group's share of loss for the year then ended of Rs. Nil.

   These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, a joint venture and an associate is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, a joint venture and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

Auditor's Report

on the Consolidated Financial Statements of Hinduja Ventures Limited

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

(ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

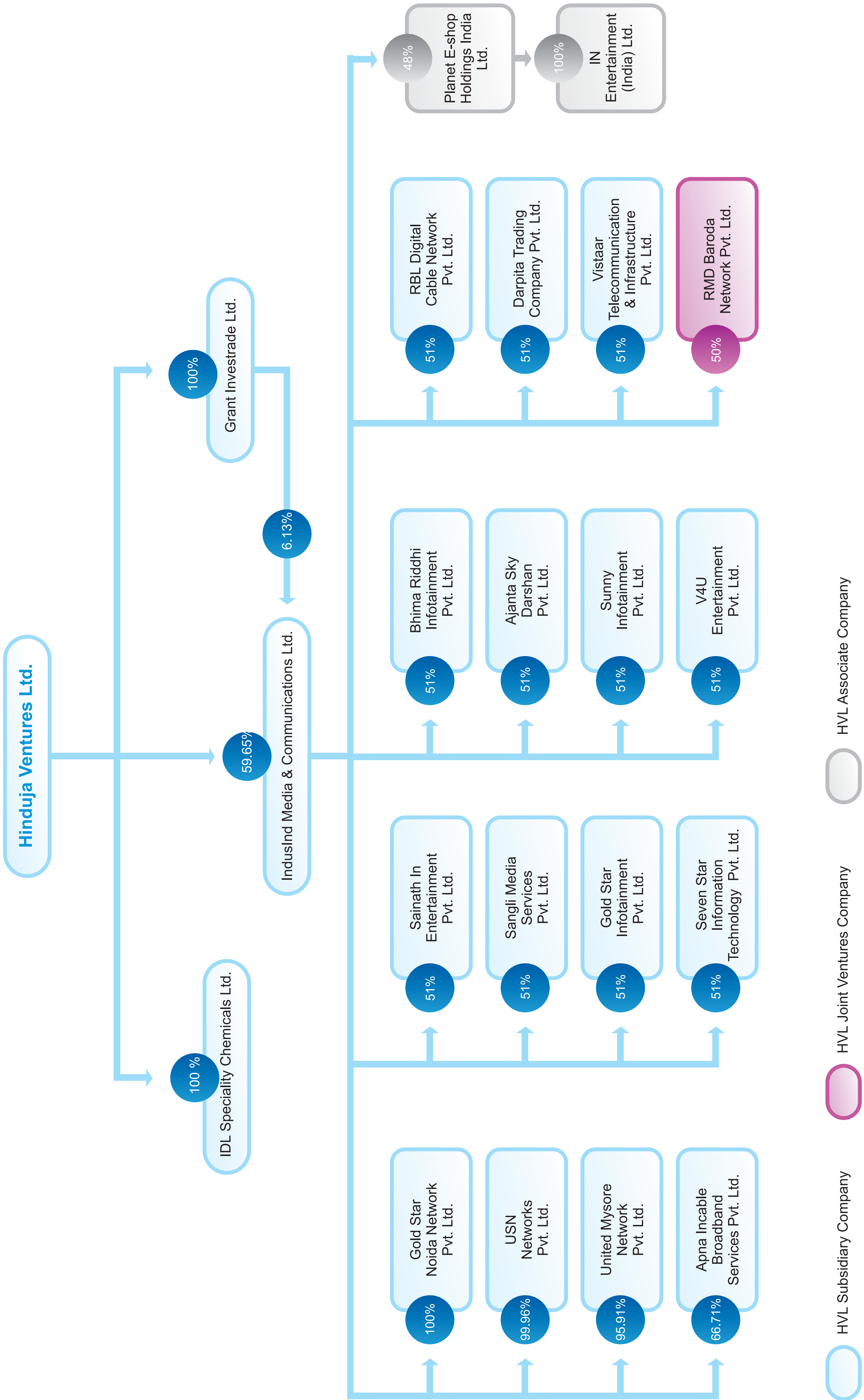
(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

R. Laxminarayan
Partner
Membership No. 33023

Place : Mumbai
Date : 10th May, 2011

HVL HOLDING STRUCTURE



FORWARD-LOOKING STATEMENTS

In this Annual Report we may have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decision. This report and other statements-written oral- that we periodically make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify information with words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumption. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions at times.

Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially form those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTES

IMCL Geographical Spread

You can find pdf version of this report on our website - www.hindujaventures.com