Hinduja Ventures

Inspiring Growth

HINDUJA GROUP

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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. The Treasury and Media segments of your Company have registered steady growth. Before getting into the specifics of your Company's performance, let me say a few words about the current economic scenario and business environment.

While the rest of the world was grappling with the after-effects of the European debt crisis, the growth momentum of the Indian economy has also slowed down considerably over the past year. Gross Domestic Product (GDP) growth in the financial year 2011-12 is estimated at 6.9% as against 8.4% a year ago, mainly due to weakening of industrial growth. High current account deficit, reduced foreign investments and delay in tax and fiscal reforms are some of the hindrances plaguing the Indian Economy. But despite the low growth of GDP, India remains one of the fastest growing economies of the world as all major countries including the fast growing emerging economies are witnessing a significant slowdown.

The Reserve Bank of India (RBI) has partly succeeded in its efforts to tame inflation, which shows signs of moderating. With the monetary easing now expected in coming quarters, cost of money will touch lower levels and improve the investment climate. This will make the country confident of bringing back the rhythm of high growth of 8-9% by pushing through further reforms, strengthening infrastructure and generating opportunities for investment and employment.

PERFORMANCE

Treasury Operations - Your Company's portfolio performed well. The market value of the portfolio went up steadily from ₹435 crores in the opening of the year to ₹572 crores at the close of the year. The overall average gain in mark to market for the portfolio was 32% over last year. The Company has booked a profit of ₹46.33 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 8.9% of the equity of the newly formed Hinduja Leyland Finance Limited (HLFL) at par, a company engaged in providing finance for automotive and capital goods sectors. HLFL is expected to grow rapidly and your Company should reap rich dividends in the years ahead.

Similarly, your 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% effective stake in Hinduja National Power Corporation Limited (HNPCL) through a 16% stake in the 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.

HEIL also has plans for developing renewable energy assets such as Wind, Solar and Biomass. One thermal project of HEIL of 1,040 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. Your Company has invested ₹250 mn in HEIL through its wholly owned subsidiary Grant Investrade Limited (GIL). The investment in this sector will provide handsome returns to your company.

Media - During the year, your Company's principal subsidiary IndusInd Media and Communicatons Limited (IMCL) continued with its consolidation strategy by acquiring several small networks and entering into Joint Ventures with medium sized networks. Its present footprint extends to 34 cities. IMCL remains among the top three Multi System Operators (MSOs) in the country with the distinction of having the highest profitability in the Indian cable TV industry.

Letter to Shareholders
from the Executive Chairman

IMCL is now on the cusp of the digital revolution being ushered in by the Government's mandated policy of digitizing the Cable Networks. The Digital Addressable System (DAS) now being introduced by the Government from 1st November 2012 in four phases offers a unique opportunity to IMCL to make all its subscribers addressable and to improve its subscription revenues manifold.

Digitisation will enable IMCL, to achieve triple play. The Company has crafted a strategic plan for next 4-5 years, when they would target to achieve industry leadership in the quality and range of services offered to the customers. With rapid digitalization and expansion, IMCL hopes to reach around two million digital homes in next six months and around ten million digital homes in next 4-5 years. The consolidation plans of IMCL will focus on the rich socio-economic areas to achieve higher revenue growth.

New services for the digital cable foray will include HD Services, Hybrid STBs for Cable and Internet, Value added services for digital cable such as Voice on Demand (VoD), Pay Per View (PPV), Gaming, E-learning, Broadband and Voice Over Internet Protocol (VOIP) / Internet Telephony services will be expanded through its national Internet Service Provider (ISP) license.

The content side of the media sector is being driven by In Entertainment (India) Limited (IEIL). IEIL is adopting an approach of focusing on development of own film projects rather than buying and acquiring distribution rights from other producers. IEIL recently produced a movie titled **"Billa 2"** in Tamil, a prequel to the popular Hindi film **"Don"**. The Tamil film and its Telugu dubbed version are expected to release mid July 2012.

Real Estate - IDL Speciality Chemicals Limited (IDL), wholly owned subsidiary of your Company had acquired 4.75 acres of land at Kukatpally, in Hyderabad. Plans are being drawn up to monetise this asset by developing the property. The plans for developing the 47.2 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 the registration of the title in the name of the Company is done and 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 and Staff for the good performance registered. Also, my thanks to our Bankers, Auditors and Advisors for their help and guidance during the year to maintain the highest standards of the corporate governance, a top priority for the Group.

Thank you.

Ashok P Hinduja
Executive Chairman

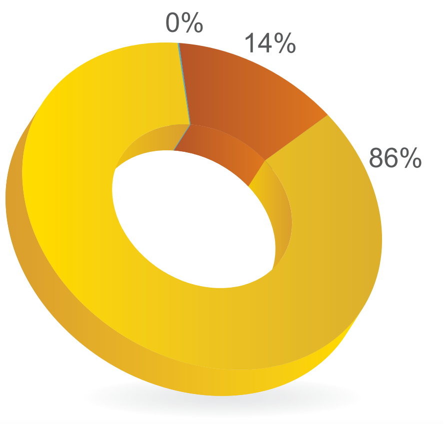
Mumbai, 30th April 2012

Financial Highlights
Consolidated

[Amount ₹ in Crores]

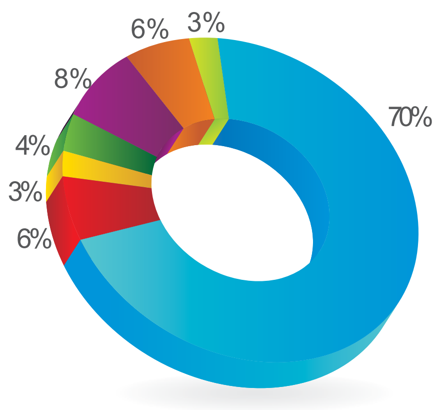
For the year	2012	2011	2010	2009	2008
Operating Income	538.49	433.57	351.50	322.54	242.83
Total Income	563.05	475.29	401.71	346.00	264.21
Total Expenditure	357.85	310.55	294.48	253.59	171.52
Profit After Minority Interest	100.46	86.57	60.58	46.80	55.13
As at the end of the year					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve & Surplus	713.83	649.20	597.46	591.21	527.75
Net worth	734.39	669.76	618.02	611.77	548.31
Loan Funds	106.29	102.44	11.57	14.65	74.64
Net Fixed Assets	304.56	265.62	240.49	241.88	101.57
Investments	225.96	272.67	252.50	103.65	160.12
Earnings per Share (₹)	48.87	42.12	29.47	22.77	26.84
Dividend (%)	150%	125%	100%	100%	100%
Dividend Amount	30.83	25.69	20.56	20.56	20.56
Book value per Share (₹)	357	326	301	298	267

Rupee Earned (Consolidated)



- Treasury
- Media & Telecommunications
- Others

Rupee Spend (Consolidated)



- Total Expenditure
- Depreciation
- Interest & Other Finance Charges
- Minority Interest/Share in Associates
- Tax (Including Deferred Tax)
- Dividend & Dividene Tax
- Residual Surplus

Financial Highlights
Standalone

[Amount ₹ in Crores]

For the year	2012	2011	2010	2009	2008
Total Income	90.11	83.48	80.49	58.67	66.55
Total Expenditure	13.87	13.64	33.10	7.31	7.45
PBIDTA	76.24	69.84	47.39	51.36	59.10
Profit after Tax	65.02	57.61	39.09	33.01	41.65
As at the end of the year					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve and Surplus	654.12	624.93	594.69	579.57	570.61
Networth	674.68	645.49	615.25	600.13	591.17
Loan funds	–	–	–	14.30	74.64
Net Fixed assets	19.01	21.37	22.45	1.21	1.23
Investments	256.91	302.94	315.63	170.57	226.64
Earnings per Share (₹)	31.63	28.03	19.01	16.06	20.28
Dividend (%)	150%	125%	100%	100%	100%
Dividend Amount	30.83	25.69	20.56	20.56	20.56
Book Value per Share (₹)	328	314	299	292	288

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
(Resigned w.e.f. 30th April 2012)

Mr. Ashok Mansukhani
(Appointed w.e.f 30th April 2012)

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
(Resigned w.e.f. 30th April 2012)

Mr. Amit Vyas
(Appointed w.e.f 30th April 2012)

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 2012 and Twenty Seventh Annual Report of your company.

FINANCIAL RESULTS

(₹ in million)

	Consolidated		Standalone	
For the year ended 31st March	**2012**	2011	**2012**	2011
Total Income	**5,630.46**	4,752.92	901.10	834.78
Total Expenses	**3,932.14**	3,383.57	163.62	159.44
Profit before tax	**1,698.32**	1,369.35	737.48	675.34
Provision for tax (incl. deferred tax)	**470.66**	277.21	87.22	99.24
Profit after tax	**1,227.66**	1,092.14	650.26	576.10
Minority Interest	**223.02**	226.43	–	–
Profit After Minority Interest	**1,004.64**	865.71	650.26	576.10

REVIEW OF FINANCIALS

After two consecutive years of more than 8.4% economic growth rates registered in the years 2009 & 2010, the business cyclic returned in the year 2012. The estimates of double digit growth rates by various economists proved at best estimated and the growth rate slowed down by 2.1% to register a growth rate of 6.9%. Though the growth rate has come down from near double digit growth to 6.5% - 7%, the good part is that India still remains a consumption story. The slowdown in economy was on account of efforts by RBI to contain inflation by increasing key rates which impact the cost of money. With the monetary easing now expected in coming quarters, the cost of money is expected to come back to lower levels. This is expected to bring growth rates back to double digit levels. In the back-drop of monetary tightening resulting in lower growth rates, your Company's performance was highly satisfactory.

On a consolidated basis your Company registered a growth of 18.46% in Income to reach ₹5,630.46 mn from ₹4,752.92 mn during the year. EBIDTA grew from ₹1,647.38 mn to ₹2,051.98 mn, registering a growth of 24.56%. Net Profit after Taxes and Minority grew from ₹865.71 mn to ₹1,004.64 mn, a growth of 16.05%. The Net Profit Rate growth was lower on account of taxes at Subsidiary levels, which lost tax shield on account of past losses. Taxes increased from ₹277.21 mn to ₹470.66 mn.

The standalone results also continued its strong performance buoyed by Treasury gains. Total Income grew by 7.94% from ₹834.78 mn to ₹901.10 mn. Net Profit After Tax grew 12.87% from ₹576.10 mn to ₹650.26 mn.

DIVIDEND

Your Company believes in a balanced payout of Dividend to reward shareholders between future requirement of funds and performance of the Company. Considering strong performance of the Company, the Board is pleased to enhance Dividend payout from ₹12.50/- to ₹15/- (150% Dividend on face value of ₹10/- per Equity Share), an increase of 20% over previous years. Enhanced dividend payment will entail payout of ₹358.35 mn. The Dividend payout works out to 55.11% of current year earnings including Dividend Distribution Tax.

TRANSFER TO RESERVES

The Company proposes to transfer ₹65.02 mn to the General Reserve as required under Transfer to General Reserve Rules and carry forward an amount of ₹4,249.96 mn as Balance in the Profit & Loss account.

REAL ESTATE

The real estate market exhibited a strong recovery and continued its buoyant journey. The value of the property owned by the company at Bangalore in the vicinity, as per the Government stamp duty ready reckoner rates now stands at ₹2.25 crores per acres. The value as per the current stamp duty value rates stands at ₹106.20 crores and an approximate market value of property is estimated at ₹143.31 crores. The Company owns 47.2 acres of real estate land at Bangalore. To complete the registration of title in the name of the Company, the Company has filed a suit for transfer of title. Post clearance of all the issues, the Company will take up development of the property.

INVESTMENTS

During the year under review, your Company has made an investment in Hinduja Leyland Finance Limited by acquiring 8.9% of equity of the company.

Your Company has also invested ₹250 mn in Hinduja Energy India Limited through its wholly owned subsidiary Grant Investrade Limited.

SUBSIDIARIES

Media:

IndusInd Media and Communications Limited (IMCL):

During the year, IMCL consolidated its operations by focusing on acquisitions made during the past years. The acquisitions made in the past have expanded the geography of IMCL to 34 centres now. The current year strong performance of IMCL reflects the consolidation presented by its past acquisitions.

IMCL consolidated EBDITA for the year stood at ₹1,350.32 mn as against ₹1,108.20 mn registering a growth of 21.85 % in otherwise flat market conditions. Consolidated Total Income grew by 17.46% from ₹4,099.11 mn to ₹4,814.67 mn.

During the year, IMCL took majority stake in two more entities and grew organically in few other geographies. The total subsidiaries of IMCL now stand at 16 and one equal venture of 50:50% each. By virtue of majority holding by IMCL, these entities have become indirect subsidiaries of the Company.

IMCL is waiting on the cusp of digital revolution being ushered in by the Government's mandated policy of digitizing cable networks. The Digital Addressable System (DAS) is being introduced by the Government from 1st November 2012 in four phases for the entire country. This offers an unique opportunity for IMCL to make all its subscribers addressable and transparent and to improve its subscription revenues manifold. In the current year, as per mandatory digitization, the four metros are expected to go digital. IMCL has presence in three out of the four metros, excluding Chennai.

IMCL's reach as per estimates stands at 8.5 mn cable homes in 34 cities. IMCL's target is to have around 10 mn digital addressable customers in next 4-5 years. This year IMCL also commenced the High Definition TV services (HD) in certain key markets and remains committed to its customers to bring out best of the technology breed for viewing through digital over cable networks. It now offers 380 digital channels under the brand name INDIGITAL, being the highest number of channels offered by any cable network.

New Value Added Services (VAS) in digital cable will also start this year. IMCL infrastructure is adequately geared up to meet the opportunity presented by mandatory DAS and is currently supported by 10,000 km of hybrid fibre optic cable network, which includes 2,000 km of underground fibre.

On the Broadband side, IMCL has deployed new technology of GEpon and EOC which provides bandwidth speeds of over 8 Mbps to 10 Mbps at affordable prices. This will put IMCL's Broadband technology at par with telecom players. The services that will be supported include video multi-casting, Voice on Demand (VoD), high speed interactive gaming, audio and video conferencing, IP telephony, distance learning, etc.

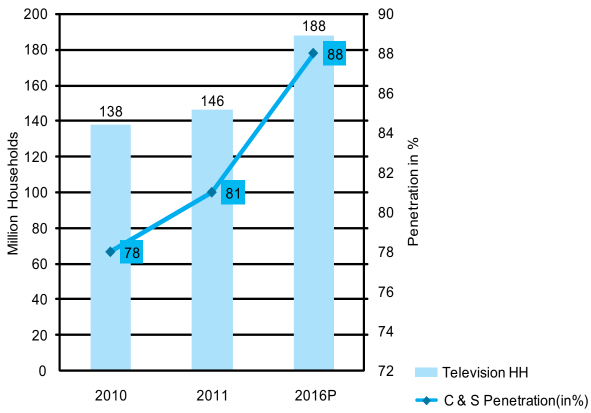
FUTURE OUTLOOK – MEDIA & CABLE TV SECTOR

The Media & Entertainment (M & E) industry is poised for a new digital growth. Every segment within the industry ecosystem is getting impacted by digitalization in a significant way. The Government's push towards digitalization and addressability for cable television by 2014 in the form of mandatory DAS is expected to provide an impetus to digital cable growth and transparent business models for corporate business houses in cable TV distribution.

Convergence between entertainment, information and telecommunication is increasingly impacting India's overall M & E sector. Significant advancement in media devices over the last decade ensures that the same content can now be accessed on a variety of media platforms. This implies that new business models and revenue streams, not only for content providers, but also for the distribution sector as well will be opened up. Cable TV distribution, especially MSOs will be one of the key winners and become very significant in the new media ecosystem in view of implementation of DAS.

The ₹ 270 bn Indian cable sector is the third largest in the world after China and US. The number of TV homes in India grew from ~120 mn in 2007 to ~148 mn TV homes currently. The TV viewing experience has changed a great deal over the last few years with the upcoming broadcasters producing differentiated and niche content like reality shows, food channels and more. The number of channels available has more than doubled to 800 plus channels, offering viewers more choice than they could ask for.

Growth in number of C & S Households



(Source: KPMG FICCI Frames Report)

With a strong distribution networks spread across the country, cable and satellite has penetrated 92% of TV homes to reach 136 mn homes in 2011 at 16% CAGR (2007-2011). Total Cable & Satellite (C & S) homes are expected to reach 166 mn by 2015. Much of the growth will come from digital cable. Mandatory digitisation will provide a thrust to digital cable to increase its reach. The deep penetrated analogue reach will help digital cable operators capture this opportunity much faster. Digital cable subscriber base should witness 31% CAGR over 2012-2015. Broadband subscriber base will grow considerably led by bundled offering of digital cable with broadband.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with 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 include the 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.

Brand building of the organization is being given 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 the Chief Executive Officer's declaration about the code of conduct are furnished in "Annexure-A" and "Annexure 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 and Foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 during the year under review.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance in compliance with listing agreements forms part of "Annexure - B".

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 - C".

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

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 ITS 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. Ashok Mansukhani was appointed as an Additional Director by the Board on 30th April 2012. He will act as Executive Director to spearhead the 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 the shareholders as he would hold office up to the date of this Annual General Meeting under section 260 of the Companies Act, 1956.

Mr. R. P. Hinduja, Mr. D. G. Hinduja and Mr. Anil Harish, 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. Dilip Panjwani, Whole-time Director and Company Secretary has resigned from the Board effective 30th April 2012. The Board places on record its deep sense of appreciation for the invaluable contributions made by Mr. Dilip Panjwani during his tenure as director 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 2012, 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 2012 and of the profit of your Company for the year ended 31st March 2012;

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 an on 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

The Company does not have any employee drawing remuneration in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

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 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 : 30th April 2012

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
Director and Company Secretary

Place : Mumbai
Date : 30th April 2012

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 2012.

Place: Mumbai
Date : 30th April 2012

Dilip Panjwani
Director and Company Secretary

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

Executive Director (Non-Promoter Group)

Mr. Dilip Panjwani, Whole-Time Director

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
10th May 2011	7	6
30th July 2011	8	8
19th October 2011	8	5
04th February 2012	8	8

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 1st August 2011
Mr. A. P. Hinduja	4	Yes
Mr. R. P. Hinduja	2	Yes
Mr. D. G. Hinduja	2	N.A
Mr. H. C. Asher	4	Yes
Mr. Anil Harish	4	Yes
Mr. R. P. Chitale	3	Yes
Mr. Prakash Shah	2	Yes
Mr. Dilip Panjwani	3	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	Yes

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

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	4	--	--
Mr. R. P. Hinduja	5	3	--
Mr. D. G. Hinduja	8	2	--
Mr. Anil Harish	14	10	4
Mr. H. C. Asher	10	8	3
Mr. R. P. Chitale	8	6	1
Mr. Prakash Shah	5	2	--
Mr. Dilip Panjwani	5	4	1
Ms. Vinoo S. Hinduja (Alternate to Mr. R.P. Hinduja)	3	--	--
Mr. Ravi Mansukhani (Alternate to Mr. D. G. Hinduja)	5	2	1

* (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).

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 and if required, the replacement or removal of the 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. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. 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 Auditors and representatives of the Internal Auditors.

C. Meetings and Attendance:

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

Dates of Meetings: 10th May 2011, 30th July 2011, 19th October 2011 and 4th February 2012.

Attendance:

Name of the Director	Number of Meetings attended
Mr. Anil Harish	4
Mr. R. P. Hinduja	2
Mr. R. P. Chitale	3
Mr. H. C. Asher	4
Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)	1

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

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:

No meeting of Remuneration Committee was held during the year.

D. 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.

E. Details of remuneration to all the Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2011-12 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 2012.

B. Composition:

Chairman : Mr. H. C. Asher

Members : Mr. D. G. Hinduja

Mr. R. P. Hinduja

Mr. Prakash Shah

C. Meetings:

Three 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: 29th April 2011, 27th July 2011 and 4th February 2012.

Attendance:

Name of the Director	Number of Meetings attended
Mr. H. C. Asher	3
Mr. R. P. Hinduja	-
Mr. D. G. Hinduja	1
Mr. Prakash Shah	3

Name and Designation of Compliance Officer:

Mr. Dilip Panjwani, Director 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. Dilip Panjwani (Whole-Time Director) an aggregate amount of ₹41.10 lacs. The remuneration comprises of salaries and allowances and does 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. Dilip Panjwani-Whole-Time Director	Five Years (From 10th May 2011 to 9th May 2016)	Three months' notice by either party	Not Exceeding ₹45,00,000

B. Payment to Non Executive Directors:

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

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

Name of Director	Board Of Directors (₹)	Audit Committee (₹)	Investor Grievance (₹)	Total Fees (₹)
Mr. R. P. Hinduja	40,000	40,000	N.A	80,000
Mr. D. G. Hinduja	40,000	N.A	10,000	50,000
Mr. H. C. Asher	80,000	80,000	30,000	1,90,000
Mr. Anil Harish	80,000	80,000	N.A	1,60,000
Mr. R. P. Chitale	60,000	60,000	N.A	1,20,000
Mr. Prakash Shah	40,000	N.A	30,000	70,000
Mr. Ravi Mansukhani*	40,000	N.A	N.A	40,000
Ms. Vinoo S. Hinduja**	20,000	20,000	N.A	40,000
Total	**4,00,000**	**2,80,000**	**70,000**	**7,50,000**

* Alternate to Mr. D. G. Hinduja.

**Alternate to Mr. R. P. Hinduja.

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 (₹)	Name of Director who is partner
Crawford Bayley & Co.	11,52,590/-	Mr. H. C. Asher

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
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).

Financial Year	Location	Date and Time	Special Resolutions Passed
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.
2010-2011	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	01/08/2011 at 2.30 p.m.	1. 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 for appointment of Mr. Dilip Panjwani, as the Whole-Time Director of the Company with effect from 10th May 2011. 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).

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. 32 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-D" 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	9th August 2012
	Time	2.00 p.m.
	Venue	Hall of Harmony, Nehru Centre, Worli, Mumbai-400 018.
2.	Financial Calendar for 2012-13	(Tentative)
	Unaudited results for the quarter ending 30th June 2012	4th week of July 2012
	Unaudited results for the quarter / half year ending 30th September 2012	4th week of October 2012
	Unaudited results for the quarter ending 31st December 2012	4th week of January 2013
	Audited results for the year ending 31st March 2013	4th week of May 2013
3.	Book Closure Dates	From 31st July 2012 to 9th August 2012 (both days inclusive)
4.	Dividend for the Financial Year 2011-12, 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.

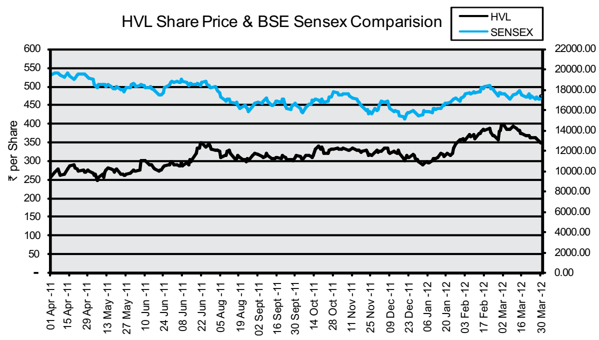
(Note: Annual Listing fee for the Financial Year 2012-13 has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited)

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 2011	304.40	255.05	302.90	253.55
May 2011	297.00	238.00	297.00	242.90
June 2011	328.00	260.00	328.00	242.90
July 2011	371.00	285.00	371.95	282.25
August 2011	337.00	290.40	338.00	294.00
September 2011	328.70	295.05	328.00	294.05
October 2011	345.30	300.00	346.00	298.05
November 2011	343.00	303.05	342.00	304.30
December 2011	345.75	296.10	349.75	295.25
January 2012	366.00	286.20	365.00	283.40
February 2012	413.80	351.05	413.75	346.00
March 2012	407.00	341.00	455.55	345.15

SHARE PRICE MOVEMENT (BSE)

Hinduja Ventures Limited share price performance compared to BSE Sensex. (April 11-March 12)



12. SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on 31st March 2012, about 99.71% of your Company's equity (comprising 20,496,950 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 2012, there were no unprocessed transfers pending. The details of physical shares transferred during the last three years are as under:

Particulars	2009-10	2010-11	2011-12
No. of transfer deeds	03	02	02
No. of shares transferred	200	100	150

Pattern of Shareholding as of 31st March 2012:

Particulars	No. of Shares	% of Shareholding
Promoters	1,35,05,640	65.70
FIIs	14,93,832	7.27
N.R.I.s/ OCBs/Non Domestic Companies/ Foreign National	61,950	0.30
Mutual Funds, Banks, Financial Institutions, Insurance Companies	20,00,360	9.73
Private Corporate Bodies	10,06,559	4.90
Individuals / Others	24,87,162	12.10
Total Paid-up Capital	**2,05,55,503**	**100**

Distribution Schedule as of 31st March 2012:

Distribution	No. of Shareholders		No. of Shareholdering	
	No of Shareholders	% of Total Shareholder	No of Shares	% of Shareholding
Less than 500	8,223	93.50	5,01,843	2.44
501-1000	212	2.41	1,67,795	0.82
1001-2000	161	1.83	2,44,469	1.19
2001-3000	56	0.64	1,39,965	0.68
3001-4000	20	0.23	68,296	0.33
4001-5000	17	0.19	77,135	0.38
5001-10000	39	0.44	2,73,838	1.33
Above 10000	67	0.76	1,90,82,162	92.83
Total	**8,795**	**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 numbers of shares held by the Directors of Hinduja Ventures Limited as on 31st March 2012 are as under:

Sr. No.	Name of Directors	No. of Shares
1	Mr. A. P. Hinduja	131,240*
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.

Code of Conduct:

The Company has adopted separate Codes of Conduct for Executive Directors, Senior Management and Non-Executive Directors and the same have 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 2012.

13. REGISTRARS 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,
Director 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, Director 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 January 22, 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,
Director and Company Secretary

For and on behalf of the Board

Place: Mumbai
Date : 30th April 2012

A. P. Hinduja
Executive Chairman

Annexure 'C' 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, 2012, 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, 2012, 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 : 30th April 2012

Management Discussion & Analysis

Hinduja Ventures Limited (“HVL”) operations span over three segments namely, Media, Real Estate and Treasury. The Company’s principal business is Media & Communications via its valuable stake in IndusInd Media and Communications Limited (“IMCL”). HVL owns 47.2 acres land at Bangalore and 4.75 acres at Hyderabad through its wholly owned subsidiary IDL Speciality Chemicals Limited (“IDL”) being its Real Estate segment. Treasury is represented by returns on its investments and cash. The Treasury segment preserves its capital for reinvestments and new businesses.

MEDIA

Media & Entertainment Industry Update:

2011 set a benchmark for Indian Media & Entertainment (M & E) industry. The total television channels in India reached over 800 numbers and total Television households touched 148 million. India is now the third largest TV viewing market next only to US and China.

M & E industry registered 12% growth rate in 2011 from ₹652 billion to ₹728 billion. The growth was primarily driven by strong consumption in Tier 2 and 3 cities. The next year is estimated to achieve ₹823 billion markets with 13% growth rate and further at 14.9% to reach ₹1,457 billion by 2016.

Television Industry:

Television at 45% of revenues of the M & E industry continues to be the largest medium for media delivery. It has enough headroom to grow further as Television penetration in India is still at approximately 60% of total households. Though print is witnessing a decline in growth rates, the other segment of media industry such as animation, VFX, gaming etc. are fast increasing their share in the pie. Television industry in 2011 was estimated at ₹329 billion and is expected to grow at 17% to reach ₹735 billion by 2016.

Outlook for Pay TV market:

The recent amendment of Cable Act, mandating Digitization of cable is expected to be a game changer, impacting the entire value chain namely Broadcasters, MSOs and LCOs. While DTH also reaps benefits of Digitization, the power shifts from LCOs to MSOs. Digitization is likely usher in quality revolution in viewing TV with DVD like image and sound quality. Transmission of HD and 3D services being possible only in digital delivery will now be reality for masses. The consumer gets benefitted with wide array of choice of the contents and pays only for content, which he chooses to watch, unlike no choice in analogue mode. The Digitization of Cable also provides cable TV operators opportunity to bundle broadband and Telephony services and presents a significant opportunity for Cable TV distributors to increase their revenues manifold. Digital television is expected to provide the consumer access to a higher number of TV channels, customized tariffs, availability of broadband and other value-added services and enhanced user experience through better viewing quality and consumer services.

The new Digital Addressable System (DAS) has the support of key stakeholders including the Government, the Broadcasters and the Multi-system operators (MSOs). As digital distribution ecosystem takes shape, a coherent licensing regime is enabled, anchored to full subscriber declaration and payment of taxes as well as a stipulation that the billing of TV subscribers will move from unorganized LCOs to organized addressable MSOs. The power equation is expected to shift towards MSOs over the next three years.

SWOT Analysis: IMCL

1) **Opportunities:**

- Key Cities mandated for Digital Transition: IMCL is in major cities like Mumbai, Delhi, Bangalore, Ahmedabad etc. This gives an ample opportunity to reach addressable consumers and increase ARPU’s. IMCL networks reach a sizeable percentage of higher socio economic groups in these large cities. In the first two phases around 18 major cities of IMCL will get completes digitalised.
- With the new Broadband policy and digitalisation, IMCL will exponentially increase its broadband business.
- New revenue streams will open up from value-added services like PPV, Video on Demand, Gaming and more.
- Bundling of services will increase ARPUs.

2) Strengths:

- IMCL is the pioneering MSO with a national presence in 34 cities presently and with an estimated reach of around 8.5 million subscribers.
- High ARPU's and high TRP cities (means cities where key TV channels have high rating).
- State of Art Technology, International technology partners, Professional and experienced management in place.
- Well developed infrastructure in Fibre and digital headends across India.

3) Challenges:

- To meet timelines of Digitalisation need huge capital outlays. Also to ensure successful and profitable implementation of Cable mandated digitalisation.
- Local cable operator management in view of digitalisation, where LCOs will have to declare 100%. Make new revenue partnerships in subscription driven business for cable and broadband with LCOs.
- To scale up Digital universe and to ensure all technology and process in right place at right time.
- Logistics and installation of Digital Set top boxes in approx 2 million homes in next few months. Quality of service issues in the last mile.
- Changes in the business model from B2B to B2C.

4) Threats:

- Competition from other platforms, mainly DTH.
- Vertically linked MSOs of Broadcasters may take undue advantage in pricing and tiering of channels.
- Cities in 2nd and 3rd phase of digitalisation need some upgradations.

TREASURY

With a turnaround in market during 2011, the Company generated good returns over the previous years. However, the recovery of the market has not been as much as expected on account of downgrade of US sovereign ratings and concerns over Eurozone. RBI has been raising key interest rates to contain inflation. With RBI indicating easing of interest rates going forward, expectations of improvement in recovery for market remains high. The company would endeavor to generate market returns while preserve capital for its new business ventures.

REAL ESTATE

HVL owns two pieces of land, one at Bangalore and the other through its wholly owned subsidiary IDL Speciality Chemicals Limited at Hyderabad. The land at Bangalore would entail some more additional resources to enable development of property until receipt of title and other approvals. Post clearance of all approvals, the Company would develop the property along with a real estate developer. In the meanwhile there has been a considerable recovery in the property market and both the properties have appreciated in value over their cost.

PERFORMANCE REVIEW

Discussion on Financial results with respect to Operational Performance

The consolidated financial highlights for the year 2011-12 are produced below. The following are relevant financial highlights with respect to the operational performance of the company.

(₹ in million)

For the Year	2011-12	2010-11
Operating, Interest & Dividend Income	4,921.66	3,944.04
Expenses	3,433.53	3,061.24
Operating Profit (PBDITA)	1,488.13	882.80
Finance Costs	144.95	44.29
Depreciation/ Amortization	353.66	278.04
Operating Profit after Interest and Depreciation	989.52	560.47
Profit on Sale of long term Investments (net)	463.29	391.74
Other Income	245.51	417.14
Profit before tax and exceptional items	1,698.32	1,369.35
Provision for tax (incl. deferred tax)	470.66	277.21
Profit after tax	1,227.66	1,092.14
EPS Basic (Rupees)	48.87	42.12
EPS Diluted (Rupees)	48.87	42.12

Segmental Review

The Consolidated business segment wise analysis for the year ended 31st March, 2012 is as under:

(₹ in million)

	Real Estate	Media & Communication	Treasury	Other/ (Unallocated)
Segment Revenues	0.15	4,815.09	808.55	6.66
Segment Results (PBT)	(10.28)	1,013.07	704.08	(8.53)
Capital Employed	119.86	3,653.33	5,327.59	53.02

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 last year is working smoothly and will be evaluated for stress test or modification upon change in size or nature of business.

The risk management was reviewed this year and a risk management plan was put in place. This being dynamic, the Company will re-evaluate as the business keeps changing.

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 going forward new plans.

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, 2012

(₹ In Lacs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
Share Capital	2	**2,055.55**	2,055.55
Reserves and Surplus	3	**65,412.15**	62,493.10
		67,467.70	64,548.65
2. NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4	**49.15**	204.30
Long-Term Provisions	5	**27.35**	58.18
		76.50	262.48
3. CURRENT LIABILITIES			
Trade Payables	6	**57.43**	33.94
Other Current Liabilities	7	**73.19**	72.98
Short-Term Provisions	8	**3,931.80**	3,319.59
		4,062.42	3,426.51
TOTAL		**71,606.62**	68,237.64
II ASSETS			
1. NON-CURRENT ASSETS			
Fixed Assets			
(i) Tangible Assets	9	**1,895.15**	2,129.57
(ii) Intangible Assets		**6.24**	7.80
		1,901.39	2,137.37
Non-Current Investments	10	**25,691.95**	29,792.54
Long-Term Loans and Advances	11	**2,499.62**	1,982.43
		28,191.57	31,774.97
2. CURRENT ASSETS			
Current Investments	12	**–**	501.93
Inventories	13	**1,201.80**	1,627.45
Trade Receivables	14	**868.99**	1,057.67
Cash and Bank Balances	15	**291.09**	236.13
Short-Term Loans and Advances	16	**38,718.78**	30,495.85
Other Current Assets	17	**433.00**	406.27
		41,513.66	34,325.30
TOTAL		**71,606.62**	68,237.64

See accompanying notes 1 to 39 forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

Statement of Profit and Loss
for the year ended 31st March, 2012

(₹ In Lacs)

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
I. INCOME			
Revenue from Operations	**18**	**9,008.92**	8,322.89
Other Income	**19**	**2.09**	24.97
Total Revenue		**9,011.01**	8,347.86
II. EXPENSES			
Changes in Inventories of Stock-in-Trade	**20**	**(138.07)**	–
Direct Cost	**21**	**701.79**	541.22
Employee Benefits Expense	**22**	**140.30**	261.17
Depreciation/ Amortisation Expense	**23**	**248.77**	230.42
Other Expenses	**24**	**683.38**	561.62
Total Expenses		**1,636.17**	1,594.43
III. Profit Before Tax		**7,374.84**	6,753.43
Less:Tax Expense			
- Current Tax		**1,366.00**	1,384.55
- MAT Credit Entitlement	**30**	**(457.54)**	(994.70)
- Deferred Tax		**(155.15)**	602.57
- Short Provision for Earlier Year		**118.96**	–
IV. Profit for the Year from continuing operations		**6,502.57**	5,761.01
Earnings Per Equity Share (Face Value ₹ 10/- per share)			
- Basic	**26**	**31.63**	28.03
- Diluted	**26**	**31.63**	28.03

See accompanying notes 1 to 39 forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

Cash Flow Statement
for the year ended 31st March, 2012

(₹ In Lacs)

Particulars		Year ended 31.03.2012		Year ended 31.03.2011
A. Cash Flow from Operating Activities :				
Net Profit Before Tax		**7,374.84**		6,753.43
Adjustments for:				
Share issue and deferred revenue expenses written-off	–		1.11	
Depreciation	**248.77**		230.42	
Amortisation	**563.72**		536.28	
Liability no longer required written back	–		(15.03)	
Miscellancous Expenses	–		1.23	
Profit on Sale of Investments (net)	**(4,632.87)**		(3,917.39)	
Scrapping of Fixed Assets	**1.00**		–	
Sundry Debit balance written-off	**0.76**		–	
Provision for Wealth tax	**38.53**		36.04	
Gains/ (Losses) on foreign currency (Net)	–		(7.13)	
		(3,780.09)		(3,134.47)
Operating Profit Before Working Capital Changes		**3,594.75**		3,618.96
Changes in Working Capital:				
Trade Payables	**23.49**		(759.29)	
Short/ Long Term Provisions	**(18.14)**		635.60	
Other Current Liabilities	**0.02**		(19.43)	
Trade Receivables	**187.92**		(602.29)	
Inventories	**(138.07)**		7.31	
Loans and Advances	**(8,167.82)**		(9,860.17)	
Other Current Assets	**(26.73)**		(62.50)	
		(8,139.33)		(10,660.77)
Cash Generated from Operations		**(4,544.58)**		(7,041.81)
Taxes paid (Net of Refunds)		**(1,635.94)**		(1,494.40)
Net Cash used in Operating Activities (A)		**(6,180.52)**		(8,536.21)
B. Cash Flow from Investing Activities :				
Purchase of Tangible/Intangible Assets	**(13.81)**		(726.10)	
Purchase of Non-Current Investments	**(903.68)**		(3,860.31)	
Sale of Non-Current Investments	**9,637.12**		7,436.23	
		8,719.63		2,849.82
Net Cash Generated From Investing Activities (B)		**8,719.63**		2,849.82

Cash Flow Statement

for the year ended 31st March, 2012

(₹ In Lacs)

Particulars		Year ended 31.03.2012		Year ended 31.03.2011
C. Cash Flow from Financing Activities :				
Dividend Paid	**(2,569.25)**		(2,056.56)	
Dividend Distribution Tax	**(416.83)**		(341.40)	
		(2,986.08)		(2,397.96)
Net Cash used in Financing Activities (C)		**(2,986.08)**		(2,397.96)
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**(446.97)**		(8,084.35)
Cash and Cash Equivalents at the beginning of the year		**738.06**		8,822.41
Cash and Cash Equivalents at the end of the year		**291.09**		738.06
Cash and Cash Equivalents comprise of :				
Cash on Hand		**0.15**		0.49
Balance with Banks				
- Current Account		**219.23**		39.56
- Demand Deposit		**2.03**		126.59
- Unpaid Dividend account		**69.68**		69.49
Current Investments		–		501.93
Total		**291.09**		738.06

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

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

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) Use of Estimates

The preparation of financial statements require 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/ materialise.

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.

d) 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 Statement of Profit and Loss. 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.

e) 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 ₹ 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.

f) 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".

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) Investments

Non Current 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 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 short term 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 Statement of Profit and Loss.
   - Debit balance in the "Mark-to-Market Margin - Equity Index/ Stock Futures Account", being anticipated loss, is recognised in the Statement of Profit and Loss.
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 Statement of Profit and Loss 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 short-term Loans and Advances.

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 recognised in the Statement of Profit & Loss.

j) 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 Statement of Profit and Loss 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.

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.

m) 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”.

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 Statement of Profit and Loss on straight line basis over the lease term.

o) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non – cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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.

2 Share Capital

(₹ In Lacs)

i)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorised				
Equity Shares of ₹10 each	**70,000,000**	**7,000.00**	70,000,000	7,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹10 each fully paid	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Total	**20,555,503**	**2,055.55**	20,555,503	2,055.55

Rights, Preferences and Restrictions attached to equity shares:

i) Right to receive dividend as may be approved by the Board/ Annual General Meeting.

. ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 1956.

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

ii) Reconciliation of number of shares Outstanding

(₹ In Lacs)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	**Amount**	Number of Shares	Amount
Shares Outstanding at the beginning of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Add: Shares Issued during the year	–	–	–	–
Less: Shares Bought Back during the year	–	–	–	–
Shares Outstanding at the end of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55

iii) Shares in the company held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	Number of Shares Held	**% of Holding**	Number of Shares Held	% of Holding
Aasia Management and Consultancy Private Limited	**8,883,839**	**43.22%**	6,329,737	30.79%
Amas Mauritius Limited	**2,761,427**	**13.43%**	2,761,427	13.43%
Reliance Capital Trustee Company Limited	**1,933,167**	**9.40%**	1,583,086	7.70%
Harsha A. Hinduja	**29,193**	**0.14%**	1,526,395	7.43%
Ashok P. Hinduja	**131,240**	**0.64%**	1,188,140	5.78%
Total	**13,738,866**	**66.83%**	13,388,785	65.13%

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
3	**Reserves and Surplus**		
	Securities Premium Account		
	Opening balance	**670.58**	670.58
	Closing balance	**670.58**	670.58
	General Reserve		
	Opening balance	**21,591.62**	21,015.52
	Add: Transferred from surplus in Statement of Profit and Loss	**650.26**	576.10
	Closing balance	**22,241.88**	21,591.62
	Surplus in Statement of Profit and Loss		
	Opening balance	**40,230.90**	37,782.53
	Add: Net Profit for the year	**6,502.57**	5,761.01
	Add: Amount transferred on Amalgamation of HTMT Telecom Private Limited	–	249.73
	Less: Appropriation		
	- Transfer to General Reserve	**650.26**	576.10
	- Proposed Dividend [₹15.00 (Previous Year ₹12.50) per share]	**3,083.33**	2,569.44
	- Dividend Distribution tax	**500.19**	416.83
	Closing balance	**42,499.69**	40,230.90
	Total Reserves and Surplus	**65,412.15**	62,493.10
4	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities		
	Depreciation	**58.51**	40.26
	Unamortised Cost of Film Rights	–	182.90
	Total Deferred Tax Liability (A)	**58.51**	223.16
	Deferred Tax Assets		
	Liabilities to be deducted for tax purposes when paid	**9.36**	18.86
	Total Deferred Tax Assets (B)	**9.36**	18.86
	Net Deferred Tax Liability (A–B)	**49.15**	204.30

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
5	**Long-Term Provisions**		
	Provision for Employee Benefits		
	- Provision for Gratuity	**18.50**	41.21
	- Provision for Compensated Absences	**8.85**	16.97
	Total	**27.35**	58.18
6	**Trade Payables**		
	Trade payables (Other than outstanding dues to Micro, Medium and Small Enterprises)	**57.43**	33.94
	Total	**57.43**	33.94
7	**Other Current Liabilities**		
	Unclaimed Dividend #	**69.68**	69.49
	Statutory Dues - Income Tax	**3.51**	3.49
	Total	**73.19**	72.98
	# There are no amounts due and outstanding to the credited to Investor Education and Protection Fund		
8	**Short-Term Provisions**		
	Provision for Gratuity	**0.54**	–
	Provision for Compensated Absences	**0.95**	–
	Provision for Income Tax (Net of Advance Tax)	**308.44**	297.28
	Provision for Wealth Tax	**38.35**	36.04
	Proposed Dividend	**3,083.33**	2,569.44
	Dividend Distribution Tax	**500.19**	416.83
	Total	**3,931.80**	3,319.59

9 Fixed Assets

(₹ In Lacs)

	DESCRIPTION	Gross Block				Depreciation/ Amortisation				Net Block	
		As at 01.04.2011	Additions	Disposal	As at 31.03.2012	Upto 31.03.2011	For the Year	Disposal / Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
A	**Tangible Assets:**										
	Own Assets:										
	Furniture and Fixtures	1.51	0.57	–	**2.08**	1.49	0.44	–	**1.93**	**0.15**	0.02
		[1.51]	[–]	[–]	**[1.51]**	[1.48]	[0.01]	[–]	**[1.49]**		
	Vehicles	127.94	11.20	–	**139.14**	40.18	12.25	–	**52.43**	**86.71**	87.76
		[113.11]	[14.83]	[–]	**[127.94]**	[28.35]	[11.83]	[–]	**[40.18]**		
	Office Equipments	6.75	0.48	1.96	**5.27**	2.52	0.29	0.94	**1.87**	**3.40**	4.23
		[6.37]	[0.38]	[–]	**[6.75]**	[2.19]	[0.33]	[–]	**[2.52]**		
	Computers	43.27	1.56	–	**44.83**	38.60	1.36	–	**39.96**	**4.87**	4.67
		[41.94]	[1.33]	[–]	**[43.27]**	[34.95]	[3.65]	[–]	**[38.60]**		
	Total (A)	**179.47**	**13.81**	**1.96**	**191.32**	**82.79**	**14.34**	**0.94**	**96.19**	**95.13**	**96.68**
	Previous Year	[162.93]	[16.54]	[–]	**[179.47]**	[66.97]	[15.82]	[–]	**[82.79]**		
B	**Assets given on Operating Lease:**										
	Plant and Equipment	2,245.93	–	–	**2,245.93**	213.04	232.87	–	**445.91**	**1,800.02**	2,032.89
		[–]	[2,245.93]	[–]	**[2,245.93]**	[–]	[213.04]	[–]	**[213.04]**		
	Total (B)	**2,245.93**	**–**	**–**	**2,245.93**	**213.04**	**232.87**	**–**	**445.91**	**1,800.02**	**2,032.89**
	Previous Year	[–]	[2,245.93]	[–]	**[2,245.93]**	[–]	[213.04]	[–]	**[213.04]**		
	Total (A + B)	**2,425.40**	**13.81**	**1.96**	**2,437.25**	**295.83**	**247.21**	**0.94**	**542.10**	**1,895.15**	**2,129.57**
	Previous Year	[162.93]	[2,262.47]	[–]	[2,425.40]	[66.97]	[228.86]	[–]	[295.83]		
C	**Intangible Assets:**										
	Computer Software – Aquired	9.36	–	–	**9.36**	1.56	1.56	–	**3.12**	**6.24**	7.80
		[–]	[9.36]	[–]	**[9.36]**	[–]	[1.56]	[–]	**[1.56]**		
	Total (C)	**9.36**	**–**	**–**	**9.36**	**1.56**	**1.56**	**–**	**3.12**	**6.24**	**7.80**
	Previous Year	[–]	[9.36]	[–]	**[9.36]**	[–]	[1.56]	[–]	**[1.56]**		
	TOTAL (A+B+C)	**2,434.76**	**13.81**	**1.96**	**2,446.61**	**297.39**	**248.77**	**0.94**	**545.22**	**1,901.39**	**2,137.37**
	Previous Year	[162.93]	[2,271.83]	[–]	[2,434.76]	[66.97]	[230.42]	[–]	[297.39]		
	Note:– Figures in brackets indicates previous year figures										

(₹ In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
10 Non-Current Investments (Fully paid, at Cost)		
Trade Investments		
a) Unquoted Equity Instruments		
Investment in Subsidiaries:		
40,421,200 [March 31, 2011: 40,421,200] Equity Shares of ₹10 each in IndusInd Media & Communication Limited.	**5,008.86**	5,008.86
4,154,902 [March 31, 2011: 4,154,902] Equity Shares of ₹10 each in Grant Investrade Limited.	**235.31**	235.31
10,000,000 [March 31, 2011: 10,000,000] Equity Shares of ₹10 each in IDL Speciality Chemicals Limited.	**210.00**	210.00
b) Unquoted Preference Shares		
Investment in Subsidiaries:		
15,000,000 [March 31, 2011: 15,000,000] 12% Cumulative Optionally Convertible Preference shares of ₹ 10 each in IndusInd Media & Communication Limited.	**1,500.00**	1,500.00
Total (A)	**6,954.17**	6,954.17
Other Investments		
a) Quoted:		
Investment in Equity Instruments		
3,833 [March 31, 2011: 3,833] Equity Shares of ₹ 2 each in Gulf Oil Corporation Limited.	**1.09**	1.09
523,812 [March 31, 2011: 518,812] Equity Shares of ₹10 each in Hinduja Global Solutions Limited.	**2,553.08**	2,538.30
9,382,383 [March 31, 2011: 12,845,383] Equity Shares of ₹10 each in IndusInd Bank Limited. #	**13,275.00**	18,174.75
50,736 [March 31, 2011: 50,736] Equity Shares of ₹10 each in NHPC Limited.	**18.26**	18.26
24,007 [March 31, 2011: 24,007] Equity Shares of ₹10 each in VCK Capital Market Services Limited.	**1.46**	1.46
b) Unquoted:		
Investment in Equity Instruments		
Nil [March 31, 2011: 1,045,000] Equity Shares of ₹10 each in Plus Paper Foodpac Limited.	–	398.85
28,888,890 [March 31, 2011: 20,000,000] Equity Shares of ₹ 10 each in Hinduja Leyland Finance Limited.	**2,888.89**	2,000.00
Total	**18,737.78**	23,132.71
Less: Provision for Diminution in Value of Investments	–	294.34
Total (B)	**18,737.78**	22,838.37
Total (A+ B)	**25,691.95**	29,792.54
# 26,00,000 [March 31,2011: Nil] Equity Shares pledged against loan taken from bank by IN Entertainment (India) Limited, an associate. (Refer Note 25)		
Aggregate amount of quoted investments	**15,848.89**	20,733.86
Market Value of quoted investments	**31,894.14**	35,791.35
Aggregate amount of unquoted investments	**9,843.06**	9,353.02
Aggregate provision for diminution in value of investments	–	294.34

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
11	**Long-Term Loans and Advances**		
	(Unsecured, Considered Good)		
	Security Deposits	**1.65**	–
	Other Deposits	**10.44**	10.44
	Prepaid Expenses	**0.35**	–
	CENVAT Credit Receivable	–	57.11
	Advance Tax and Tax Deducted at Source (Net of Provision)	**1,034.94**	920.18
	MAT Credit Entitlement	**1,452.24**	994.70
	Total	**2,499.62**	1,982.43
12	**Current Investments (Non-trade Unquoted, fully paid At Cost or Fair value, whichever is lower)**		
	Investments in Mutual Funds:		
	Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend having Face Value of ₹ 10/- each (Nil units: Previous Year 993,842 units)	–	151.93
	Pramerica Ultra Short Term Bond Fund - Daily Dividend having Face Value of ₹ 10/- each (Nil units: Previous Year 34,992 units)	–	350.00
	Total	**–**	501.93
13	**Inventories (At Cost or Net realisable value whichever is lower)**		
	Stock-in-Trade		
	Real Estate (Pending registration in the name of the company) (Refer Note 37)	**1,201.80**	1,063.73
	Unamortised Cost of Film Rights	–	563.72
	Total	**1,201.80**	1,627.45
14	**Trade Receivables**		
	Unsecured, Considered good		
	Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	**557.79**	120.69
	Other Trade Receivables	**311.20**	936.98
	Total	**868.99**	1,057.67

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
15	**Cash and Bank Balances**		
	Cash and Cash equivalents		
	Balance with Banks:		
	- Current Account	**219.23**	39.56
	- Deposit #	**2.03**	126.59
	Cash on Hand	**0.15**	0.49
	Other Bank Balance:		
	Unpaid Dividend Account	**69.68**	69.49
	# Includes ₹ Nil (March 31, 2011 - ₹122.03) under lien with bank towards bank guarantee		
	Total	**291.09**	236.13
16	**Short-Term Loans and Advances**		
	Secured, Considered Good		
	a) Loans and Advances to Related Parties (Refer Note 32)		
	- Inter-Corporate Deposits (Refer Note 29)	**9,700.00**	8,200.00
	Unsecured, Considered Good		
	a) Loans and Advances to Related Parties (Refer Note 32)		
	- Inter-Corporate Deposits	**27,805.00**	22,193.00
	b) Prepaid Expenses	**2.65**	3.64
	c) Balances with Government Authorities		
	- CENVAT Credit Receivable	**57.11**	60.06
	- VAT Credit Receivable	**38.31**	38.31
	d) Inter-Corporate Deposits	**1,000.00**	–
	e) Other Receivables	**115.71**	0.84
	Total	**38,718.78**	30,495.85
17	**Other Current Assets**		
	Interest Accrued on Inter-Corporate Deposits	**432.95**	399.12
	Interest Accrued on Fixed Deposits	**0.05**	7.15
	Total	**433.00**	406.27

(₹ In Lacs)

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
18	**Revenue From Operations**		
	Income from Trading of Securities and Equity Index/ Stock Futures(Net)	**7.72**	33.12
	Fee Income	**1.42**	8.51
	Income from Sale/ Distribution of Film Rights	–	57.01
	Lease Income - Optical Fibre Cable	**583.07**	548.72
	Other Operating Revenues		
	Interest		
	- On Inter-Corporate Deposits	**3,414.59**	3,497.19
	- On Deposits with Bank	**0.66**	8.87
	Dividend		
	- Non-Current Non-Trade Investments	**347.44**	206.05
	- Current Investments Non-Trade	**21.15**	45.90
	Gain on Sale of Non-Current Investments (Net) - Non-Trade	**4,632.87**	3,917.52
	Total	**9,008.92**	8,322.89
19	**Other Income**		
	Gains/ (Losses) on Foreign Currency (Net)	–	7.13
	Miscellaneous Income	**2.09**	17.84
	Total	**2.09**	24.97
20	**Change in inventories of Stock-in-Trade**		
	Inventories at the beginning of the year		
	Real Estate	**1,063.73**	1,063.73
	Inventories at the end of the year		
	Real Estate	**(1,201.80)**	(1,063.73)
	Total	**(138.07)**	–
21	**Direct Cost**		
	Amortisation of Film Rights	**563.72**	536.28
	Other Costs	**138.07**	4.94
	Total	**701.79**	541.22
22	**Employee Benefits Expense**		
	Salary and Other Benefits	**122.88**	229.38
	Contribution to Employees' Provident and Other Funds	**8.78**	23.36
	Gratuity	**6.68**	7.10
	Staff Welfare	**1.96**	1.33
	Total	**140.30**	261.17

(₹ In Lacs)

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
23	**Depreciation/ Amortisation Expense**		
	Depreciation Expenses	**248.77**	230.42
	Total	**248.77**	230.42
24	**Other Expenses**		
	Rent	**90.39**	56.98
	Repairs and Maintenance	**46.99**	24.53
	Insurance Charges	**6.34**	7.20
	Rates and Taxes	**40.12**	65.49
	Directors' Sitting Fees	**7.50**	10.80
	Auditors' Remuneration		
	- As Auditors	**24.27**	22.06
	- For Reimbursement of Expenses	**0.41**	–
	Advertisement and Business Promotion	**24.15**	20.39
	Communication Expenses	**6.37**	6.99
	Travelling Expenses	**15.39**	14.25
	Professional Fees	**237.54**	198.45
	Motor Car Expenses	**14.40**	11.94
	Donations	**150.00**	100.00
	Share Issue and Deferred Revenue Expenses Written-off	–	1.11
	Fixed Assets Written-off	**1.00**	–
	Miscellaneous Expenses	**18.51**	21.43
	Total	**683.38**	561.62

25 Contingent liabilities in respect of:

(₹ In Lacs)

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
i.	Counter Guarantee provided by the Company for guarantee given by IndusInd Bank Limited to IndusInd Media and Communications Limited, a subsidiary company.	**–**	100.00
ii.	Corporate Guarantee provided by the company for loan taken by IDL Speciality Chemicals Limited, a wholly owned subsidiary of the company.	**4,500.00**	–
iii.	Corporate Guarantee provided by the company for loan taken by IN Entertainment (India) Limited, an associate of the company.	**3,000.00**	–
iv.	Income Tax matters against which the Company has filed appeals/ objections. (Refer Note 1 below).	**17,784.30**	16,138.87
v.	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.	**867.12**	867.12

Notes:

1. Includes an amount of ₹ 16,662.50 (in Lacs) [Previous Year – ₹ 15,390.48 (in Lacs)] 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 ₹ 4,397.12 (in Lacs) [Previous Year – ₹ 3,797.12 (in Lacs)] has been deposited by the Company with income tax authorities under protest. The Company has received ₹ 3,750.00 (in Lacs) [Previous Year – ₹ 3,150.00 (in Lacs)] upto 31st March, 2012 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.

26 Earnings Per Equity Share

	As at 31.03.2012	As at 31.03.2011
Profit Attributable to Equity Shareholders (₹ In Lacs)	**6,502.57**	5,761.01
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 (₹)	**10.00**	10.00
Basic and Diluted Earnings Per Share (₹)	**31.63**	28.03

27 Details of Traded Goods under broad heads:

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

(₹ In Lacs)

Traded Goods	Unit	Opening Stock (A)	Purchases (B)	Sales (C)	Closing Stock (D)	Net Income for the year (A+B-C-D)
Equity Shares	Value	–	–	–	–	–
		(7.31)	(–)	(16.31)	(–)	(9.00)
Stock/ Index Futures (Refer Note 2 below)	Value	–	**3,158.58**	**3,166.29**	–	**7.72**
		(–)	(1,308.66)	(1,332.78)	(–)	(24.12)
Real Estate	Value	**1,063.73**	**138.07**	–	**1,201.80**	–
		(1,063.73)	(–)	(–)	(1,063.73)	(–)
Film Rights (Refer Note 3 below)	Value	**563.72**	**–**	**563.72**	**–**	**–**
		(1,100.00)	(–)	(593.29)	(563.72)	(–)

Notes:

1. Figures in brackets represent previous year figures.
2. Sale of Stock/Index Futures inlcudes ₹ 800.00 (in Lacs) representing Mark to Market valuation on open position in Nifty Futures Index as on 31st March, 2012.
3. Sales include amortisation of cost of film rights exploited during the year.

The following Equity Index Futures contracts have open interests as at the Balance Sheet date:

S.No.	Name of Equity Index / Stock Futures	No. of Units involved	Nature of Position	No. of Contracts	Series of Futures	Settlement Price as on 31.03.2012
1.	Nifty	20,000	Long	3	26-04-2012	5,333.25

Initial Margin on Equity Index Futures Contracts ₹ 115.22 (in Lacs) have been paid after adjusting the loss amounting to ₹ 14.94 (in Lacs).

28 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 ₹ 90.39 (in Lacs) [Previous Year - ₹ 56.98 (in Lacs)] has been included in 'Rent' - Refer Note 24 of the financial statements.

b) Where the Company is a lessor:

The Company has given Optical Fibre Cable under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The lease income recognised in the Profit and Loss Account under Lease Income – Optical Fibre Cable of ₹ 583.07 (in Lacs) [Previous Year - ₹ 548.72 (in Lacs)] - Refer Note 18 of the financial statements.

29 Inter-Corporate Deposits

Inter Corporate Deposit aggregating ₹ 9,700.00 (in Lacs) [Previous Year - ₹ 8,200.00 (in Lacs)] is secured by way of pledge of equity shares held by a borrower in a company.

30 MAT Credits:

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 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.

31 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;

   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 is no Reportable Geographical Segment.

Business Segments

(₹ in lacs)

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2011-12	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	2010-11
1.	Segment Revenues	583.07	1,207.17	1.50	–	8,426.44	7,139.21	9,011.01	8,346.38
	Add: Other Income							–	1.48
								9,011.01	8,347.86
2.	Segment Results	(320.60)	301.08	(102.89)	(56.31)	7,910.50	6,661.33	7,487.01	6,906.10
	Add: Other Income							–	1.48
	Less: Unallocated Corporate Expenses							(112.17)	(154.15)
	Total Profit Before Tax							**7,374.84**	6,753.43
3.	Capital Employed								
	Segment Assets	9,517.12	9,944.28	1,201.98	1,063.90	57,895.68	54,990.09	68,614.78	65,998.27
	Add: Unallocated Corporate Assets							2,991.84	2,239.37
	Total Assets							**71,606,62**	68,237.64
	Segment Liabilities	7.65	34.18	5.04	7.41	17.95	31.89	30.64	73.48
	Add: Unallocated Corporate Liabilities							4,108.28	3,615.51
	Total Liabilities							**4,138.92**	3,688.99
	Segment Capital Employed	9,509.47	9,910.10	1,196.94	1,056.49	57,877.73	54,958.20	68,584.14	65,924.79
	Add: Unallocated Capital Employed							(1,116.44)	(1,376.14)
	Total Capital Employed							**67,467.70**	64,548.65
4.	Capital Expenditure	–	259.78	–	–	13.81	19.67	13.81	279.45
5.	Depreciation/ Amortisation	232.87	213.04	–	–	15.90	17.38	248.77	230.42
6.	Significant Non Cash Expenditure	564.49	537.39	–	–	1.00	1.23	565.49	538.62

Notes:

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

32 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. IDL Speciality Chemicals Limited
4. HTMT Telecom Private Limited (upto 31st December, 2010)

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
9. Sunny Infotainment Private Limited
10. Goldstar Infotainment Private Limited
11. Ajanta Sky Darshan Private Limited
12. V4U Entertainment Private Limited
13. Darpita Trading Company Private Limited
14. RBL Digital Cable Network Private Limited
15. Vistaar Telecommunication and Infrastructure Private Limited
16. Jagsumi Perspectives Private Limited (effective 1st October, 2011)

III. Associates

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

IV. Key Management Personnel

Mr. Dilip Panjwani, Director and Company Secretary (Whole Time Director effective 10th May, 2011)

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
6. Hinduja National Power Corporation Limited
7. Hinduja Energy India 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:

(₹ in lacs)

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	– [–]	– [578.54]	– [–]	– [–]	– [–]	– [578.54]
IDL Speciality Chemicals Limited	– [–]	1,698.23 [983.29]	– [–]	– [–]	– [–]	1,698.23 [983.29]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	8.49 [–]	8.49 [–]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1,040.87 [746.83]	1,040.87 [746.83]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	140.04 [130.10]	140.04 [130.10]
IN Entertainment (India) Limited	– [–]	– [–]	431.37 [584.82]	– [–]	– [–]	431.37 [584.82]
Total	– [–]	**1,698.23** [1,561.83]	**431.37** [584.82]	– [–]	**1,189.40** [876.93]	**3,319.00** [3,023.58]
Lease Charges						
IndusInd Media and Communications Limited	– [–]	583.07 [548.72]	– [–]	– [–]	– [–]	583.07 [548.72]
Total	– [–]	**583.07** [548.72]	– [–]	– [–]	– [–]	**583.07** [548.72]
Miscellaneous Income						
Grant Investrade Limited	– [–]	0.60 [0.60]	– [–]	– [–]	– [–]	0.60 [0.60]
Total	– [–]	**0.60** [0.60]	– [–]	– [–]	– [–]	**0.60** [0.60]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	0.10 [–]	0.10 [–]
IN Entertainment (India) Limited	– [–]	– [–]	1.02 [0.40]	– [–]	– [–]	1.02 [0.40]
IndusInd Media and Communications Limited	– [–]	2.81 [3.15]	– [–]	– [–]	– [–]	2.81 [3.15]
IDL Speciality Chemicals Limited	– [–]	– [0.05]	– [–]	– [–]	– [–]	– [0.05]
Total	– [–]	**2.81** [3.20]	**1.02** [0.40]	– [–]	**0.10** [–]	**3.93** [3.60]
Professional Fees						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1.50 [–]	1.50 [–]
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	116.92 [106.00]	116.92 [106.00]
Total	– [–]	– [–]	– [–]	– [–]	**118.42** [106.00]	**118.42** [106.00]

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:

(₹ in lacs)

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
Rent/Service Charges						
IndusInd Media and Communications Limited	– [–]	8.65 [7.84]	– [–]	– [–]	– [–]	8.65 [7.84]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	81.74 [49.14]	81.74 [49.14]
Total	– [–]	**8.65** [7.84]	– [–]	– [–]	**81.74** [49.14]	**90.39** [56.98]
Purchase of Fixed Assets						
IN Entertainment (India) Limited	– [–]	– [–]	0.57 [14.83]	– [–]	– [–]	0.57 [14.83]
Total	– [–]	– [–]	**0.57** [14.83]	– [–]	– [–]	**0.57** [14.83]
Managerial Remuneration						
Mr. Ashok P. Hinduja	– [149.17]	– [–]	– [–]	– [–]	– [–]	– [149.17]
Mr. Dilip Panjwani (Manager & Company Secretary upto 09-05-2011 and Whole-Time Director & Comapny Secretary from 10-05-2011)	– [–]	– [–]	– [–]	49.91 [42.39]	– [–]	49.91 [42.39]
Total	– [149.17]	– [–]	– [–]	**49.91** [42.39]	– [–]	**49.91** [191.56]
Inter–Corporate Deposits/ Loans Given						
IndusInd Media and Communications Limited	– [–]	– [325.00]	– [–]	– [–]	– [–]	– [325.00]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	21,000.00 [12,900.00]	21,000.00 [12,900.00]
HTMT Telecom Private Limited	– [–]	– [5,430.00]	– [–]	– [–]	– [–]	– [5,430.00]
Grant Investrade Limited	– [–]	5,002.00 [2.00]	– [–]	– [–]	– [–]	5,002.00 [2.00]
IN Entertainment (India) Limited	– [–]	– [–]	7,890.00 [5,835.50]	– [–]	– [–]	7,890.00 [5,835.50]
IDL Speciality Chemicals Limited	– [–]	12,025.00 [17,682.50]	– [–]	– [–]	– [–]	12,025.00 [17,682.50]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	5,000.00 [–]	5,000.00 [–]
Total	– [–]	**17,027.00** [23,439.50]	**7,890.00** [5,835.50]	– [–]	**26,000.00** [12,900.00]	**50,917.00** [42,175.00]
Subscription to Preference Share Capital						
HTMT Telecom Private Limited	– [–]	– [–]	– [1,700.00]	– [–]	– [–]	– [1,700.00]
Total	– [–]	– [–]	– [1,700.00]	– [–]	– [–]	– [1,700.00]

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:

(₹ in lacs)

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
Inter Corporate Deposits Receivable as at the Year–end						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	9,700.00 [8,200.00]	9,700.00 [8,200.00]
Grant Investrade Limited	– [–]	2,502.00 [2.00]	– [–]	– [–]	– [–]	2,502.00 [2.00]
IN Entertainment (India) Limited	– [–]	– [–]	6,750.00 [3,600.00]	– [–]	– [–]	6,750.00 [3,600.00]
IDL Speciality Chemicals Limited	– [–]	14,768.00 [17,308.00]	– [–]	– [–]	– [–]	14,768.00 [17,308.00]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	2,500.00 [–]	2,500.00 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	1,285.00 [1,285.00]	1,285.00 [1,285.00]
Total	– [–]	**17,270.00** [17,310.00]	**6,750.00** [3,600.00]	– [–]	**13,485.00** [9,485.00]	**37,505.00** [30,395.00]
Trade Receivable						
IndusInd Media and Communications Limited	**–** [–]	867.72 [435.12]	– [–]	– [–]	– [–]	867.72 [435.12]
Total	**–** [–]	**867.72** [435.12]	**–** [–]	**–** [–]	**–** [–]	**867.72** [435.12]
Trade Payable						
Mr. Ashok P. Hinduja	38.85 [–]	– [–]	– [–]	– [–]	– [–]	38.85 [–]
IN Entertainment (India) Limited	– [–]	– [–]	– [12.74]	– [–]	– [–]	– [12.74]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1.49 [–]	1.49 [–]
Total	**38.85** [–]	– [–]	– [12.74]	– [–]	**1.49** [–]	**40.34** [12.74]
Other Current Assets						
Hinduja National Power Corporation Limited	– [–]	– [–]	[–]	– [–]	1.48 [–]	1.48 [–]
IDL Speciality Chemicals Limited	– [–]	402.38 [318.95]	– [–]	– [–]	– [–]	402.38 [318.95]
Total	– [–]	**402.38** [318.95]	– [–]	– [–]	**1.48** [–]	**403.86** [318.95]
Amount received related to Income Tax matters						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	3,750.00 [3,150.00]	3,750.00 [3,150.00]
Total	– [–]	– [–]	– [–]	– [–]	**3,750.00** [3,150.00]	**3,750.00** [3,150.00]

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:

(₹ in lacs)

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 on behalf of and outstanding at the Year-end						
IndusInd Media and Communications Limited	– [–]	– [100.00]	– [–]	– [–]	– [–]	– [100.00]
IN Entertainment (India) Limited	– [–]	– [–]	3,000.00 [–]	– [–]	– [–]	3,000.00 [–]
IDL Speciality Chemicals Limited	– [–]	4,500.00 [–]	– [–]	– [–]	– [–]	4,500.00 [–]
Total	– [–]	**4,500.00** [100.00]	**3,000.00** [–]	– [–]	– [–]	**7,500.00** [100.00]
Investments as at the Year-end						
IndusInd Media and Communications Limited	– [–]	6,508.86 [6,508.86]	– [–]	– [–]	– [–]	6,508.86 [6,508.86]
Grant Investrade Limited	– [–]	235.31 [235.31]	– [–]	– [–]	– [–]	235.31 [235.31]
IDL Speciality Chemicals Limited	– [–]	210.00 [210.00]	– [–]	– [–]	– [–]	210.00 [210.00]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	2,553.08 [2,538.30]	2,553.08 [2,538.30]
Total	– [–]	**6,954.17** [6,954.17]	– [–]	– [–]	**2,553.08** [2,538.30]	**9,507.25** [9,492.47]

Notes :

1. Dividend paid/ payable to related parties aggregates to ₹ 2,025.85 (in Lacs) [Previous Year ₹ 1,690.39 (in Lacs)]
2. Figures in brackets represent previous year figures.

33 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

(₹ In lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995] *	**8.60**	23.18
- Employers' Contribution to Employees' State Insurance *	**0.18**	0.18

* Included in Contribution to Provident and Other Funds-Refer Refer Note 22 of the financial statements.

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:

	Year Ended 31.03.2012	Year Ended 31.03.2011
Discount Rate (per annum)	**8.75%**	8.25%
Rate of increase in Compensation levels	**6%**	4%
Rate of Return on Plan Assets	**Not Applicable**	Not Applicable

A) Changes in the Present Value of Obligation

(₹ In lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
	Unfunded	Unfunded
Present Value of Obligation as at the beginning of the year	**41.21**	34.21
Interest Cost	**2.41**	3.42
Current Service Cost	**2.39**	7.23
Transfers*	**–**	(0.10)
Benefits Paid	**(28.85)**	–
Actuarial (gain) / loss on obligations	**1.88**	(3.55)
Present Value of Obligation at the end of the year	**19.04**	41.21

* 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

(₹ In lacs)

	As at 31.03.2012	As at 31.03.2011
Present Value of Unfunded Obligation at the end of the year	**(19.04)**	(41.21)
Unrecognised Actuarial (gains) / losses	**–**	–
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	**(19.04)**	(41.21)

* Included in Provisions - Refer Note 5 & 8 of the financial statements.

C) Amount recognised in the Balance Sheet

(₹ In lacs)

	As at 31.03.2012	As at 31.03.2011
Present Value of Obligation at the end of the year	**(19.04)**	(41.21)
Liability recognised in the Balance Sheet*	**(19.04)**	(41.21)

* Included in Provisions - Refer Note 5 & 8 of the financial statements.

D) Expenses recognised in the Profit and Loss Account

(₹ In lacs)

	As at 31.03.2012	As at 31.03.2011
Current Service Cost	**2.39**	7.23
Interest Cost	**2.41**	3.42
Net actuarial (gain) / loss recognised in the year	**1.88**	(3.55)
Total Expenses recognised in the Profit and Loss Account*	**6.68**	7.10

* Included in Employee Costs - Refer Note 22 of the financial statements.

E) Other Information

(₹ In lacs)

	2011-12	2010-11	2009-10	2008-09
	Unfunded	Unfunded	Unfunded	Unfunded
Present Value of Obligation at the end of the year	**19.04**	41.21	34.21	26.78
Experience Adjustments on Plan Liabilities – (Gain)/ Loss	**1.88**	(3.55)	(1.52)	(3.59)

The liability for leave encashment and compensated absences as at 31[st] March, 2012 aggregates ₹ 9.80 (₹ in Lacs) [Previous Year – 16.97 (₹ In Lacs)].

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.

34 a) **Earnings in Foreign Exchange**

(₹ In lacs)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Income on Sale/ Distribution of Film Rights	–	15.97

b) **Expenditure in Foreign Exchange**

(₹ In lacs)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Foreign Travels	**1.01**	7.23

35 **Dividend Remitted in Foreign Currency**

(₹ In lacs)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Amount Remitted	**349.93**	280.42
Dividend Related to Financial Year	**2010-11**	2009-10
Number of Non Resident Shareholders	**16**	22
Number of Shares	**2,799,462**	2,804,197

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

(₹ In lacs)

Name of the Company	**Relationship**	**Balance**		**Maximum Balance Outstanding**	
		31.03.2012	**31.03.2011**	**2011-12**	**2010-11**
IndusInd Media and Communications Limited	Subsidiary	**Nil**	Nil	**Nil**	7,370.00
IDL Specilaity Chemicals Limited	Subsidiary	**14,768.00**	17,308.00	**22,148.00**	17,308.00
Grant Investrade Limited	Subsidiary	**2,502.00**	Nil	**5,002.00**	2.00
IN Entertainment (India) Limited	Associate	**6,750.00**	3,600.00	**6,750.00**	4,835.50

- 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 and 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.

37 As a part of its Real Estate activity the company acquired approximately 47 acres of land in Banglore from party in terms of an agreement to sell. However in view of the fact that the said party though in receipt of sales consideration has not fulfiled his part of obligation by transferring the title of the said land in the name of the Company. The Company has file a suit in a civil court in Banglore for specific performance of the Agreement of Sale so as to have proper conveyance to the said property in favour of the Company.

38 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.

39 The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;
      (ii) in the case of the Statement of Profit and Loss, 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, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 : 30th April, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2012)

(i) Having regard to the nature of the Company's business/ 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 fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) The inventory (Real Estate) have been physically verified by the management 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 ₹ 484.17 (in Lacs) to five companies during the year. At the year-end, the outstanding balances of such loans including those granted in the earlier year, from six companies aggregated ₹ 375.05 (in Lacs) and the maximum amount involved during the year from six companies aggregated ₹ 502.35 (in Lacs).

(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 ₹ 5 (in Lacs) 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.

Annexure to the Auditors' Report

(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, 2012 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, 2012 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount involved (₹ In Lacs)	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	214.52	High Court of Judicature at Bombay
	Matters in Appeal for the Assessment Years 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2006-2007	12,215.61	Incomte Tax Appellate. Mumbai
	Matters in Appeal for the Assessment Years 2001-2002, 2007-2008 and 2009-2010	1,256.44	Commissioner of Income Tax (Appeals)
Total		13,686.57*	

* includes an amount of ₹12,265.38 (in Lacs) pertaining to IT/ ITES business is reimbursable by Hinduja Global Solutions Limited as stated in footnote 1 of note 25.

(xi) The Company has no accumulated losses as at 31st March, 2012 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.

Annexure to the Auditors' Report

(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.

(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 : 30th April, 2012

Section 212 Statement

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

(₹ in Lacs)

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	4,183.31	118.66
Grant Investrade Limited	Hinduja Ventures Limited	100.00%	10/-	4,154,902	(1.27)	(2.14)
IDL Speciality Chemicals Limited	Hinduja Ventures Limited	100.00%	10/-	10,000,000	(617.26)	(1,725.63)
USN Networks Private Limited	IndusInd Media and Communications Limited	99.96%	100/-	4,998	(9.89)	(34.21)
United Mysore Network Private Limited	IndusInd Media and Communications Limited	95.91%	100/-	29,218	10.37	9.44
Seven Star Information Technology Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	2,182,800	(15.74)	(11.10)
Bhima Riddhi Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	520,400	8.82	21.67
Gold Star Noida Network Private Limited	IndusInd Media and Communications Limited	100.00%	10/-	2,620,000	(29.23)	(10.39)
Apna Incable Broadband Services Private Limited	IndusInd Media and Communications Limited	66.71%	10/-	1,157,500	(54.21)	2.45
Sangli Media Services Private Limited	IndusInd Media and Communications Limited	51.00%	1/-	5,204,100	(41.14)	(3.99)
Sainath In Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	255,000	3.00	3.99
Sunny Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	76,500	2.52	2.60
Goldstar Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	28.45	1.93
Ajanta Sky Darshan Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,200	(3.15)	2.17
V4U Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	1.45	0.15
Darpita Trading Company Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	374,000	64.08	11.96
RBL Digital Cable Network Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	1.13	2.26
Vistaar Telecommunication and Infrastructure Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	(0.59)	0.90
Jagsumi Perspectives Private Limited	IndusInd Media and Communications Limited	50.70%	10/-	403,131	23.39	–

* 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
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

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

(₹ In Lacs 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	15,690.86	15,496.19	53,852.67	22,665.62	1,452.74	42,451.08	9,854.90	3,495.37	6,359.54	Nil
2	Grant Investrade Limited	415.49	21,746.55	24,665.34	2,503.31	2,500.00	1.19	(1.28)	–	(1.26)	Nil
3	IDL Speciality Chemicals Limited	1,000.00	(3,150.62)	17,775.07	19,925.71	–	1,424.59	(617.27)	–	(617.27)	Nil
4	U S N Networks Private Limited	35.00	(142.92)	113.76	221.68	–	93.06	(15.05)	–	(15.05)	Nil
5	United Mysore Network Private Limited	30.46	(81.79)	278.93	330.26	–	275.90	15.76	–	15.76	Nil
6	Gold Star Noida Network Private Limited	262.00	(142.11)	303.70	183.81	–	234.95	(34.23)	10.21	(44.44)	Nil
7	Seven Star Information Technology Private Limited	428.00	(209.45)	487.29	268.74	–	227.90	(45.83)	1.11	(46.93)	Nil
8	Bhima Riddhi Infotainment Private Limited	102.04	1,240.45	1,747.79	405.30	0.88	1,841.99	99.75	73.49	26.26	Nil
9	Apna Incable Broadband Services Private Limited	173.50	(125.26)	380.51	332.27	–	247.16	(110.53)	13.02	(123.55)	Nil
10	Sangli Media Services Private Limited	102.04	179.72	660.06	378.31	–	503.50	(122.73)	(0.10)	(122.63)	Nil
11	Sainath In Entertainment Private Limited	50.00	(2.51)	178.57	131.08	–	217.25	14.79	5.85	8.94	Nil
12	Sunny Infotainment Private Limited	15.00	225.78	355.05	114.27	–	152.65	19.69	12.20	7.50	Nil
13	Goldstar Infotainment Private Limited	2.04	393.33	691.64	296.27	–	316.61	107.84	23.04	84.80	Nil
14	Ajanta Sky Darshan Private Limited	2.00	43.14	71.49	26.35	–	46.78	(7.20)	2.20	(9.41)	Nil
15	V4U Entertainment Private Limited	10.00	123.62	171.89	38.28	–	113.69	8.00	3.69	4.32	Nil
16	Darpita Trading Company Private Limited	73.33	728.71	1,133.89	331.85	–	1,508.63	302.81	111.80	191.01	Nil
17	RBL Digital Cable Network Private Limited	10.00	133.45	209.99	66.54	–	124.72	7.63	4.28	3.35	Nil
18	Vistaar Telecommunication and Infrastructure Private Limited	2.04	232.12	308.94	74.78	–	176.43	1.91	3.67	(1.76)	Nil
19	Jagsumi Perspectives Private Limited	79.51	1,263.92	1,767.95	424.52		563.39	140.62	70.51	70.11	Nil

Consolidated Balance Sheet

as at 31st March, 2012

(₹ In Lacs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
Share Capital	2	2,055.55	2,055.55
Reserves and Surplus	3	71,382.80	64,919.91
		73,438.35	66,975.46
2 MINORITY INTEREST		18,099.68	15,241.65
3 NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	5,983.36	7,911.59
Deferred Tax Liabilities (Net)	5	1,918.03	565.15
Long-Term Provisions	6	269.78	275.48
		8,171.17	8,752.22
4 CURRENT LIABILITIES			
Short-Term Borrowings	7	4,646.09	219.99
Trade Payables	8	10,076.69	6,677.46
Other Current Liabilities	9	6,162.32	8,759.66
Short-Term Provisions	10	4,112.67	3,070.64
		24,997.77	18,727.75
TOTAL		124,706.97	109,697.08
II ASSETS			
1 NON-CURRENT ASSETS			
Fixed Assets	11		
(i) Tangible Assets		22,562.39	17,882.26
(ii) Intangible Assets		4,293.48	4,065.58
		26,855.87	21,947.84
(iii) Capital Work-in-Progress		863.37	2,393.06
		27,719.24	24,340.90
Goodwill Arising on Consolidation		2,736.55	2,221.10
Non-Current Investments	12	22,596.32	24,193.31
Long-Term Loans and Advances	13	6,681.55	5,586.73
Other Non-Current Assets	14	76.33	45.00
		32,090.75	32,046.14
2 CURRENT ASSETS			
Current Investments	15	0.12	3,073.52
Inventories	16	19,150.57	18,223.29
Trade Receivables	17	16,330.65	11,581.23
Cash and Bank Balances	18	3,576.74	4,438.89
Short-Term Loans and Advances	19	25,662.66	15,870.95
Other Current Assets	20	176.24	122.16
		64,896.98	53,310.04
TOTAL		124,706.97	109,697.08

See accompanying notes 1 to 45 forming part of the Consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2012

(₹ In Lacs)

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
I. INCOME			
Revenue From Operations	**21**	**53,849.47**	43,357.80
Other Income	**22**	**2,455.13**	4,171.42
Total Revenue		**56,304.60**	47,529.22
II. EXPENSES			
Changes in Inventories of Stock-in-Trade	**23**	**(92.46)**	778.54
Direct Cost and Operating Expenses	**24**	**19,543.28**	16,841.21
Employee Benefits Expense	**25**	**3,881.50**	3,211.83
Finance Costs	**26**	**1,449.50**	442.88
Depreciation/ Amortisation Expense	**27**	**3,536.59**	2,780.36
Other Expenses	**28**	**11,002.95**	9,780.88
Total Expenses		**39,321.36**	33,835.70
III. Profit Before Tax		**16,983.24**	13,693.52
IV Tax Expense			
- Current Tax		**3,696.94**	3,251.52
- MAT Credit Entitlement	**44**	**(457.54)**	(1,343.93)
- Deferred Tax		**1,348.26**	864.53
- Short Provision for Earlier Year		**118.96**	–
V. Profit After Tax		**12,276.62**	10,921.40
Less: Minority Interest		**2,230.21**	2,264.25
VI. Profit After Minority Interest from Continuing Operations		**10,046.41**	8,657.15
VII. Earnings Per Equity Share (Face Value ₹ 10/- per share)			
- Basic	**34**	**48.87**	42.12
- Diluted	**34**	**48.87**	42.12

See accompanying notes 1 to 45 forming part of the Consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(₹ In Lacs)

			Year ended 31.03.2012		Year ended 31.03.2011
A	**Cash Flow from Operating Activities :**				
	Net Profit Before Tax		**16,983.24**		13,693.52
	Adjustments for:				
	Share Issue and Deferred Revenue Expenses Written-off	–		13.79	
	Depreciation	**3,536.59**		2,780.36	
	Amortisation of Film Rights	**563.72**		536.28	
	Interest and Dividend Income (Other than Treasury Activities)	**(1,046.32)**		(117.58)	
	Bad Debts/ Advance Written off (Net)	**1,708.66**		1,313.39	
	Provision for Doubtful Debts/ Advances	–		92.33	
	Liabilities/ Provisions no Longer Payable Written Back	**(1,047.81)**		(3,224.31)	
	Loss on Sale of Fixed Assets/ Fixed Assets Written-off	**9.08**		3.38	
	Unrealised Foreign Exchange Loss	**138.42**		6.63	
	Profit on Sale of Investments (net)	**(4,632.87)**		(3,917.39)	
	Wealth Tax	**39.58**		36.40	
	Diminution in Value of Stock-in-Trade	**(92.46)**		778.54	
	Interest Expenses	**1,449.50**		442.88	
	Sundry Debit Balance Written-off	**121.05**		95.82	
	Provision for Gratuity and Leave Encashment	**17.05**		95.69	
			764.19		(1,063.79)
	Operating Profit Before Working Capital Changes		**17,747.43**		12,629.73
	Changes in Working Capital:				
	Trade Payables	**3,922.65**		136.76	
	Other Current Liabilities	**(737.43)**		3,045.30	
	Trade Receivables	**(6,462.10)**		(5,480.11)	
	Inventories	**(1,398.54)**		(17,015.34)	
	Loans and Advances	**(10,327.63)**		7,036.35	
	Other Current/ Non-Current Assets	**(41.84)**		168.70	
			(15,044.89)		(12,108.34)
	Cash Generated from Operations		**2,702.54**		521.39
	Taxes Paid (Net of Refunds)		**(4,018.80)**		(2,983.76)
	Net Cash used in Operating Activities (A)		**(1,316.26)**		(2,462.37)
B.	**Cash Flow from Investing Activities**				
	Purchase of Tangible/ Intangible Assets	**(5,219.72)**		(3,141.33)	
	Sale of Intangible Assets	**14.27**		11.69	
	Purchase Consideration Paid on Acquisition of Interest in Subsidiaries	**(1,161.02)**		(2,073.20)	
	Purchase of Non-Current Investments	**(3,407.29)**		(9,400.82)	
	Sale of Non-Current Investments	**9,637.12**		7,436.23	
	Interest and Dividend Income (Other than Treasury Activities)	**1,002.76**		62.15	
			866.12		(7,105.28)
	Net Cash Generated from/ used in Investing Activities (B)		**866.12**		(7,105.28)

Consolidated Cash Flow Statement

for the year ended 31st March, 2011

(₹ In Lacs)

			Year ended 31.03.2012		Year ended 31.03.2011
C.	**Cash Flow from Financing Activities**				
	Proceeds/ (Payments) of Long-Term Borrowings (Net)	**(2,604.49)**		6,964.48	
	Proceeds/ (Payments) of Short-Term Borrowings (Net)	**4,424.42**		–	
	Interest Paid	**(1,449.32)**		(442.88)	
	Dividend Paid	**(2,569.25)**		(2,056.56)	
	Dividend Distribution Tax	**(416.83)**		(341.40)	
			(2,615.47)		4,123.64
	Net Cash Generated from/ used in Financing Activities (C)		**(2,615.47)**		4,123.64
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)		**(3,065.61)**		(5,444.01)
	Cash and Cash Equivalents at the Beginning of the Year		**5,321.66**		10,587.35
	Cash and Cash Equivalents taken over pursuant to acquisition of Subsidiaries.		**314.05**		178.32
	Cash and Cash Equivalents at the end of the year		**2,570.10**		5,321.66
	Cash and Cash Equivalents comprises of:				
	Cash on Hand		**56.48**		138.94
	Cheque on Hand		**673.62**		1,673.09
	Balance with Banks				
	Current Account		**2,147.34**		1,004.77
	Demand Deposit		**629.62**		1,552.60
	Unpaid Dividend Account		**69.68**		69.49
	Current Investments		**0.12**		3,073.54
	Temporary Overdrawn Bank Balance		**(1,006.76)**		(2,190.77)
	Total		**2,570.10**		5,321.66

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

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 30th April, 2012

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

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) 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/ materialise.

c) 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 are 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.

d) 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.

e) 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 Statement of Profit and Loss. 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.

f) Depreciation/ Amortisation

Intangible Assets

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 ₹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 amortised over the balance period of lease in equal annual instalments.

All subsidiaries, other than USN Network Private Ltd (USN) 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. Further, the depreciation rates used for few assets by Sangli Media is different from those 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.

g) 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.

h) Valuation of Investments

Non-Current 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.

i) 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 are 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) Installation Charges of STB are recognised as revenue on Completion of Installation.

viii) Interest charged on overdue amounts of trade receivables is recognised as income on the basis of the terms of the invoice.

ix) 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 Short-Term 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 Statement of Profit and Loss.
- Debit balance in the "Mark-to-Market Margin - Equity Index/ Stock Futures Account", being anticipated loss, is recognised in the Statement of Profit and Loss.

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 Statement of Profit and Loss 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 Short-Term Loans and Advances.

e. Forward Contracts in the nature of highly probable forecasted transactions/ firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

j) 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 recognised in the Statement of Profit & Loss Account.

k) 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 Statement of Profit and Loss 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.

l) 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 incomes 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.

m) 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.

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 Statement of Profit and Loss 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 Statement of Profit and Loss.

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

p) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non–cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

q) 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.

2 Share Capital

(₹ In Lacs)

i)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorised				
Equity Shares of ₹10 each	**70,000,000**	**7,000.00**	70,000,000	7,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹10 each fully paid	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Total	**20,555,503**	**2,055.55**	20,555,503	2,055.55

Rights, preferences and restrictions attached to equity shares:

i) Right to receive dividend as may be approved by the Board/ Annual General Meeting.

ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 1956.

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

ii) Reconciliation of number of shares Outstanding

(₹ In Lacs)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	**Amount**	Number of Shares	Amount
Shares outstanding at the beginning of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Add: Shares Issued during the year	–	–	–	–
Less: Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55

iii) Shares in the company held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	Number of Shares Held	**% of Holding**	Number of Shares Held	% of Holding
Aasia Management and Consultancy Private Limited	**8,883,839**	**43.22%**	6,329,737	30.79%
Amas Mauritius Limited	**2,761,427**	**13.43%**	2,761,427	13.43%
Reliance Capital Trustee Company Limited	**1,933,167**	**9.40%**	1,583,086	7.70%
Harsha A. Hinduja	**29,193**	**0.14%**	1,526,395	7.43%
Ashok P. Hinduja	**131,240**	**0.64%**	1,188,140	5.78%
Total	**13,738,866**	**66.83%**	13,388,785	65.13%

(₹ In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
3 **Reserves and Surplus**		
Securities Premium Account		
Opening balance	**1,092.63**	1,092.63
Closing balance	**1,092.63**	1,092.63
General Reserve		
Opening balance	**21,236.90**	21,015.52
Less: Adjustment on account of Minority	–	354.72
Add: Transfer from Surplus	**650.26**	576.10
Closing balance	**21,887.16**	21,236.90
Capital Reserve		
Opening balance	**7,150.56**	7,292.83
Add: Addition due to acquisitions during the year	–	(142.27)
Closing balance	**7,150.56**	7,150.56
Revaluation Reserve		
Opening balance	**63.87**	63.87
Closing balance	**63.87**	63.87
Surplus in Statement of Profit and Loss		
Opening balance	**35,375.95**	30,281.17
Add: Net Profit for the year	**10,046.41**	8,657.15
Less: Appropriation		
- Transfer to General Reserve	**650.26**	576.10
- Proposed Dividend [₹15.00 (Previous Year ₹12.50) per share]	**3,083.33**	2,569.44
- Dividend Distribution tax	**500.19**	416.83
Closing balance	**41,188.58**	35,375.95
Total Reserves and Surplus	**71,382.80**	64,919.91

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
4	**Long-Term Borrowings**		
	Secured Loans		
	Term Loans		
	From Banks	**147.37**	–
	The loan carries interest @12.05%p.a up to 36 months Tenor and after 36 months a floating rate; (Yes Bank Limited Base Rate plus 2.5% p.a. payable monthly). The loan is repayable in 19 equal quarterly installments after 6 months but within a maximum of 60 months from the date of drawdown. The loan is secured by a first charge on all present and future assets of the company including fixed and current, immovable and movable, tangible and intangible assets as per deed of Hypothecation dated 22nd December, 2011 except the company's Corporate Office at In centre, Andheri (East), Mumbai ranking pari-passu with the charges created for loans.		
	From Others	**5,789.47**	7,894.74
	The loan carries interest @10.40%p.a up to 36 months Tenor and after 36 months, the interest rate will be 275 basis points ("Spread") above the 3M Reuters Commercial Paper (CP) benchmark rate (available at Reuters page <0#INFIMCPBMK=>), (the "3M CP Linked Interest Rate"). The rate will be reset quarterly during the remaining Tenor of the Facility. The loan is repayable in 19 equal quarterly installments after 6 months but within a maximum of 60 months from the date of drawdown. The loan is secured by a first charge on all present and future assets of the company including fixed and current, immovable and movable, tangible and intangible assets as per Indenture of Mortgage dated 29th December, 2010 except the company's Corporate Office at In centre, Andheri (East), Mumbai ranking pari-passu with the charges created for loans.		
	Unsecured Loans		
	From Others	**46.52**	16.85
	Total	**5,983.36**	7,911.59
5	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities		
	Depreciation on Fixed Assets	**2,016.28**	1,987.81
	Unamortised Preliminary/ Miscellaneous Expenses	–	189.64
	Total Deferred Tax Liability (A)	**2,016.28**	2,177.45
	Deferred Tax Assets		
	Liabilities to be deducted for Tax purposes when paid	**98.25**	84.90
	Unabsorbed Depreciation in a Subsidiary	–	1,527.40
	Total Deferred Tax Assets (B)	**98.25**	1,612.30
	Net Deferred Tax Liability (A–B)	**1,918.03**	565.15

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
6	**Long-Term Provisions**		
	Provision for Employee Benefits		
	- Provision for Gratuity	**55.66**	52.09
	- Provision for Compensated Absences	**214.12**	223.39
	Total	**269.78**	275.48
7	**Short-Term Borrowings**		
	Loans repayable on demand		
	Secured		
	From Banks	**4,500.00**	–
	The loan carries indicative variable interest rate 11.90%, based on 2% margin on benchmark rate with quarterly reset, The loan is repayable within one year from the sanctioned date. The loan is secured by Pledge of Equity Shares of IndusInd Bank Limited.		
	Unsecured		
	From Other Parties	**146.09**	219.99
	Total	**4,646.09**	219.99
8	**Trade Payables**		
	Trade Payables (Other than outstanding dues to Micro, Medium and Small Enterprises)	**10,076.69**	6,677.46
	Total	**10,076.69**	6,677.46
9	**Other Current Liabilities**		
	(a) Current Maturities of Long-term Debt-Others		
	- From Banks	**42.11**	–
	- From Others	**2,105.26**	2,823.63
	(b) Temporary Overdrawn Book Balances	**1,006.76**	2,190.77
	(c) Income Received in Advance	**1,303.68**	1,369.02
	(d) Advance Received From Customer	**146.85**	–
	(e) Statutory Dues	**812.77**	1,617.66
	(f) Trade Deposits from Customers	**464.92**	655.18
	(g) Interest Accrued and Due on Borrowings	**6.53**	6.36
	(h) Salary Payable	**203.76**	27.55
	(i) Unclaimed Dividend	**69.68**	69.49
	Total	**6,162.32**	8,759.66
10	**Short-Term Provisions**		
	Provision for Gratuity	**42.87**	27.09
	Provision for Compensated Absences	**27.67**	20.71
	Provision for Wealth Tax	**39.58**	36.57
	Provision for Income Tax (Net of Advance Tax)	**419.03**	–
	Proposed Dividend	**3,083.33**	2,569.44
	Dividend Distribution tax	**500.19**	416.83
	Total	**4,112.67**	3,070.64

11. Fixed Assets

(₹ In Lacs)

DESCRIPTION	Gross Block					Depreciation/ Amortisation					Net Block	
	As at April 1, 2011	Addition on Account of acquistion	Additions	Disposal	As at March 31, 2012	Upto 31.03.2011	Addition on Account of acquistion	For the Year	Disposal / Adjustment	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
A Tangible Assets:												
Own Assets:												
Leasehold Land	2.49	–	–	–	**2.49**	0.81	–	0.03	–	**0.84**	**1.65**	1.68
	[2.49]	[–]	[–]	[–]	[2.49]	[0.78]	[–]	[0.03]	[–]	[0.81]		
Settop Box	2,621.89	1.62	1,980.90	–	**4,604.41**	2,022.59	0.02	281.91	–	**2,304.52**	**2,299.89**	599.30
	[2,099.68]	[–]	[522.23]	[0.02]	[2,621.89]	[1,945.30]	[–]	[77.34]	[0.05]	[2,022.59]		
Building (Refer Note 1, 3 & 5)	4,796.55	–	152.22	–	**4,948.77**	1,139.16	–	161.26	–	**1,300.42**	**3,648.35**	3,657.39
	[4,780.41]	[–]	[16.14]	[–]	[4,796.55]	[979.03]	[–]	[160.13]	[–]	[1,139.16]		
Plant and Machinery	19,453.19	1,196.47	3,912.04	1.50	**24,560.20**	8,545.01	65.89	2,167.76	0.06	**10,778.60**	**13,781.60**	10,908.18
(Refer Note 2, 4 & 5)	[16,690.51]	[–]	[2,787.62]	[24.94]	[19,453.19]	[6,839.20]	[–]	[1,727.70]	[21.89]	[8,545.01]		
Furniture and Fixtures	757.60	68.71	21.12	–	**847.43**	560.10	0.56	51.09	–	**611.75**	**235.68**	197.50
	[712.45]	[–]	[45.78]	[0.63]	[757.60]	[512.34]	[–]	[48.46]	[0.70]	[560.10]		
Office Equipment	144.72	29.15	40.96	1.96	**212.87**	47.01	0.83	5.20	0.95	**52.09**	**160.78**	97.71
	[126.00]	[–]	[18.73]	[0.01]	[144.72]	[39.13]	[–]	[7.88]	[–]	[47.01]		
Leasehold Improvements	–	–	6.95	–	**6.95**	–	–	0.23	–	**0.23**	**6.72**	–
	[–]	[–]	[–]	[–]	[–]	[–]	[–]	[–]	[–]	[–]		
Computers	523.83	31.97	100.19	0.32	**655.67**	310.03	0.94	45.15	–	**356.12**	**299.55**	213.80
	[463.72]	[2.26]	[58.53]	[0.68]	[523.83]	[273.37]	[–]	[37.56]	[0.90]	[310.03]		
Vehicles	256.99	–	192.91	6.21	**443.69**	90.80	–	37.47	5.11	**123.16**	**320.53**	166.19
	[226.69]	[–]	[43.03]	[12.73]	[256.99]	[73.48]	[–]	[22.90]	[5.58]	[90.80]		
Live Stock	7.62	–	–	–	**7.62**	–	–	–	–	**–**	**7.62**	7.62
	[7.62]	[–]	[–]	[–]	[7.62]	[–]	[–]	[–]	[–]	[–]		
Total (A)	**28,564.88**	**1,327.92**	**6,407.29**	**9.99**	**36,290.10**	**12,715.51**	**68.24**	**2,750.10**	**6.12**	**15,527.73**	**20,762.37**	**15,849.38**
Previous Year	[25,109.57]	[2.26]	[3,492.06]	[39.01]	[28,564.88]	[10,662.63]	[–]	[2,082.00]	[29.12]	[12,715.51]		
B Assets given on Operating Lease:												
Plant and Equipment	2,245.93	–	–	–	**2,245.93**	213.04	–	232.87	–	**445.91**	**1,800.02**	2,032.89
	[–]	–	[2,245.93]	[–]	[2,245.93]	[–]	[–]	[213.04]	[–]	[213.04]		
Total (B)	**2,245.93**	**–**	**–**	**–**	**2,245.93**	**213.04**	**–**	**232.87**	**–**	**445.91**	**1,800.02**	**2,032.89**
Previous Year	[–]	[–]	[2,245.93]	[–]	[2,245.93]	[–]	[–]	[213.04]	[–]	[213.04]		
TOTAL (A+B)	**30,810.81**	**1,327.92**	**6,407.29**	**9.99**	**38,536.03**	**12,928.55**	**68.24**	**2,982.97**	**6.12**	**15,973.64**	**22,562.39**	**17,882.26**
Previous Year	[25,109.57]	[2.26]	[5,737.99]	[39.01]	[30,810.81]	[10,662.63]	[–]	[2,295.04]	[29.12]	[12,928.55]		
C Intangible Assets:												
Goodwill	0.50	98.38	–	–	**98.88**	0.50	16.36	–	–	**16.86**	**82.02**	–
	[0.50]	–	–	–	[0.50]	[0.50]	–	–	–	[0.50]		
Network rights	5,250.40	–	656.30	25.00	**5,881.70**	1,249.70	–	537.41	5.51	**1,781.61**	**4,100.10**	4,000.70
	[4,000.47]	[–]	[1,256.47]	[6.54]	[5,250.40]	[653.10]	[123.60]	[474.31]	[1.31]	[1,249.70]		
Computer Software - Aquired	259.04	–	62.69	–	**321.73**	194.16	–	16.21	–	**210.37**	**111.36**	64.88
	[187.39]	[–]	[71.65]	[–]	[259.04]	[183.15]	[–]	[11.01]	[–]	[194.16]		
Total (C)	**5,509.94**	**98.38**	**718.99**	**25.00**	**6,302.31**	**1,444.36**	**16.36**	**553.62**	**5.51**	**2,008.83**	**4,293.48**	**4,065.58**
Previous Year	[4,188.36]	[–]	[1,328.12]	[6.54]	[5,509.94]	[836.75]	[123.60]	[485.32]	[1.31]	[1,444.36]		
TOTAL (A+B+C)	**36,320.75**	**1,426.30**	**7,126.28**	**34.99**	**44,838.34**	**14,372.91**	**84.60**	**3,536.59**	**11.63**	**17,982.47**	**26,855.87**	**21,947.84**
Previous Year	[29,297.93]	[2.26]	[7,066.11]	[45.55]	[36,320.75]	[11,499.38]	[123.60]	[2,780.36]	[30.43]	[14,372.91]		
Capital Work in Progress											863.37	2,393.06
											27,719.24	**24,340.90**

1. Building - Includes shares in Co-operative Society, amount not material.
2. Plant and Machinery - Includes assets viz. optical fibre cable ducts given on operating lease, cost of which is not practicable to ascertain.
3. Land and Building was revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of ₹2,760.29 (in Lacs) being surplus on revaluation. Consequently revalued amount of ₹ 3,710.50 (in Lacs) has been substituted for historical cost on said date of revaluation.
4. Plant and Machinery which includes optical fiber cables have been revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of ₹3,724.34 (in Lacs) being surplus on revaluation. Consequently revalued amount of ₹ 4,964.54 (in Lacs) has been substituted for historical cost on said date of revaluation.
5. Land, Building and Plant and Machinery consisting of optical fiber cables have 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.

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
12	**Non-Current Investments (Fully Paid, At Cost)**		
	Trade Investments		
	a) **Unquoted Equity Instruments**		
	Investment in Associates:		
	9,60,000 [March 31, 2011: 9,60,000] Equity Shares of ₹ 10 each in Planet E-Shop Holdings India Limited.	**96.00**	96.00
	b) **Unquoted Preference Instruments**		
	8,446,120 [March 31, 2011: 8,446,120] 7% Cumulative Preference shares of ₹ 10 each in IN Entertainment Limited.	**844.61**	844.61
	5,00,000 [March 31, 2011: 5,00,000] Preference shares of ₹ 10 each in Planet E-Shop Holdings India Limited.	**500.00**	500.00
	Total (A)	**1,440.61**	1,440.61
	Other Investments		
	a) **Quoted:**		
	Investment in Equity Instruments		
	26,833 [March 31, 2011: 26,833] Equity Shares of ₹2 each in Gulf Oil Corporation Limited.	**2.60**	2.60
	523,812 [March 31, 2011: 518,812] Equity Shares of ₹10 each in Hinduja Global Solutions Limited.	**2,553.08**	2,538.30
	9,382,383 [March 31, 2011: 12,845,383] Equity Shares of ₹10 each in IndusInd Bank Limited#.	**13,275.00**	18,174.75
	50,736 [March 31, 2011: 50,736] Equity Shares of ₹ 10 each in NHPC Limited.	**18.26**	18.26
	24,007 [March 31, 2011: 24,007] Equity Shares of ₹10 each in VCK Capital Market Services Limited.	**1.46**	1.46
	b) **Unquoted:**		
	Investment in Equity Instruments		
	Nil [March 31, 2011: 1,045,000] Equity Shares of ₹10 each in Plus Paper Foodpac Limited.	–	398.85
	8,169,934 [March 31, 2011: Nil] Equity Shares of ₹ 10 each in Hinduja Energy India Limited.	**2,500.00**	–
	28,888,890 [March 31, 2011: 20,000,000] Equity Shares of ₹ 10 each in Hinduja Leyland Finance Limited.	**2,888.89**	2,000.00
	Unquoted Other Investments		
	Investments in Govt. or Trust Securities	**10.50**	7.94
	Investments fully paid at cost		
	Investments in Co-operative Banks	**1.92**	0.88
	Total	**21,251.71**	23,143.04
	Add: Share of Brought forward Accumulated Profit/ (Losses) from Associates	**(96.00)**	(96.00)
	Less: Provision for Diminution in Value of Investments	–	294.34
	Total (B)	**21,155.71**	22,752.70
	Total (A + B)	**22,596.32**	24,193.31

68,50,000 [March 31,2011: Nil] Equity Shares pledged against loan taken from bank.

Aggregate Amount of Quoted Investments	**15,850.39**	20,735.37
Market Value of Quoted Investments	**50,405.85**	35,791.35
Aggregate Amount of Unquoted Investments	**6,745.93**	3,752.28
Aggregate Provision for Diminution in Value of Investments	–	294.34

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
13	**Long-Term Loans and Advances**		
	(Unsecured, Considered Good)		
	Capital Advances		
	- Advance for Network Acquisition	**2,296.37**	2,673.25
	Security Deposits		
	- Deposit with Govt. Authorities	**151.66**	122.36
	- Security Deposits	**393.19**	17.87
	- Other Deposits	**10.44**	10.44
	Prepaid Expenses	**0.35**	–
	Advance Tax and Tax Deducted at Source (Net of Provision)	**2,013.48**	1,418.88
	MAT Credit Entitlement	**1,801.47**	1,343.93
	Other Loans and Advances	**14.59**	–
	Total	**6,681.55**	5,586.73
14	**Other Non-Current Assets**		
	Unamortised Borrowing Expenses	**76.33**	45.00
	Total	**76.33**	45.00
15	**Current Investments (Non-trade Unquoted, fully paid)**		
	At Cost or Fair value, whichever is lower;		
	Unquoted Mutual Fund Investments	**0.12**	3,073.52
	Total	**0.12**	3,073.52
16	**Inventories (At Cost or Net Realisable Value whichever is lower except Shares)**		
	Stock-in-Trade		
	Real Estate	**3,719.32**	3,581.25
	Network Cables and Equipments	**349.13**	387.66
	Shares (Cost or Fair Value whichever is lower)	**15,082.12**	13,690.66
	Unamortised Cost of Film Rights	–	563.72
	Total	**19,150.57**	18,223.29
17	**Trade Receivables**		
	Unsecured, Considered Good		
	- Over Six Months	**3,553.33**	375.81
	- Over Debts	**12,777.32**	11,205.42
	Total (A)	**16,330.65**	11,581.23
	Unsecured, Considered Doubtful		
	- Over Six Months	–	167.68
	Total (B)	–	167.68
	Total (A + B)	**16,330.65**	11,748.91
	Less: Provision for Doubtful Debts	–	167.68
	Total	**16,330.65**	11,581.23

(₹ In Lacs)

	Particulars	As at 31.03.2012	As at 31.03.2011
18	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with Banks:		
	- Current Account	**2,147.34**	1,004.77
	- Deposit #	**629.62**	1,552.60
	Cheques on Hand	**673.62**	1,673.09
	Cash on Hand	**56.48**	138.94
	Other Bank Balance:		
	Unpaid Dividend Account	**69.68**	69.49
	# includes ₹ Nil (March 31, 2011 - ₹122.03 (in Lacs)) under lien with bank towards bank guarantee		
	Total	**3,576.74**	4,438.89
19	**Short-Term Loans and Advances**		
	Secured, Considered Good		
	a) Loans and Advances to Related Parties (Refer Note 40)		
	- Inter-Corporate Deposits	**9,700.00**	8,200.00
	Unsecured, Considered Good		
	a) Loans and Advances to Related Parties		
	- Inter-Corporate Deposits	**11,585.00**	5,435.00
	b) Advance to Supplier	**3,096.07**	757.84
	c) Security Deposits	**113.92**	140.82
	d) Prepaid Expenses	**63.74**	77.03
	e) Balances with Government Authorities		
	- CENVAT and VAT Credit Receivable	**611.78**	731.90
	f) Other Receivables	**492.15**	528.36
	Total	**25,662.66**	15,870.95
20	**Other Current Assets**		
	Interest Accrued on Inter-Corporate Deposits	**54.58**	87.99
	Interest Accrued on Fixed Deposits	**93.42**	19.17
	Current Unamortised Borrowing Expenses	**28.24**	15.00
	Total	**176.24**	122.16

(₹ In Lacs)

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
21	**Revenue From Operations**		
	Cable Television Transmission	**43,739.06**	35,592.10
	Income from Trading of Securities and Equity Index/ Stock Futures (Net)	**1,078.55**	33.12
	Sale of Set Top Boxes/ Modem	**67.54**	27.90
	Sub Broking Income	**1.42**	8.51
	Commission Income	–	7.50
	Income from Sale/ Distribution of Film Rights	–	57.01
	Other Operating Revenues		
	Advertisement	**483.73**	423.62
	Lease Income - Optical Fibre Cable	**1,279.49**	795.75
	Discount received from Broadcaster	**121.00**	–
	Distributor Commission	**86.13**	–
	Interest		
	- On Inter-Corporate Deposits	**1,716.35**	1,935.35
	- On Deposits with Bank	**1.76**	9.70
	Dividend		
	- Long Term Investments - Non-Trade	**620.42**	503.95
	- Current Investments	**21.15**	45.90
	Gain on Sale of Non-Current Investments (Net) - Non-Trade	**4,632.87**	3,917.39
	Total	**53,849.47**	43,357.80
22	**Other Income**		
	Miscellaneous Income	**230.52**	134.04
	Profit on Sale of Current Investments	–	0.13
	Interest		
	- On Deposits with Bank	**73.85**	46.23
	- On Others - Over Due Trade Receivable (Refer Note No. 41)	**837.07**	19.34
	- Custom Duty Claim (Refer Note No. 42)	**85.47**	–
	Dividend		
	- Long Term Investments - Non-Trade	**0.45**	–
	- Current Investments	**49.48**	52.01
	Sundry Credit Balances Written Back	**284.49**	1,797.15
	Service Charges Recovered	**63.84**	52.55
	Provision for Expenses no longer required, written back	**763.33**	1,427.16
	Recovery of Bad Debts	**66.63**	642.81
	Total	**2,455.13**	4,171.42

(₹ In Lacs)

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
23	**Changes in Inventories of Stock-in-Trade**		
	Opening Inventories	**1,441.67**	1,441.67
	Closing Inventories	**(1,534.13)**	(1,441.67)
	Excess of cost over Fair value of Stock-In-Trade	–	778.54
	Total	**(92.46)**	778.54
24	**Direct Cost and Operating Expenses**		
	Cable Television Operation Expenses	**18,567.25**	16,184.02
	Bandwidth Charges	**274.24**	115.97
	Amortisation of Film Rights	**563.72**	536.28
	Other Costs	**138.07**	4.94
	Total	**19,543.28**	16,841.21
25	**Employee Benefits Expense**		
	Salary and Other Benefits	**3,420.52**	2,839.46
	Contribution to Employees' Provident and Other Funds	**231.34**	180.26
	Gratuity	**48.85**	61.15
	Staff Welfare	**180.79**	130.96
	Total	**3,881.50**	3,211.83
26	**Finance Costs**		
	Interest on:		
	- Term Loan	**1,237.92**	262.80
	- Others	**78.62**	156.16
	Other Borrowing Cost	**132.96**	23.92
	Total	**1,449.50**	442.88
27	**Depreciation/ Amortisation Expense**		
	Depreciation Expenses	**3,536.59**	2,780.36
	Total	**3,536.59**	2,780.36

(₹ In Lacs)

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
28	**Other Expenses**		
	Royalties	365.28	367.44
	Programming Expenses	7.23	20.71
	Power and Fuel	521.88	490.55
	Rent	645.49	493.19
	Lease Rental - Duct	452.54	348.42
	Repairs and Maintenance		
	- Plant and Machinery	163.71	355.34
	- Building/ Others	502.96	397.41
	Insurance Charges	79.81	75.05
	Rates and Taxes	151.74	117.08
	Freight and Octroi	105.51	39.67
	Commission	2,185.20	1,756.98
	Travelling Expenses	694.22	611.41
	Directors' Sitting Fees	9.81	15.15
	Auditors' Remuneration		
	- As Auditors	83.05	79.36
	- For Reimbursement of Expenses	0.41	–
	Professional Fees	2,170.61	2,332.76
	Donations	153.03	100.00
	Communication Expenses	146.51	151.84
	Advertisement and Business Promotion	37.95	20.39
	Loss on Exchange Difference	138.42	6.63
	Bad Debts Written-off	1,708.66	1,313.39
	Share Issue and Deferred Revenue Expenses Written-off	–	15.04
	Sundry Balance Written-off	121.05	95.82
	Fixed Assets Written-off	9.08	–
	Loss on Sale of Fixed Assets	–	3.38
	Provision for Doubtful Debts	–	92.33
	Miscellaneous Expenses	548.80	481.54
	Total	**11,002.95**	9,780.88

29. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹16,310.10 (in Lacs) [Previous Year - ₹798.47 (in Lacs)].

b) Contingent liabilities in respect of:

(₹ In Lacs)

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
i.	Bank Guarantees given on behalf of the Group.	**120.00**	191.02
ii.	Guarantees/ Counter Guarantees given to Custom Authorities.	**519.08**	347.05
iii.	Corporate Guarantee provided by the company for loan taken by IN Entertainment (India) Limited, an associates of company.	**3,000.00**	–
iv.	Claims against the Group not acknowledged as debts		
	- Entertainment Tax	**181.57**	181.57
	- Sales Tax	**6.35**	6.35
	- Telecasting of films, copyrights etc. and claims from pay channel providers for subscription charges under negotiation	**Not Ascertainable**	Not Ascertainable
	- Service tax	**141.70**	141.70
v.	Income tax matters against which the Group has filed appeals/ objections. (Refer Note 1 below).	**17,784.30**	16,138.87
vi.	Demands of Custom Duty in a subsidiary company against which it has filed appeal.	**194.41**	194.41
vii.	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	**867.12**	867.12
viii.	Letters of Credit	**5,039.67**	–

Notes:

1. Includes an amount of ₹16,662.50 (in Lacs) [Previous Year – ₹15,390.48 (in Lacs)] 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 ₹4,397.12 (in Lacs) [Previous Year – ₹3,797.12 (in Lacs)] has been deposited by the Company with income tax authorities under protest. The Company has received ₹3,750.00 (in Lacs) [Previous Year – ₹3,150.00 (in Lacs)] up to 31st March, 2012 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.

30. 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 are as follows:

Sr. No.	Name of the Company	Held by	Parent's Shareholding and Voting Power (%) Year-ended 31.03.2012	Parent's Shareholding and Voting Power (%) Year-ended 31.03.2011	Company's Effective Stake (%) Year-ended 31.03.2012	Company's Effective Stake (%) Year-ended 31.03.2011
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.	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**	100.00	**65.78**	65.78
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	IMCL	**51.00**	51.00	**33.55**	33.55
9.	Sunny Infotainment Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
10.	Goldstar Infotainment Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
11.	Ajanta Sky Darshan Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
12.	V4U Entertainment Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
13.	Darpita Trading Company Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
14.	RBL Digital Cable Network Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
15.	Vistaar Telecommunication and Infrastructure Private Limited	IMCL	**51.00**	51.00	**33.55**	33.55
16.	Jagsumi Perspectives Private Limited (effective 1st October,2011)	IMCL	**50.70**	–	**33.35**	–

31. The associate and joint venture companies considered in the consolidated financial statements for the year ended 31st March, 2012 with the Company's shareholding in these companies is as follows:

Sr. No.	Name of the Company	Held through	Share in Voting Power (%) Year- ended 31.03.2012	Share in Voting Power (%) Year- ended 31.03.2011	Company's Effective Stake (%) Year- ended 31.03.2012	Company's Effective Stake (%) Year- ended 31.03.2011
	Associate					
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

32. 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 ₹ 645.49 (in Lacs) [Previous Year - ₹ 493.19 (in Lacs)] has been recognised in 'Rent' under Note No.28 to the financial statements.

33. 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:

(₹ In Lacs)

Particulars	Gross Investment	Unearned Finance Income	Present Value of Minimum Lease Payments
Not later than 1 year	16.44 [16.44]	16.43 [16.44]	– [–]
Between 1 and 5 years	65.75 [65.75]	64.94 [65.49]	0.81 [0.26]
Later than 5 years	32.88 [49.31]	25.85 [41.74]	7.02 [7.58]

Note: Figures in brackets represent previous year figures.

34. Earnings per Equity Share

	As at 31.03.2012	As at 31.03.2011
Profit Attributable to Equity Shareholders (₹ in Lacs)	**10,046.41**	8,657.15
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 (₹)	**10.00**	10.00
Basic and Diluted Earnings Per Share (₹)	**48.87**	42.12

35. 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;

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

(₹ In Lacs)

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1.	Segment Revenues	**48,150.90**	41,059.96	**1.50**	–	**8,085.57**	6,453.22	**56,237.97**	47,513.18
	Add: Other Income							**66.63**	16.04
								56,304.60	47,529.22
2.	Segment Results	**10,130.71**	8,809.78	**(102.89)**	(56.31)	**7,040.81**	5,204.63	**17,068.63**	13,958.10
	Add: Other Income							**66.63**	16.04
	Less: Unallocated Corporate Expenses							**(152.02)**	(280.62)
	Total Profit Before Tax							**16,983.24**	13,693.52
3.	Capital Employed								
	Segment Assets	**60,542.96**	53,171.64	**1,201.98**	1,063.90	**57,793.82**	53,571.30	**119,538.76**	107,806.84
	Add: Unallocated Corporate Assets							**5,168.21**	1,890.24
	Total Assets							**1,24,706.97**	1,09,697.08
	Segment Liabilities	**24,009.66**	23,750.74	**3.35**	7.41	**4,517.95**	31.89	**28,530.96**	23,790.04
	Add: Unallocated Corporate Liabilities							**4,637.98**	3,689.93
	Total Liabilities				–			**33,168.94**	27,479.97
	Segment Capital Employed	**36,533.30**	29,420.90	**1,198.63**	1,056.49	**53,275.87**	53,539.41	**91,007.80**	84,016.80
	Add: Unallocated Capital Employed							**530.23**	(1,799.69)
	Total Capital Employed							**91,538.03**	82,217.11
4.	Capital Expenditure	**7,027.20**	3,865.00	–	–	**13.81**	19.67	**7,041.01**	3,884.67
5.	Depreciation / Amortisation	**3,520.69**	2,762.98	–	–	**15.90**	17.38	**3,536.59**	2,780.36
6.	Significant Non Cash Expenditure	**2,512.49**	2,062.87	–	–	**1.00**	779.77	**2,513.49**	2,842.64

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.

36. 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, Director and Company Secretary (Whole-Time Director effective 10th May, 2011)
2. Mr. Ravi Mansukhani, Managing Director in IndusInd Media and Communications Limited
3. Mr. Nagesh Chhabaria, CEO of IndusInd Media and Communications Limited (w.e.f. 10th November, 2011)

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
6. Hinduja National Power Corporation Limited
7. Hinduja Energy India Limited

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

(₹ In Lacs)

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	– [–]	– [–]	– [–]	– [–]	1,041.44 [747.26]	1,041.44 [747.26]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	140.04 [130.10]	140.04 [130.10]
IN Entertainment (India) Limited	– [–]	431.37 [584.82]	– [–]	– [–]	– [–]	431.37 [584.82]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	8.49 [–]	8.49 [–]
Total	**–** [–]	**431.37** [584.82]	**–** [–]	**–** [–]	**1,189.97** [877.36]	**1,621.34** [1,462.18]
Infrastructure Charges						
IN Entertainment (India) Limited	– [–]	– [6.17]	– [–]	– [–]	– [–]	– [6.17]
Total	– [–]	– [6.17]	– [–]	– [–]	– [–]	– [6.17]
Internet Income						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	9.26 [10.79]	9.26 [10.79]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	0.35 [–]	0.35 [–]
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	6.30 [4.20]	6.30 [4.20]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [7.74]	– [7.74]
IN Entertainment (India) Limited	– [–]	0.28 [0.24]	– [–]	– [–]	– [–]	0.28 [0.24]
Total	**–** [–]	**0.28** [0.24]	**–** [–]	**–** [–]	**15.91** [22.73]	**16.19** [22.97]
Miscellaneous Income						
IN Entertainment (India) Limited	– [–]	6.00 [–]	– [–]	– [–]	– [–]	6.00 [–]
Planet E-Shop Holding India Limited	– [–]	86.13 [–]	– [–]	– [–]	– [–]	86.13 [–]
Total	**–** [–]	**92.13** [–]	**–** [–]	**–** [–]	**–** [–]	**92.13** [–]

(₹ In Lacs)

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
Reimbursement of Expenses from Other Companies						
IN Entertainment (India) Limited	–	28.51	–	–	–	28.51
	[–]	[2.87]	[–]	[–]	[–]	[2.87]
Planet E-Shop Holding India Limited	–	53.77	–	–	–	53.77
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**82.28**	**–**	**–**	**–**	**82.28**
	[–]	[2.87]	[–]	[–]	[–]	[2.87]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	–	–	–	–	0.10	0.10
	[–]	[–]	[–]	[–]	[–]	[–]
IN Entertainment (India) Limited	–	1.02	–	–	–	1.02
	[–]	[145.02]	[–]	[–]	[–]	[145.02]
Planet E-Shop Holding India Limited	–	–	–	–	–	–
	[–]	[10.22]	[–]	[–]	[–]	[10.22]
RMD Baroda Network Private Limited	–	–	–	–	–	–
	[–]	[–]	[0.75]	[–]	[–]	[0.75]
Total	**–**	**1.02**	**–**	**–**	**0.10**	**1.12**
	[–]	[155.24]	[0.75]	[–]	[–]	[155.99]
Professional/ Technical Fees						
Hinduja Group India Limited	–	–	–	–	166.92	166.92
	[–]	[–]	[–]	[–]	[156.00]	[156.00]
Hinduja Realty Ventures Limited	–	–	–	–	1.50	1.50
	[–]	[–]	[–]	[–]	[–]	[–]
RMD Baroda Network Private Limited	–	–	8.38	–	–	8.38
	[–]	[–]	[15.00]	[–]	[–]	[15.00]
Total	**–**	**–**	**8.38**	**–**	**168.42**	**176.80**
	[–]	[–]	[15.00]	[–]	[156.00]	[171.00]
Link Charges						
RMD Baroda Network Private Limited	–	–	1.90	–	–	1.90
	[–]	[–]	[7.62]	[–]	[–]	[7.62]
Total	**–**	**–**	**1.90**	**–**	**–**	**1.90**
	[–]	[–]	[7.62]	[–]	[–]	[7.62]
Rent / Service Charges Paid						
Aasia Management and Consultancy Private Limited	–	–	–	–	113.54	113.54
	[–]	[–]	[–]	[–]	[78.29]	[78.29]
Total	**–**	**–**	**–**	**–**	**113.54**	**113.54**
	[–]	[–]	[–]	[–]	[78.29]	[78.29]

(₹ In Lacs)

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
Miscellaneous Expenses						
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	3.96 [–]	3.96 [–]
Total	– [–]	– [–]	– [–]	– [–]	**3.96** [–]	**3.96** [–]
Advertisements and Business Promotional Expenses						
IN Entertainment (India) Limited	– [–]	23.78 [18.60]	– [–]	– [–]	– [–]	23.78 [18.60]
Total	– [–]	**23.78** [18.60]	**–** [–]	**–** [–]	**–** [–]	**23.78** [18.60]
Purchase of Fixed Assets						
IN Entertainment (India) Limited	– [–]	0.57 [14.83]	– [–]	– [–]	– [–]	0.57 [14.83]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	– [4.98]	– [4.98]
Total	– [–]	**0.57** [14.83]	**–** [–]	**–** [–]	**–** [4.98]	**0.57** [19.81]
Managerial Remuneration						
Mr. Ashok P. Hinduja	– [149.17]	– [–]	– [–]	– [–]	– [–]	– [149.17]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	49.91 [42.39]	– [–]	49.91 [42.39]
Mr. Ravi Mansukhani	– [–]	– [–]	– [–]	132.25 [48.00]	– [–]	132.25 [48.00]
Mr. Nagesh Chabaria	– [–]	– [–]	– [–]	24.76 [–]	– [–]	24.76 [–]
Total	**–** [149.17]	**–** [–]	**–** [–]	**206.92** [90.39]	**–** [–]	**206.92** [239.56]
Counter Guarantee provided during the year						
IN Entertainment (India) Limited	– [–]	3,000.00 [–]	– [–]	– [–]	– [–]	3,000.00 [–]
Total	– [–]	**3,000.00** [–]	– [–]	– [–]	– [–]	**3,000.00** [–]
Inter-Corporate Deposits/ Loans Given						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	21,000.00 [13,400.00]	21,000.00 [13,400.00]
IN Entertainment (India) Limited	– [–]	7,890.00 [5,835.50]	– [–]	– [–]	– [–]	7,890.00 [5,835.50]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	5,000.00 [–]	5,000.00 [–]
Total	**–** [–]	**7,890.00** [5,835.50]	**–** [–]	**–** [–]	**26,000.00** [13,400.00]	**33,890.00** [19,235.50]

(₹ In Lacs)

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
Inter Corporate Deposits Receivable as at the Year-end						
Hinduja Realty Ventures Limited	–	–	–	–	9,700.00	9,700.00
	[–]	[–]	[–]	[–]	[8,700.00]	[8,700.00]
Hinduja National Power Corporation Limited.	–	–	–	–	2,500.00	2,500.00
	[–]	[–]	[–]	[–]	[–]	[–]
APDL Estates Limited	–	–	–	–	1,285.00	1,285.00
	[–]	[–]	[–]	[–]	[1,285.00]	[1,285.00]
IN Entertainment (India) Limited	–	6,750.00	–	–	–	6,750.00
	[–]	[3,600.00]	[–]	[–]	[–]	[3,600.00]
Total	**–**	**6,750.00**	**–**	**–**	**13,485.00**	**20,235.00**
	[–]	[3,600.00]	[–]	[–]	[9,985.00]	[13,585.00]
Trade Receivable						
IN Entertainment (India) Limited	–	138.50	–	–	–	138.50
	[–]	[154.14]	[–]	[–]	[–]	[154.14]
Planet E-Shop Holding India Limited	–	62.53	–	–	–	62.53
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[8.92]	[8.92]
Hinduja Global Solutions Limited	–	–	–	–	11.14	11.14
	[–]	[–]	[–]	[–]	[19.07]	[19.07]
RMD Baroda Network Private Limited	–	–	28.37	–	–	28.37
	[–]	[–]	[54.07]	[–]	[–]	[54.07]
Total	**–**	**201.03**	**28.37**	**–**	**11.14**	**240.54**
	[–]	[154.14]	[54.07]	[–]	[27.99]	[236.20]
Trade Payable						
Hinduja Group India Limited	–	–	–	–	18.76	18.76
	[–]	[–]	[–]	[–]	[4.03]	[4.03]
Hinduja Realty Ventures Limited	–	–	–	–	1.49	1.49
	[–]	[–]	[–]	[–]	[–]	[–]
Aasia Management and Consultancy Private Limited	–	–	–	–	17.22	17.22
	[–]	[–]	[–]	[–]	[12.83]	[12.83]
Mr. Ashok P. Hinduja	38.85	–	–	–	–	38.85
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**38.85**	**–**	**–**	**–**	**37.47**	**76.32**
	[–]	[–]	[–]	[–]	[16.86]	[16.86]

(₹ In Lacs)

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
Other Current Assets						
Hinduja National Power Corporation Limited.	– [–]	– [–]	– [–]	– [–]	1.48 [–]	1.48 [–]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**1.48** [–]	**1.48** [–]
Amount received related to Income tax matters						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	3,750.00 [3,150.00]	3,750.00 [3,150.00]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**3,750.00** [3,150.00]	**3,750.00** [3,150.00]
Investments as at the Year-end						
Planet E-Shop Holding India Limited	– [–]	596.00 [596.00]	– [–]	– [–]	– [–]	596.00 [596.00]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	2,553.08 [2,538.30]	2,553.08 [2,538.30]
Hinduja Energy India Limited	– [–]	– [–]	– [–]	– [–]	2,500.00 [–]	2,500.00 [–]
IN Entertainment (India) Limited	– [–]	844.61 [844.61]	– [–]	– [–]	– [–]	844.61 [844.61]
Total	**–** [–]	**1,440.61** [1,440.61]	**–** [–]	**–** [–]	**5,053.08** [2,538.30]	**6,493.69** [3,978.91]

Notes:

1. Dividend paid/payable to related parties aggregates to ₹ 2,025.85 (in Lacs) [Previous Year ₹ 1,690.39 (in Lacs)].
2. Figures in brackets represent previous year figures.
3. Transactions with joint venture company as reflected in III above are at full value.

37. 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 Statement of Profit and Loss

(₹ In Lacs)

	2011-12	2010-11
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employees' Pension Scheme 1995]*	**191.65**	136.06
- Employers' Contribution to Employees' State Insurance *	**38.99**	43.86
- Employers' Contribution to Other Employees' Benefit Scheme *	**0.70**	0.34

* Included in Contribution to Provident and Other Funds - Refer Note 25 of the financial Statements

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:

	2011-12	2010-11
Discount Rate (per annum)	**8.75%**	8 - 8.25%
Rate of increase in Compensation levels	**5 - 6.00%**	4 - 5.00%
Rate of Return on Plan Assets	**8 - 8.60%**	8.00%

A) Changes in the Present Value of Obligation

(₹ In Lacs)

	2011-12		2010-11	
	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation as at the beginning of the year	**155.34**	**41.21**	125.64	34.21
Interest Cost	**12.81**	**2.41**	10.05	3.42
Current Service Cost	**25.28**	**2.39**	23.85	7.23
Transfers	**–**	**–**	–	(0.10)
Benefits Paid	**(9.04)**	**(28.85)**	(22.35)	–
Actuarial (gain) / loss on obligations	**15.13**	**1.88**	18.14	(3.55)
Present Value of Obligation at the end of the year	**199.52**	**19.04**	**155.33**	**41.21**

B) Changes in the Fair Value of Plan Assets

(₹ In Lacs)

	2011-12	2010-11
Opening Fair Value of Plan Assets	**128.24**	120.15
Expected Return on Plan Assets	**10.26**	9.61
Actuarial Gains and (Losses) on Plan Assets	**0.80**	(0.75)
Contributions	**26.93**	21.58
Transfers	**–**	–
Benefits Paid	**(9.04)**	(22.35)
Closing Fair Value of Plan Assets	**157.19**	**128.24**

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

(₹ In Lacs)

	2011-12		2010-11	
	Funded	Unfunded	Funded	Unfunded
Present Value of Funded Obligation as at the end of the year	**199.52**	**–**	155.33	–
Fair Value of Plan Assets as at the end of the year	**157.19**	**–**	128.24	–
Funded Status	**157.19**	**–**	128.24	–
Present Value of Unfunded Obligation at the end of the year	**–**	**(19.04)**	–	(41.21)
Unfunded Net Asset/ (Liability) Recognised in Balance Sheet*	**(42.33)**	**(19.04)**	(27.09)	(41.21)

* Included in Provisions - Refer Note 6 & 10 of the financial Statements.

D) Amount recognised in the Balance Sheet

(₹ In Lacs)

	2011-12		2010-11	
	Funded	**Unfunded**	**Funded**	**Unfunded**
Present Value of Obligation at the end of the year	**199.52**	**19.04**	155.33	41.21
Fair Value of Plan Assets as at the end of the year	**157.19**	**–**	128.24	–
Liability recognised in the Balance Sheet*	**42.33**	**19.04**	**27.09**	**41.21**

* Included in Provisions - Refer Note 6 & 10 of the financial Statements.

E) Expenses recognised in the Statement of Profit and Loss

(₹ In Lacs)

	2011-12	2010-11
Current Service Cost	**27.67**	31.08
Interest Cost	**15.23**	13.47
Expected Return on Plan Assets	**(10.26)**	(9.62)
Net actuarial (gain) / loss recognised in the year	**16.21**	15.34
Total Expenses recognised in the Statement of Profit and Loss*	**48.85**	**50.27**

* Included in Employee Costs - Refer Note 25 of the financial statements.

F) Other Information

(₹ In Lacs)

	2011-12		2010-11		2009-10		2008-09	
	Funded	**Unfunded**	**Funded**	**Unfunded**	**Funded**	**Unfunded**	**Funded**	**Unfunded**
Present Value of Obligation at the end of the year	**199.52**	**19.04**	155.33	41.21	125.64	34.21	118.51	26.78
Fair Value of Plan Assets at the end of the year	**157.19**	**–**	128.24	–	120.15	–	115.68	–
Surplus/ (Deficit)	**42.33**	**–**	27.09	–	5.49	–	2.83	–
Experience Adjustments on Plan Liabilities - (Gain)/ Loss	**23.11**	**1.88**	20.31	(3.55)	3.99	(1.52)	7.10	(3.59)
Experience Adjustments on Plan Assets - (Gain)/ Loss	**0.80**	**–**	(0.75)	–	(0.25)	–	(0.52)	–

The above data has been disclosed on the basis of information available with the Group and to the extent such information has been disclosed in the financial statements of the constituents.

G) Percentage of each category of Plan Asset to the Fair Value of Plan Assets as at 31st March, 2012

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 ₹29.15 (in Lacs) [Previous Year – ₹29.12 (in Lacs)].

The liability for leave encashment and compensated absences as at 31st March, 2012 aggregates ₹241.79 (in Lacs) [Previous Year - ₹244.10 (in Lacs)].

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.

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

(₹ In Lacs)

Name of the Company	Goodwill/ (Capital Reserve) on Consolidation	Effect on Group Profit/ (Loss) After Tax	Effect on Net Assets as on 31.03.2012
Jagsumi Perspectives Private Limited	515.45	70.12	1,343.42

39. 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, 2012.

IMCL's share of assets and liabilities as at 31st March, 2012 and income and expenditure for the year ended 31st March, 2012 of the above joint venture company based on audited financial statements are as follows:

(₹ In Lacs)

Particulars	2011–12	2010–11
A. Assets		
Non Current Assets		
Fixed Assets (Net)		
- Tangible Assets	**6.82**	3.83
- Intangible Assets	**64.01**	73.61
Long term Loans and Advances	**0.33**	0.33
Current Assets		
- Trade Receivable	**31.87**	23.15
- Cash and Cash Equivalents	**0.58**	6.28
- Short-Term Loans and Advances	**27.58**	27.02
B. Liabilities		
Non Current Liabilities		
- Deferred Tax Liability	**10.74**	6.74
- Long Term Provision	**1.13**	–
Current Liabilities		
- Short-Term Borrowings	**28.37**	27.03
- Trade Payables	**2.21**	0.43
- Other Current Liabilities	**10.65**	6.76
C. Income		
Subscription Income	**30.82**	34.99
Advertisement	**0.17**	–
D. Expenditure		
Operating Expenses and Direct Costs	**0.96**	–
Employee Cost	**5.93**	3.81
Administrative and Other Expenses	**25.69**	23.62
Depreciation	**10.33**	10.13
Financial Expenses	**0.21**	0.01
Taxation	**4.00**	(3.44)
E. Other Matters		
Capital Commitments	**Nil**	Nil
Contingent Liabilities	**Nil**	Nil

40. Inter Corporate Deposit aggregating ₹9,700.00 (in Lacs) [Previous Year - ₹8,200.00 (in Lacs)] is secured by way of pledge of Equity Shares held by a borrower in a company.

41. The Company's subsidiary, IndusInd Media and Communications Limited, has charged an amount of ₹657.00 (in Lacs) (P.Y. NIL) as interest @ 18% p.a. on overdue amounts of certain trade receivables as per the terms of the invoices and recognised the said income in the books of accounts as the management is confident of recovering the said amounts in full.

42. In the matter of certain capital goods imported by IN Network Entertainment Ltd. ('INEL') which amalgamated with the company from April 1, 2006, the customs authority had raised a demand of duty amounting to ₹102 (in Lacs) which was disputed in appeal but paid under protest by INEL. The Company's subsidiary, IndusInd Media and Communications Limited, as a successor to INEL has obtained a favourable decision in this regard from Customs, Excise & Service Tax Appellate Tribunal (CESTAT) under an order dated 29th August, 2006. Since the refund of the aforesaid amount was not granted even after several years, the subsidiary company filed a writ petition in the Mumbai High Court. In its order dated October 11, 2011 the Honorable High Court directed that the refund claim shall be heard and disposed of by the competent Customs Authority. Under the above circumstances the subsidiary company has recognized as Income an amount of ₹85.00 (in Lacs) being interest on the refund amount receivable in terms of Section 27 A of the Customs Act, 1962.

43. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation 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.

44. 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.

45. The Revised schedule VI has become effective from 1st April 2011 for the preparation of financial statements this has significantly impacted the disclosure and presentation in the financial statements previous figures has been regrouped / reclassified wherever necessary to correspond with the current years classification/ disclosure.

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Director and Company Secretary

Place : Mumbai
Date : 30th April, 2012

Auditors' 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 a jointly controlled entity constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss 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 assets of ₹ 29,150.40 (in Lacs) as at 31st March, 2012, total revenues of ₹ 8,070.38 (in Lacs) and net cash outflows amounting to ₹ 515.34 (in Lacs) 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 assets as at 31st March, 2012 amounts to ₹ 131.19 (in Lacs), the Group's proportionate share in the total revenues amounts to ₹ 30.99 (in Lacs) and the Group's proportionate share in the cash flows amounts to ₹ 11.40 (in Lacs) for the year ended on that date as considered in the Consolidated Financial Statements;

   (c) Two associates which have been accounted for based on the equity method which reflects the Group's share of loss upto 31st March, 2012 of ₹ 96.00 (in Lacs) and the Group's share of loss for the year then ended of ₹ 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, the joint venture and associates 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:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;

   ii) in the case of the Consolidated Statement of Profit and Loss, 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 : 30th April, 2012

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.

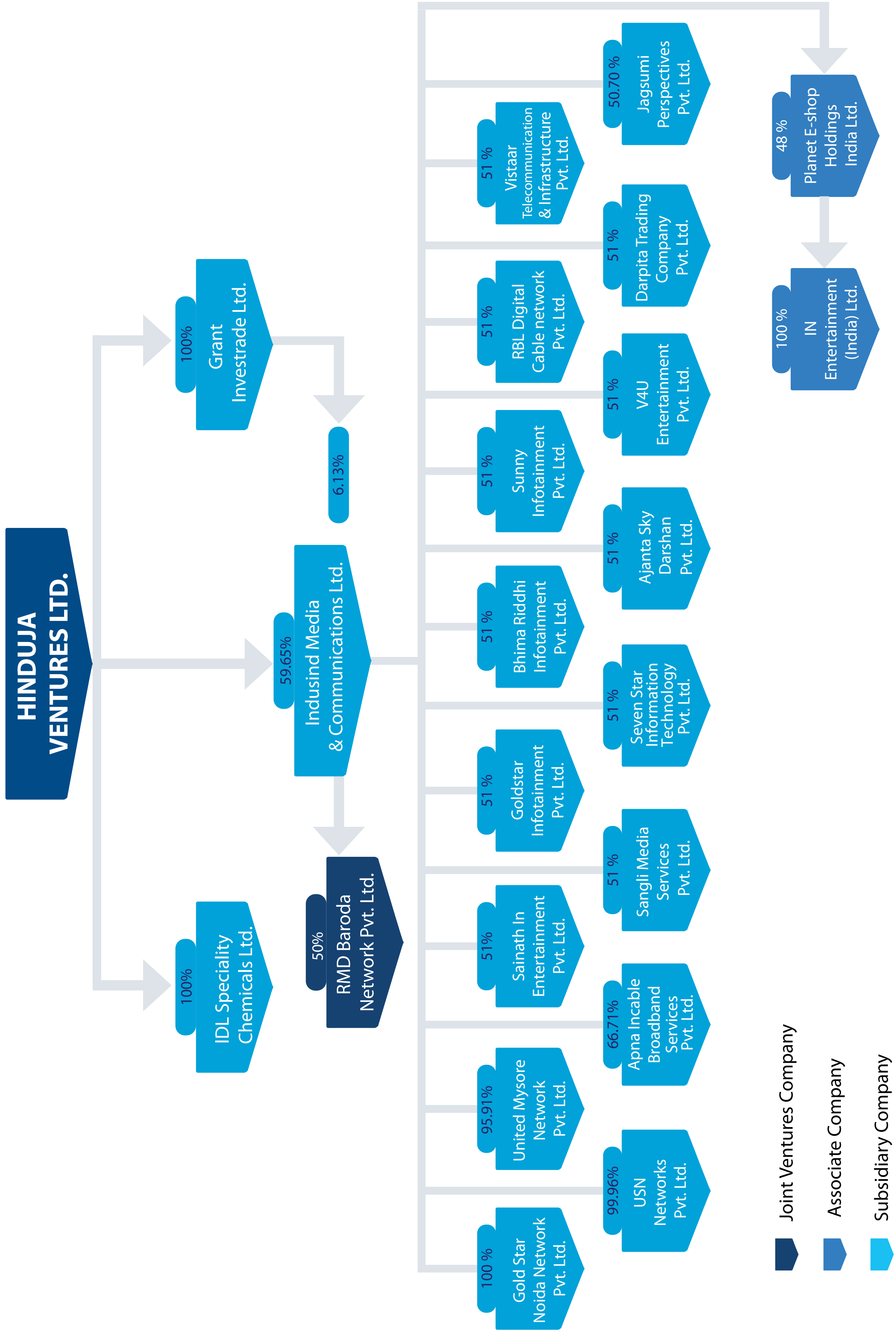
We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumption. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions at times.

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

HVL Holding Structure



IMCL Geographical Spread