Directors' Report

To the Members

Your Directors have pleasure in presenting the business and operating report for the year ended March 31, 2010 and Twenty Fifth Annual Report of your company.

FINANCIAL RESULTS

(Rs. in million)

	Consolidated		Standalone	
For the year ended 31st March	**2010**	2009	**2010**	2009
Total Income	**4,017.11**	3,459.98	**804.90**	586.68
Total Expenses	**3,179.97**	2,772.94	**342.36**	107.46
Profit before tax	**837.14**	687.04	**462.54**	479.22
Provision for tax (incl. deferred tax)	**117.57**	129.80	**71.68**	149.14
Profit after tax	**719.57**	557.24	**390.86**	330.08
Share of Loss from Associates	**–**	0.12	**–**	–
Minority Interest	**113.79**	89.40	**–**	–
Profit After Minority Interest	**605.78**	467.96	**390.86**	330.08

REVIEW OF FINANCIALS

Year 2009-10 saw a significant improvement in the overall business environment in the Country, as India emerged from low growth period of 2008-09. The stock markets have recovered substantially from the lows of March 2009 and customer spending and advertising spending have recovered.

Your Company posted healthy results in Financial Year 2009-10 with the Consolidated Income growing by 16.10% from Rs. 3,459.98 mn to Rs. 4,017.11 mn Consolidated Profits after accounting for Taxes and Minority Interest grew by 29.44% from Rs. 467.96 mn to Rs. 605.78 mn The increase in revenues and profits was driven primarily by the growth of cable subsidiary of the Company viz IndusInd Media and Communications Limited ('IMCL').

On a standalone basis, the Company recorded excellent results with the total Income increasing by 37.19% from Rs. 586.68 mn to Rs. 804.90 mn and Profit After Taxes by 18.42% from Rs. 330.08 mn to Rs. 390.86 mn.

DIVIDEND

The Board is pleased to recommend Dividend payment of Rs. 10 per Equity Share (100% Dividend on face value of Rs.10 per Equity Share) for Financial Year 2009-10. The current year Dividend will result in payout of Rs. 239.70 mn including Dividend Distribution Tax representing 61.33% of the current year earnings.

TRANSFER TO RESERVES

As a result of dividend declaration, your Company proposes to transfer Rs. 39.09 mn to the General Reserve and carry forward an amount of Rs. 3,778.25 mn as Balance in the Profit and Loss account.

REAL ESTATE

While the overall business environment in the country has improved significantly, the real estate market continuous to be subdued. The Company continuous to hold its real estate property in Bangalore and is evaluating ways to optimize the utilisation of this valuable asset at an appropriate time post receipt of all clearances.

FIBRE OPTIC CABLE NETWORK

During Financial Year 2009-10, the Company has invested in Media & Communications Infrastructure by laying 350 kms of Intra City Fibre Optic Network which is two way enabled. The Company expects to generate revenues from this network by leasing it to telecom companies, cable TV companies, internet service providers and other potential users.

SUBSIDIARIES:

(i) Grant Investrade Limited (GIL):

During the year, your Company has consolidated its stake in GIL from 51% to 100%. As a result, the Company's effective stake in IMCL has increased from 62.78% to 65.78%.

(ii) IDL Speciality Chemicals Limited (IDL):

During the year under review, the Company has purchased 100% equity shares of IDL. By virtue of the acquisition of the shares in IDL, IDL became wholly owned subsidiary of the Company.

(iii) HTMT Telecom Private Limited (HTPL):

The Company continues to hold 100% stake in HTPL. The Company awaits appropriate opportunity to enter telecom sector.

(iv) Media:

IndusInd Media and Communications Limited (IMCL):

IMCL, the Cable Subsidiary of the Company, along with its Joint Ventures and subsidiaries continued its strong performance during Financial Year 2009-10. While most of the other Multi Systems Operator (MSOs) have reported net losses, IMCL has out-performed its peers by reporting net profit for the last few years. Consolidated EBIDTA of IMCL for the year was Rs. 690.17 mn on Total Income of Rs. 3,285.97 mn. Consolidated Net Profit for the year grew from Rs. 245.82 mn to Rs. 326.58 mn.

With a view to providing focus on the core activity of distribution of cable television and Broadband internet services, IMCL has demerged its content business comprising the movie library, CVO Channel etc. into IN Entertainment (India) Limited ('IEIL'), an associate of IMCL.

IMCL now has a reach of approximately 8 mn cable homes for its Analogue cable television services (INCABLENET). IMCL has over 6,700 kms of Hybrid Fiber Optic Cable, of which 80% is two way enabled to the nodes. It is spread over 27 cities which include major metros, like Mumbai, Thane, Delhi, NOIDA, Bangalore, Ahmedabad, Vadodra, Belgaum and others, having significant weightage in television rating measurement studies.

IMCL's digital cable service (Indigital) provides around 240 channels (including Radio/Audio Channels). This is the highest number of channels provided by any digital cable distribution platform in India.

IMCL's foray into other cities has provided impetus for cable digitalization and expansion. The Company has installed over 400,000 digital set top boxes in Conditional Access System (CAS) areas as well as non CAS areas. It has already established eight digital Headends in India, covering about 12 cities, including key metro cities.

IMCL is one of India's largest independent MSO, with a triple play Platform through Cable. IMCL also has a nationwide Internet Service Provider (ISP) license and is an active Grade 1 ISP player in the Indian Market, providing broadband services (IN2CABLE) and bandwidth to both corporate and retail customers.

IMCL's associate company "Planet E-Shop Holdings (India) Limited ("PES")" has received permission (from Government of India) for downlinking Foreign Channels for exclusive Distribution and Marketing Rights. Currently PES is distributing/ marketing few channels in selected areas in both commercial and retail.

Scheme of Arrangement:

IMCL entered into Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 with IN Entertainment (India) Limited (IEIL), an associate company for transferring its content division for a consideration of Rs. 84.46 mn in the form of 84,46,120, 7% Cumulative preference shares of Rs. 10/- each of IEIL.

The scheme of arrangement as filed by IMCL was sanctioned by the Honorable High Court of Judicature at Bombay on 26th March 2010.

FUTURE OUTLOOK – MEDIA SECTOR:

As per the report of Media Partners Associates (MPA) 2010, as of end 2009, out of the estimated 220 mn homes in India, around 60% i.e. 134 mn homes have TV sets. Of the 134 mn TV homes, around 65% have Cable TV (analog and digital).

MPA estimates that the Cable TV homes would grow at around 2% per annum to around 110 mn homes by 2020. Digital Cable is estimated to grow at around 23% per annum and is expected to touch around 29 mn homes by 2020. This rapid growth in digital cable homes will increase share of digital cable from around 3% in 2009 to around 26% in 2020.

Analog Cable TV can deliver a maximum of 100 television channels. The number of channels available in India has increased from around 120 in 2003 to over 500 in 2010. This growth has been through launch of regional channels, news channels and niche channels. Availability of a larger number of channels, alongwith better picture quality, choice of audio tracks, electronic programme guides and value added services are expected to be the major drivers for digital cable.

Cable TV would need to face the challenges posed by the alternate digital delivery platforms such as DTH, IP TV, Mobile TV etc. The ability of digital cable TV to deliver services at affordable rates and prompt customer care through local cable operators would be key advantages the digital cable would have over alternate delivery platforms.

Through digitizing and building two way networks, Multi System Operators (MSOs) can also deliver broadband television services. As on 31st March 2010, India has around 8.75 mn broadband (speed of more than 256 Kbps) subscribers. Cable modem subscribers account for a mere 0.485 mn subscribers i.e. a mere 5%. Thus there exists enormous potential for growth of broadband services.

The Government of India is considering various options for phasing out analog cable television services to pave way for digital cable television services apart from measures such as extending the CAS regime to other parts of metros and other cities.

According to MPA, the Cable TV subscription business has been estimated at US$ 3.6 bn in 2009 which is expected to touch US$ 7.7 bn by 2020. The cable television industry is highly fragmented with majority of the homes serviced by local cable operators and Independent System Operators (ISOs).

Growth of digital cable and broadband internet services would require significant amounts of capital and management expertise. The profile of the cable television industry is expected to change significantly in the coming years through the consolidation of the local cable television operators and ISOs.

IMCL'S FUTURE PLAN FOR GROWTH:

Cable TV and Broadband – To increase Digital, Internet & VoIP customer base:

The cable television industry has been undergoing rapid changes with more competition from existing and new players, consolidation and regulatory recommendations for an orderly and transparent system. All these industry dynamics are expected to benefit IMCL in the long run.

IMCL plans to continue to expand into key Tier II cities for its analog and digital services. IMCL proposes to continue making its investments in intra city fibre networks in order to have a robust backbone for delivering its services. In order to have a pan India footprint, IMCL is examining options such as Headend in the Sky (HITS) and building/lease inter-city fibre.

IMCL has the capability to provide IP to IP (Internet Protocol to Internet Protocol) calls within the country and IP to PSTN/ PLMN (Public Switched Telephone Network / Public Land Mobile Network) lines internationally.

Increased Average Revenue Per User (ARPU) plan:

IMCL is planning an increased ARPU for digital homes by providing value added services eg. Video on Demand and Pay Per view, Games, Oline Shopping and other interactive services. The Broadband connectivity increase will also help IMCL to open up other revenue streams.

CONSOLIDATED ACCOUNTS

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

The Company has been granted exemption from attaching the financial statements of the subsidiary companies in the annual report of the Company for the Financial Year 2009-10 under Section 212(8) of the Companies Act, 1956. A statement of summarized financials of all subsidiaries of the Company, forms part of this report.

Information in respect of the subsidiary companies of the Company will be made available to members on request.

COMMUNICATION AND PUBLIC RELATIONS

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

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

Parallely, internal communication and brand building within the organization is being given further impetus and your Company is poised to achieve positive results out of these efforts.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

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

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

There are Foreign Exchange earnings, however there is no outgo of foreign exchange during the year. The details are given in Annexure-B to this report.

CORPORATE GOVERNANCE

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

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-D.

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

EMPLOYEE STOCK OPTION PLAN (ESOPs)

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of The ESOP plan 'Hinduja TMT Ltd. Employees Stock Option Plan 2001' (the "plan") are given in Annexure – F to this report.

The Company has not granted any fresh ESOPs during the year.

The exercise period for the ESOPs granted in the two tranches has lapsed during the year, accordingly the Scheme of ESOPs stands completed.

FIXED DEPOSITS

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

DIRECTORS

Mr. Prakash Shah and Mr. Prabal Banerjee, 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. Srinivas Palakodeti was appointed as an Alternate Director to Mr. Prabal Banerjee with effect from 1st February 2010.

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 2010, 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 2010 and of the profit of your Company for the year ended 31st March 2010;

iii) Proper and sufficient care to the best of their knowledge and ability has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

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

AUDITORS

M/s. Price Waterhouse, Chartered Accountants, the Statutory Auditors of your Company and retiring auditors in view of other commitments have expressed their unwillingness to be re-apponted at the ensuing Annual General Meeting. Your Board has placed on record its appreciation for invaluable guidance and immense support extended by M/s. Price Waterhouse, Chartered Accountants over the years as Statutory Auditors of the Company.

Your Company has received a letter from M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai showing interest to be appointed as the Statutory Auditors of the Company.

The Audit Committee has recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai as Statutory Auditors of the Company. Your Board recommends their appointment, subject to approval of shareholders. The resolution for appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai as Statutory Auditors in place of the retiring Auditors will be placed before the shareholders at the ensuing Annual General Meeting. If approved, their appointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

EMPLOYEES PARTICULARS

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended, form part of this report. However, in accordance with the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 this report is being sent to all the shareholders of the Company excluding the aforesaid information. Members interested in obtaining the said information may write to the Company Secretary at the registered office of the Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Mumbai
Date : 11th June 2010

A. P. Hinduja
Executive Chairman

Annexure 'A' To the Directors' Report

Certificate in terms of Clause 49 of the Listing Agreement.

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

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

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

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

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

d. We have indicated to the Auditors and the Audit committee that there are;

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

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

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

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June 2010

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 2010.

Place : Mumbai
Date : 11th June 2010

Dilip Panjwani
Manager and Company Secretary

Annexure 'B' to the Directors' Report

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

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

Foreign exchange earnings and Outgo.

- Foreign exchange Earnings and Outgo

(Rs. in million)

	2009-2010	2008-2009
Total Foreign Exchange earned	**54.00**	–
Total Foreign Exchange outgo	**Nil**	–

For and on behalf of the Board

Place : Mumbai
Date : 11th June 2010

A. P. Hinduja
Executive Chairman

Annexure 'C' to the Directors' Report

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

Non-Executive Directors (Non Promoter Group)

Mr. Prabal Banerjee

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
12th May 2009	8	8
27th July 2009	8	8
26th October 2009	8	7
30th January 2010	8	7
13th February 2010	8	6

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

C. Attendance of Directors:

Name of the Director	No. of Meetings Attended	Attendance at the previous AGM held on 27th July 2009
Mr. A. P. Hinduja	5	Yes
Mr. R. P. Hinduja	4	Yes
Mr. D. G. Hinduja	1	No
Mr. H. C. Asher	5	Yes
Mr. Anil Harish	5	Yes
Mr. R. P. Chitale	4	Yes
Mr. Prabal Banerjee	4	Yes
Mr. Prakash Shah	4	Yes
Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)*	-	N.A.
Mr. Ravi Mansukhani (Alternate Director to Mr. D. G. Hinduja)*	3	Yes
Mr. Srinivas Palakodeti (Alternate Director to Mr. Prabal Banerjee)*$	1	N.A.

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

$ Appointed as Alternate Director to Mr. Prabal Banerjee effective 1st February 2010.

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

Name of the Director	Boards*	All Board Committees**	Chairman-ship of Board Committees
Mr. A. P. Hinduja	6	-	-
Mr. R. P. Hinduja	7	3	-
Mr. D. G. Hinduja	8	2	-
Mr. H. C. Asher	9	9	3
Mr. Anil Harish	14	10	5
Mr. R. P. Chitale	10	7	2
Mr. Prakash Shah	4	1	-
Mr. Prabal Banerjee	5	2	2
Ms. Vinoo S. Hinduja (Alternate to Mr. R. P. Hinduja)	4	-	-
Mr. Ravi Mansukhani (Alternate to Mr. D. G. Hinduja)	5	-	-
Mr. Srinivas Palakodeti (Alternate to Mr. Prabal Banerjee)***	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)

***(Appointed as Alternate Director to Mr. Prabal Banerjee effective 1st February 2010)

- **Secretarial Standards relating to Meetings**

  The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to Meetings of the Board and Committees thereof, General Meetings, Dividend and Registers and Records. These Standards are presently recommendatory and may become mandatory in due course. The secretarial practices of your Company generally comply with these Standards.

3. AUDIT COMMITTEE

A. Terms of Reference:

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

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

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

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

The audit committee powers include the following:

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

B. Composition:

The composition of the Audit Committee is as follows:

Chairman : Mr. Anil Harish

Members : Mr. R. P. Chitale

Mr. R. P. Hinduja

Mr. H. C. Asher

Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)

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

C. Meetings and Attendance:

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

Dates of Meetings: 12th May 2009, 27th July 2009, 26th October 2009 and 30th January 2010

Attendance

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

4. 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 no complaints were received from shareholders.

There were no pending complaints against the Company as on 31st March 2010.

B. Composition:

Chairman : Mr. H. C. Asher

Members : Mr. D. G. Hinduja

Mr. R. P. Hinduja

Mr. Prakash Shah

C. Meetings:

Two 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: 22nd October 2009 and 25th January 2010

Attendance

Name of the Director	Number of Meetings attended
Mr. H. C. Asher	2
Mr. R. P. Hinduja	_
Mr. D. G. Hinduja	_
Mr. Prakash Shah	2

Name and Designation of Compliance Officer:

Mr. Dilip Panjwani, Manager and Company Secretary

5. COMPENSATION COMMITTEE

A. Terms of Reference:

Pursuant to the resolution passed by the shareholders at the Extra-Ordinary General Meeting held on February 20, 2001 and in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, the Compensation Committee was authorised to determine all the terms governing the "Hinduja TMT Ltd Employees Stock Option Plan 2001" including any variation thereof and, inter alia determining eligibility for grant, timing and number of option grant's, vesting schedule, exercise price and other matters.

The exercise period for the ESOP's granted in the two tranches has lapsed during the year. The Company has not granted any fresh ESOP's during the year.

B. Composition:

Chairman : Mr. Anil Harish

Members : Mr. D. G. Hinduja
Mr. H. C. Asher
Mr. R. P. Chitale
Mr. R. P. Hinduja

C. Meetings

No meetings were held during the year.

D. Attendance

Since no meetings were held, the information on attendance of directors is not provided.

6. REMUNERATION OF DIRECTORS

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

During the year, the Company has paid remuneration to Mr. A. P. Hinduja (Executive Chairman) aggregates to Rs. 114.84 lacs. The remuneration comprises of salaries and allowances and did not include bonuses or stock option. However, no bonus or stock option was granted during the year.

A. Criteria for Payment to Executive Director:

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

Service Contract and Notice period:

Executive Director	Service Contract	Notice Period	Remuneration
Mr. A. P. Hinduja -Executive Chairman	Five Years (From 1st October 2005 to 30th September 2010)	Three months' notice by either party	Not Exceeding Rs. 15,000,000

B. Payment to Non Executive Directors:

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

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

Name of Director	Board Of Directors (Rs.)	Audit Committee (Rs.)	Investor Grievance (Rs.)	Total Fees (Rs.)
Mr. R. P. Hinduja	80,000	80,000	–	160,000
Mr. D. G. Hinduja	20,000	N.A	–	20,000
Mr. H. C. Asher	100,000	80,000	20,000	200,000
Mr. Anil Harish	100,000	80,000	N.A	180,000
Mr. R. P. Chitale	80,000	60,000	N.A	140,000
Mr. Prabal Banerjee	80,000	N.A	N.A	80,000
Mr. Prakash Shah	80,000	N.A	20,000	100,000
Mr. Ravi Mansukhani*	60,000	N.A	N.A	60,000
Ms. Vinoo S. Hinduja**	–	–	N.A	–
Mr. Srinivas Palakodeti***	20,000	N.A	N.A	20,000
Total	**620,000**	**300,000**	**40,000**	**960,000**

*Alternate to Mr. D. G. Hinduja
** Alternate to Mr. R. P. Hinduja
*** Alternate to Mr. Prabal Banerjee

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

Name of Firm	Amount paid during the year under review (Rs.)	Name of Director who is partner
Crawford Bayley & Co.	75,000	Mr. H. C. Asher
D. M. Harish & Co.	50,000	Mr. Anil Harish

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
2006-2007	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.	24/09/2007 at 11.00 a.m.	1. For commencement of new business as specified under other object clause of Memorandum of Association. 2. For approval of change of name of the Company from "Hinduja TMT Limited" to "Hinduja Ventures Limited".
2007-2008	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.	27/09/2008 at 1.30 p.m.	Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), provided the aggregate issue price of Securities to be issued shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores).
2008-2009	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.	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 Rs. 500 Crores (Rupees Five Hundred Crores).

No Special Resolution requiring voting through Postal Ballot was passed in the year 2009-10.

There is no special resolution proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

8. DISCLOSURES

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

B. 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.

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

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

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

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-E 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	31st July 2010
	Time	2.30 p.m.
	Venue	Hall of Harmony, Nehru Centre, Worli, Mumbai 400 018
2.	Financial Calendar for 2010-11	(Tentative)
	Unaudited results for the quarter ending 30th June 2010	4th week of July 2010
	Unaudited results for the quarter / half year ending 30th September 2010	4th week of October 2010
	Unaudited results for the quarter ending 31st December 2010	4th week of January 2011
	Audited results for the year ending 31st March 2011	4th week of June 2011
3.	Book Closure Dates	From 24th July 2010 to 31st July 2010 (both days inclusive)
4.	Dividend for the Financial Year 2009-10, 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

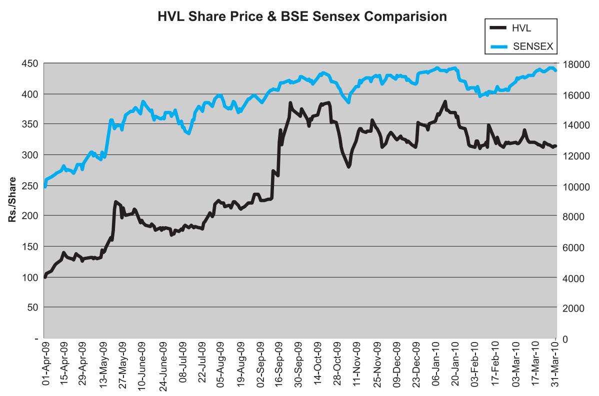
(Note: Annual Listing fee for the Financial Year 2010-11 has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited)

11. STOCK MARKET PRICE DATA

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	Month's High Rs.	Month's Low Rs.	Month's High Rs.	Month's Low Rs.
April 2009	147.00	92.60	146.90	93.00
May 2009	227.00	128.10	228.00	127.25
June 2009	218.50	165.10	209.80	165.00
July 2009	232.00	168.25	233.00	173.25
August 2009	247.35	209.15	246.00	208.10
September 2009	407.80	219.00	407.80	223.00
October 2009	394.40	302.50	387.95	298.00
November 2009	368.95	277.10	369.00	305.00
December 2009	372.70	310.00	374.00	308.60
January 2010	397.00	307.10	399.90	300.65
February 2010	363.10	305.55	367.00	303.30
March 2010	354.85	310.05	354.40	308.25

SHARE PRICE MOVEMENT (BSE)

Hinduja Ventures Limited share price performance compared to BSE Sensex. (April 09-March 10)



12. SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialised form. As on 31st March 2010, about 99.69% of your Company's equity (comprising 20,491,659 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 2010, there were no unprocessed transfers pending. The details of physical shares transferred during the last three years are as under:

Particulars	2007-08	2008-09	2009-10
No. of transfer deeds	10	05	03
No. of shares transferred	1,150	252	200

Pattern of Shareholding as of 31st March 2010:

Particulars	No. of Shares	% of Shareholding
Promoters	13,523,140	65.79
FIIs	1,819,980	8.85
N.R.I.s/ OCBs/Non Domestic Companies/ Foreign National	61,725	0.30
Mutual Funds, Banks, Financial Institutions, Insurance Companies	2,203,951	10.72
Private Corporate Bodies	1,177,946	5.73
Individuals / Others	1,768,761	8.61
Total Paid-up Capital	**20,555,503**	**100.00**

Distribution Schedule as of 31st March 2010:

Distribution	No. of Share holders	No. of Shares	% of Share holding
Less than 500	9,976	607,780	2.96
501-1000	224	172,777	0.84
1001-2000	139	210,699	1.02
2001-3000	64	159,841	0.78
3001-4000	16	58,386	0.28
4001-5000	15	69,053	0.34
5001-10000	32	216,440	1.05
Above 10000	75	19,060,527	92.73
Total	**10,541**	**20,555,503**	**100.00**

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

The number of shares held by the Directors of Hinduja Ventures Limited as on 31st March 2010 are as under:

Sr. No.	Name of Directors	No. of Shares
1	Mr. A. P. Hinduja	1,188,140*
2	Ms. Vinoo S. Hinduja (Alternate Director to Mr. R. P. Hinduja)	61,065
3	Mr. Ravi Mansukhani (Alternate Director to Mr. D. G. Hinduja)	5,000

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

Code of Conduct:

The Company has adopted separate Codes of Conduct for Executive Directors, Senior Management and Non-Executive Directors and the same has been posted on the Company's website. As required under Clause 49 of the Listing Agreement, Manager has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as on 31st March 2010.

13. REGISTRAR AND SHARE TRANSFER AGENT

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

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

Tel: (91 22) 6772 0300 Fax: 28508927 / 67720416

Email: sharepro@shareproservices.com

14. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

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

Mr. Dilip Panjwani, Manager and Company Secretary

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

Email: investorgrievances@hindujaventures.com

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

Pursuant to the SEBI Circular No. MIRSD/ DPS III//Cir-01/07 dated 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, Manager and Company Secretary

For and on behalf of the Board

Place : Mumbai
Date : 11th June 2010

A. P. Hinduja
Executive Chairman

Annexure 'D' to the Directors' Report

Auditors' Certificate on Compliance with the Conditions of Corporate Governance Under Clause 49 of the Listing Agreement

To

The Members of Hinduja Ventures Limited

1. We have examined the compliance of conditions of Corporate Governance by Hinduja Ventures Limited ('the Company') for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.
4. We 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 **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F - 55913

Place : Mumbai
Date : 11th June 2010

Management Discussion & Analysis

Hinduja Ventures Limited ("HVL") currently operates in three major business segment namely Media, Real Estate and Treasury. While the Media is the principal business segment of the Company, the Real Estate business relates to a 47 Acres property at Bangalore. The Treasury segment comprises deployment of cash surplus in various avenues, pending investment into new ventures.

MEDIA

Media and Entertainment Industry update:

According to Media Partners Associates ('MPA') analysis, the market for pay-TV reached-105 mn homes in 2009 with 88 mn via cable (predominantly analog) distribution and 17 mn via DTH. Pay-TV penetration reached 78% in 2009, with 15% through digital networks. At the same time, analog cable continues to grow in cities, boosted by urbanization and the emergence of second and third tier cities.

The pay TV sector generated a total turnover in excess of US$6.5 bn in 2009. This number includes revenues from cable broadband, as well as placement fees and international affiliate fees. EBITDA profits for the sector reached US$0.8 bn in 2009, implying a modest profit margin of 13%. MPA sees the industry turnover to rise 15% and 23% over the same periods.

The total Cable Television revenues are expected to grow from US$5.3 bn in 2009 to US$12.5 bn by 2020. This growth would be driven by increase in TV homes, increase in share of digital cable and rise in Average Revenue Per Unit (ARPU) of analog and digital cable services.

MPA estimates that cable broadband internet is expected to grow at about 18% p.a from US$64 mn in 2009 to around US$388 mn by 2020. The share of cable broadband internet services is expected to rise from around 2% in 2009 to around 5% in 2020.

The Cable Television Industry is highly fragmented comprising around 60,000-70,000 local cable operators, 6,000-8,000 Independent Cable Operators (ICOs), several regional Multi System Operators (MSOs) and around 6 national players.

While the Cable TV penetration of around 65% of TV homes is at par with developed countries, the Indian Cable TV is characterized by very low subscriptions, huge under declaration by cable operators, lack of addressability and low levels of digital cable (around 3.5% of total cable homes).

The current analog cable television network can deliver a maximum of around 100 channels, while there are around 500 television channels available in India. Digitizing the cable television homes by installation of Set Top Boxes would enable the customers to receive upto 1000 television channels with additional benefits such as better picture quality, choice of audio tracks, electronic programme guide and value added services.

The Government of India is examining options of increasing digital penetration of Cable Television homes. These could include phasing out of analog cable, extending the CAS regime beyond the existing selected areas of Mumbai, Delhi and Kolkata. The MSOs and other participants of the cable industry have been interacting with the Government of India for an orderly and smooth transition to digital cable.

Introduction of digital cable and addressable systems will bring transparency into the cable television industry and address the problem of under declaration by the local cable operators.

Digital cable deployment requires large amounts of capital in set top boxes, digital headends, management systems etc. The fragmented nature of the industry can pose a significant challenge for the local cable operators and ICOs to raise capital for financing the growth of digital cable. The growth of digital cable is expected to give impetus to large scale consolidation of the cable television industry.

The MSOs are expected to raise required capital through banks, private equity funds and by accessing capital markets. During 2009-10 a couple of MSOs have raised equity capital through IPOs and the trend is expected to continue in the coming years.

While the Cable TV industry embarks on the path for large scale digital services, it needs to face the challenges offered by alternate delivery platforms such as DTH, IP TV, TV through internet, Mobile TV etc. The expected launch of 3G services by mobile telephonic companies and wireless Broadband services from 2010-11 onwards would give additional choice of platforms and services to the customers.

Cable TV industry in India is around 20 years old and has significant advantage as an incumbent. It has the ability to deliver television channels at highly affordable rates and also deliver prompt customer care. Digital Cable can offer services at par with DTH or IP TV and can offer value added services such as Pay Per View (PPV), Personal Video Recorder (PVR), Near Video on Demand (NVOD).

DTH services were launched in India around 2003 and as per MPA report there around 17 mn DTH homes. There are around 6 DTH operators in the country as compared to 1-2 DTH operators in most countries in the world. Intense competition among the DTH operators has driven to low ARPUs, subsidized set top boxes leading to enormous financial pressure on the DTH operators. In view of this consolidation among the DTH operators is expected in the coming years.

SWOT Analysis: Media Sector

1) **Opportunities for the Media Sector:**

   - Government expected to provide incentives to increase broadband penetration.
   - Government plan for digital cable would bring in transparency.
   - Increase in ARPU with increase in digital cable numbers.

2) **Strengths:**

- IMCL is among the top 3 MSOs with a pan India footprint, reach of around 8 mn subscribers in 27 cities.
- IMCL has the first mover advantage and premier positioning, as being an MSO which is not affiliated to any broadcaster group.
- IMCL has a strong and highly experienced management team, best of breed technology and a clear focus on rapid growth.
- IMCL has around 6,700 km of hybrid fiber optic network including 1,000 km of underground fiber which is a key differentiator. "Quad Play" proposition makes IMCL best positioned to capitalize on huge Cable & Satellite (C&S) opportunity delivering video, internet, voice and e-commerce through a single pipe.
- IMCL has significant headroom for raising growth funding.
- Strong presence in metros such as Mumbai, Delhi and Bangalore which can higher conversation to digital cable and deliver higher ARPUs.

3) **Challenges:**

- Reducing under declaration of Local Cable Operators (LCOs).
- Having suitable acquisition models for acquisitions and inorganic growth.
- Identifying changing needs and profiles of customers and delivering relevant value added service at optimal prices.
- Regulatory bindings regarding Quality of Services, Customer care and Inter-connection.
- Increased competitions in the new environment as several new players of major groups are entering the distribution.

4) **Threats and Competition:**

- Growing DTH subscriber base.
- Competition among DTH operators have lead to DTH tariffs at par with cable.
- Internet Protocol Television (IPTV) and other new platforms for Television viewing and entry of large telcos with deep pockets in the segment.
- Existing large MSOs are seeking to enter into existing IMCL cities which can lead to reduction in ARPUs.
- Lobbying by the broadcasters for fixing a ceiling on carriage fees which forms significant share of IMCL revenues.
- Possible change in regulations by lifting the tariff freeze leading to rise in content cost for IMCL.

TREASURY

The massive liquidity infusion by Governments and return of FIIs and Institutions to markets have lowered returns on debt. Anticipating shifting trends HVL has shifted some of its treasury to long term equity and derived considerable returns. However, with the philosophy of preserving capital, HVL may look for long term instruments with ability to generate steady returns and provide value creation.

REAL ESTATE

HVL has Real Estate within the BIAPPA Zone, which is where the New Airport at Devanhalli in Bangalore has come up. The land is located at Navratna Agrahara Village. The Company had entered into a Development Agreement with a developer for development of property, subject to the company receiving all necessary approvals. Upon receipt of all approvals, the Company will recommence discussion with the developer. HVL intends to monetise this assets in an optimum manner.

PERFORMANCE REVIEW:

Discussion on Financial results with respect to Operational Performance

The consolidated financial highlights for the year 2009-10 are produced below. The following are relevant financial highlights with respect to the operational performance of the company.

(Rs. in million)

For the Year	2009-10	2008-09
Operating, Interest & Dividend Income	3,441.43	3,225.35
Expenses	2,928.06	2,495.97
Operating Profit (PBDITA)	513.37	729.38
Financial Expenses	16.70	39.97
Depreciation/Amortization	235.21	237.00
Operating Profit after Interest and Depreciation	261.46	452.41
Profit on Sale of long term Investments (net)	249.44	65.24
Other Income	326.24	169.39
Profit before tax and exceptional items	837.14	687.04
Provision for tax (incl. deferred tax)	117.57	129.80
Profit after tax	719.57	557.24
EPS Basic (Rupees)	29.47	22.77
EPS Diluted (Rupees)	29.47	22.77

Segmental Review:

The Consolidated business segment wise analysis for the year ended 31st March 2010 is as under:

(Rs. in million)

	Real Estate	Media & Communication	Treasury	Other/ (Unallocated)
Segment Revenues	–	3,364.74	643.36	9.01
Segment Results (PBT)	(11.51)	262.21	585.35	1.09
Capital Employed	102.21	2,918.33	4,456.59	(115.16)

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 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. The current ESOP programme stands completed. Going forward new plans will be evaluated and drawn up.

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.

ESOP Disclosure

Hinduja TMT Limited Employee Stock Option Plan 2001*

During the Year 2005-06, your Company had implemented the Hinduja TMT Limited Employee Stock Option Plan 2001 (ESOP-2001) in terms of the approval accorded by the members at their Meeting held on 20th February 2001.

The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited have vide their letters dated 8th February, 2006 and 1st March 2006 respectively granted their in-principle approval for the issue and allotment of 8,18,077 Equity Shares, which are likely to arise out of exercise of options as and when exercised under the HTMT ESOP -2001, in terms of Clause 22.1(b) of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 hereinafter called "SEBI (ESOP) Guidelines".

During the year ended 31st March 2006, the Compensation Committee have granted the following options, each option giving the optionee the right to be allotted one fully paid-up equity shares of the Company upon exercise, post vesting.

Grant Date	Price	No. Of Options
23/11/05	Rs. 363.90	673,500
31/01/06	Rs. 362.70	88,320

During the financial year ended on 31st March 2007, the Board has granted the following options, each option giving the optionee the right to be allotted one fully paid-up equity shares of the Company upon exercise, post vesting.

Grant Date	Price	No. Of Options
26/04/06	520.60	12,000

Vesting Period

- 1/3rd of the options will vest on the first anniversary of the grant date.
- A further 1/3rd of the options will vest on the second anniversary of the grant date.
- The balance 1/3rd of the options will vest on the third anniversary of the grant date.

Time Limit of Exercise of option. An optionee may exercise his/her vested options, in part or in whole at any time after the earliest applicable vesting date and prior to the completion of the 48th month from the grant date.

During the financial year ended on 31st March 2010, no shares were allotted as per the Scheme.

As required under clause 12 of the SEBI (ESOP) Guidelines, 1999 your Directors disclose the following details of the Scheme

(a) Options granted	773,820
(b) The pricing formula	Latest available closing price prior to the date of the meeting of the Compensation Committee / Board of Directors, in which options are granted, on the Stock Exchange where there is higher trading volume on the said date.
(c) Options vested	267,240
(d) Options exercised	189,619
(e) The total number of shares arising as a result of exercise of option	189,619
(f) Options lapsed	5,84,201 (Refer note)
(g) Variation of terms of options	Nil
(h) Money realised by exercise of options	Rs. 689.54 Lacs
(i) Total number of options in force	NIL as on 31.03.2010
(j) Employee-wise details of options granted to i. Senior managerial personnel	(see below)

Sr No	Senior Managerial personnel	Options granted
1	Mr. K. Thiagarajan*	69,000
2	Mr. Partha De Sarkar#	27,000
3	Mr. M. S. Varadan#	27,000
4	Mr. Pushkar Misra#	27,000
5	Mr. Bryce Hayes#	18,000
6	Mr. Divakar Kaza#	18,000
7	Mr. Yagnesh Sanghrajka#	18,000
8	Mr. Somnath Majumdar#	18,000
9	Mr. Narsimnha Murthy#	18,000
10	Mr. Ken Gary#	18,000
11	Mr. V. Prasanna Kumar#	18,000
12	Mr. Ravi Mansukhani	15,000

* Resigned w.e.f 30th April 2006- hence lapsed during 2006-07
# Refer Note

	ii. Any other employee who receives a grant in any one year of option amounting to 5 percent or more of option granted during that year	None
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1 percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20	Rs. 19.01
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options,the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profitsand on EPS of the company shall also be disclosed	The compensation cost of Stock options granted to employees are accounted using the intrinsic value method. Intrinsic Value is the amount by which the quoted market price of the underlying shares exceeds the exercise price of the option. In view of exercise price being equal to closing price on the day prior to the date of the grants, the intrinsic value of the option is Rs. Nil. Consequently the accounting value of the option (Compensation cost) is also Rs. Nil. Had the Comapny adopted fair value method in respect of options granted, the employee compensation cost would have been lower by 2,448 (000's) (Previous year - higher by Rs. 5,606 (000's)). Profit After Tax would have been higher by Rs. 2,448 (000's) (Previous year lower by Rs. 5,606 (000's)) and basic and diluted earning per share would have been higher by Rs. 0.12 (Prerious year lower by Rs. 0.27)
(m)	Weighted average exercise prices and weighted average fair value of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date:	1) Weighted average exercise prices: 358.12 2) Fair value of options for grant date-23-11-05 Rs 130.39 3) Fair value of options for grant date-31-01-06 Rs 125.64 4) Fair value of options for grant date-26-04-06 Rs 211.77
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	The fair values of the options have been calculated using the Black-Scholes Option Pricing Formula.

Particulars	**Grant -23/11/05**	**Grant -31/01/06**	**Grant -26/04/06**
i. Risk free interest rate	6.45%	6.83%	6.78%
ii. Expected life	3 years	3 years	3 years
iii. Expected volatility	57%	54.11%	54.05%
iv. Expected dividends	3.82%	3.82%	2.66%
v. The price of the underlying share in market at the time of option grant.	363.90	362.70	520.60

Disclosure as required by National Stock Exchange of India Limited while granting in- principle approval for the issue and allotment of 8,18,077 Equity Shares, in terms of Clause 22.1(b) of SEBI (ESOP) Guidelines.

(o)	Identification of the class of employees entitled to participate under ESOP 2001 Appraisal process for determining the eligibility of employees under the plan	Generally permanent employees of the Company not below the grade of M2 who have completed at least one year of service with the Company as on 1st November 2005 as well as new appointee with high potential at Senior Levels were considered. Being the first year of implementation, of the ESOP Plan, it was considered desirable to broad- base the participation and accordingly, grants were made on the basis of the above criteria, as well as seniority, future potential to contribute to the organization and satisfactory past performance appraisal.
	The method, which the Company shall use to value its options-whether fair value or intrinsic value.	Intrinsic value method

Note: Pursuant to Scheme of Arrangement and Reconstruction for demerger of IT/ITES as approved by the shareholders of Hinduja Ventures Limited at their meeting held on 4th December 2006 and subsequently sanctioned by Honorable High Court of Judicature at Bombay and made effective on 7th March 2007, 308,860 Employee Stock Options have been transferred to HTMT Technologies Limited as Compensatory Employees Stock Option Plan, 2006, of Hinduja Global Solutions Limited under the demerger scheme.

For and on behalf of the Board

Place : Mumbai
Date : 11th June, 2010

A. P. Hinduja
Executive Chairman

* The Exercise period for the ESOPs has lapsed during the year and hence the scheme stands completed.

Balance Sheet
as at 31st March, 2010

	Schedule		As at 31.03.2010		(Rs. 000's) As at 31.03.2009
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	**205,555**		205,555	
Reserves and Surplus	B	**5,946,863**		5,795,702	
			6,152,418		6,001,257
Loan Funds					
Secured Loan	C		**–**		143,030
TOTAL			**6,152,418**		6,144,287
APPLICATION OF FUNDS					
Fixed Assets	D				
Gross Block		**16,293**		16,154	
Less: Accumulated Depreciation		**6,697**		5,264	
Net Block		**9,596**		10,890	
Capital Work-in-Progress		**214,939**		1,226	
			224,535		12,116
Investments	E		**3,156,277**		1,705,749
Deferred Tax Asset (Net)			**39,827**		2,251
(Refer Notes 1(h)(ii) and 4 on Schedule 'U')					
Current Assets, Loans and Advances					
Stock-in-Trade	F	**217,104**		109,311	
Sundry Debtors	G	**44,826**		22,350	
Cash and Bank Balances	H	**103,658**		1,715,861	
Other Current Assets	I	**34,377**		86,697	
Loans and Advances	J	**2,667,802**		2,751,871	
		3,067,767		4,686,090	
Less: Current Liabilities and Provisions					
Current Liabilities	K	**88,545**		12,685	
Provisions	L	**247,554**		250,064	
		336,099		262,749	
Net Current Assets			**2,731,668**		4,423,341
Miscellaneous Expenditure					
(to the extent not written off or adjusted)	M		**111**		830
TOTAL			**6,152,418**		6,144,287
Notes to Financial Statements	**U**				

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Profit and Loss Account
for the year ended 31st March, 2010

(Rs. 000's)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Operating Income	N	**83,267**	32,435
Interest and Dividend Income	O	**462,949**	476,771
Gain on Sale of Long Term Investments (Net)		**249,440**	64,275
Other Income	P	**9,244**	13,199
TOTAL		**804,900**	586,680
EXPENDITURE			
Direct Costs	Q	**250,421**	–
Employee Costs	R	**23,323**	26,701
Administrative and Other Expenses	S	**57,218**	46,383
Financial Expenses	T	**9,779**	32,583
Depreciation		**1,616**	1,793
TOTAL		**342,357**	107,460
Profit Before Tax		**462,543**	479,220
Less: Tax Expense (Refer Notes 1(h) and 4 on Schedule 'U')			
- Current Tax [including for earlier years Rs. 763 (Previous Year- Rs. 2,223)]		**109,263**	148,800
- Deferred Tax		**(37,576)**	43
- Fringe Benefit Tax		**–**	300
Profit After Tax		**390,856**	330,077
Add: Balance Brought Forward from Previous Year		**3,666,178**	3,609,598
PROFIT AVAILABLE FOR APPROPRIATION		**4,057,034**	3,939,675
Dividend			
- Final (Proposed)		**205,555**	205,555
- Dividend Tax		**34,140**	34,934
Transfer to General Reserve		**39,086**	33,008
Balance carried to Balance Sheet		**3,778,253**	3,666,178
Earnings Per Share (Face Value of an Equity Share Rs. 10)			
- Basic and Diluted (Rupees)		**19.01**	16.06
(Refer Note 3 on Schedule 'U')			
Notes to Financial Statements	U		

The Schedules referred to above form an integral part of the Profit and Loss Accounts.
This is the Profit and Loss Accounts referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Cash Flow Statement
for the year ended 31st March, 2010

		2009-2010		(Rs. 000's) 2008-2009
A Cash Flow from Operating Activities :				
Profit Before Tax		**462,543**		479,220
Adjustments for :				
Share issue and deferred revenue expenses written off	**719**		774	
Depreciation	**1,616**		1,793	
Liabilities/ Provisions no longer required written-back	–		(3,500)	
Amortisation of Film Rights	**190,000**		–	
Loss on Sale of Fixed Assets	–		215	
Fixed Assets written-off	**78**		131	
Sundry debit balances written-off	**125**		–	
Interest on Income Tax Refunds	**(9,014)**		(8,751)	
Gain on Sale of Long Term Investments	**(249,440)**		(64,275)	
Interest Expenses	**9,779**		32,583	
Loss on Foreign Exchange Fluctuation (Net)	**1,706**		–	
		(54,431)		(41,030)
Operating Profit before working capital changes		**408,112**		438,190
Adjustments for changes in working capital:				
Trade Receivables	**(24,182)**		(17,353)	
Stock-in-Trade	**(297,793)**		581	
Trade Payables	**14,627**		(3,860)	
Other Receivables	**143,672**		(1,087,929)	
		(163,676)		(1,108,561)
Operating Profit after working capital changes		**244,436**		(670,371)
Direct Taxes Paid		**(107,717)**		(141,714)
Net Cash from/ (used in) Operating Activities (A)		**136,719**		(812,085)
B Cash Flow from Investing Activities :				
Purchase of Fixed Assets	**(154,557)**		(1,341)	
Sale of Fixed Assets	–		151	
Investments Made - Subsidiaries/ Associates	**(827,341)**		(10,454)	
Investments Made - Others	**(348,364)**		(242,420)	
Investments Sold - Subsidiaries/ Associates	–		70,560	
Investments Sold - Others	**737,852**		807,202	
Net Cash from/ (used in) Investing Activities (B)		**(592,410)**		623,698

Cash Flow Statement
for the year ended 31st March, 2010

			2009-2010		2008-2009
C	**Cash Flow from Financing Activities :**				
	Borrowings/ (Repayment) of Secured Loan	**(143,030)**		(603,361)	
	Interest Paid	**(9,779)**		(32,583)	
	Dividend Paid (including tax thereon)	**(240,468)**		(240,654)	
	Net Cash from/ (used in) Financing Activities (C)		**(393,277)**		(876,598)
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		**(848,968)**		(1,064,985)
	Cash and Cash Equivalents as at the beginning of the year		**1,715,861**		2,780,846
	Cash and Cash Equivalents as at the end of the year		**866,893**		1,715,861
	Cash and Cash Equivalents comprise :				
	Cash on Hand		**21**		25
	Cheques on Hand		**60**		75
	Bank Balances with Scheduled Banks in :				
	- Current Accounts		**14,711**		516
	- Deposit Accounts		**81,816**		1,708,216
	- Unclaimed Dividend Accounts		**7,050**		7,029
	Short Term Investments		**763,235**		—
			866,893		1,715,861

(Rs. 000's)

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Previous Year's figures have been regrouped/ rearranged wherever considered necessary.
3. Short Term Investments comprises investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

This is the Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Schedules

forming part of the Balance Sheet as at 31st March, 2010

		As at 31.03.2010		As at 31.03.2009
				(Rs. 000's)
SCHEDULE 'A'				
Share Capital				
Authorised				
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs. 10 each		**700,000**		700,000
		700,000		700,000
Issued, Subscribed and Paid-up :				
20,555,503 (Previous Year - 20,555,503) Equity Shares of Rs. 10 each, fully paid-up (Refer Notes 1 and 2 below)		**205,555**		205,555
		205,555		205,555

Notes :

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

   (Refer Note 17 on Schedule 'U')

		As at 31.03.2010		As at 31.03.2009
SCHEDULE 'B'				
Reserves and Surplus				
Securities Premium				
As per last Balance Sheet		**67,058**		67,058
General Reserve				
As per last Balance Sheet	**2,054,582**		2,021,574	
Add : Transferred from Statutory Reserve Fund	**7,884**		–	
Add : Transferred from Profit and Loss Account	**39,086**		33,008	
		2,101,552		2,054,582
Statutory Reserve Fund				
As per last Balance Sheet	**7,884**		7,884	
Less: Transfer to General Reserve	**7,884**		–	
		–		7,884
Profit and Loss Account		**3,778,253**		3,666,178
		5,946,863		5,795,702
SCHEDULE 'C'				
Secured Loan				
Bank Overdraft [Secured by way of pledge of fixed deposits] [Due within a year Rs. Nil (Previous Year - Rs. 143,030)]		**–**		143,030
		–		143,030

SCHEDULE 'D'

Fixed Assets

(Refer Note 1(b) on Schedule 'U')

(Rs. 000's)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions during the year	Deletions during the year	As at 31.03.2010	Upto 31.03.2009	For the Year	On Deletions during the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Office Equipments	566	159	88	**637**	209	28	18	219	418	357
Computers	4,049	241	96	**4,194**	3,079	509	93	3,495	699	970
Furniture and Fixtures	228	—	77	**151**	216	4	72	148	3	12
Vehicles	11,311	—	—	**11,311**	1,760	1,075	—	2,835	8,476	9,551
TOTAL	**16,154**	**400**	**261**	**16,293**	**5,264**	**1,616**	**183**	**6,697**	**9,596**	**10,890**
Previous Year	24,467	925	9,238	16,154	12,212	1,793	8,741	5,264		
Capital Work-in-Progress [includes capital advances aggregating Rs. 7,260 (000's) (Previous Year - Rs. 416 (000's)]									214,939	1,226
									224,535	**12,116**

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31.03.2010	(Rs. 000's) As at 31.03.2009
SCHEDULE 'E'		
Investments - (At Cost)		
(As per Annexure - 'A')	3,185,711	1,735,183
Less: Provision for Diminution in Value of Investments	29,434	29,434
	3,156,277	1,705,749
SCHEDULE 'F'		
Stock-in-Trade		
Shares (As per Annexure - 'B')	731	2,938
Real Estate (pending registration in the name of the Company)	106,373	106,373
Unamortised Cost of Film Rights (Refer Note 1(c) on Schedule 'U')	110,000	–
	217,104	109,311
SCHEDULE 'G'		
Sundry Debtors		
(Unsecured and Considered Good, unless otherwise stated)		
Other Debts (less than six months)*	44,826	22,350
	44,826	22,350
*includes due from a subsidiary company Rs. Nil (Previous Year - Rs. 21,960)		
SCHEDULE 'H'		
Cash and Bank Balances		
Cash on Hand	21	25
Cheques on Hand	60	75
Balances with Scheduled Banks in :		
- Current Accounts	14,711	516
- Deposit Accounts #	81,816	1,708,216
- Unclaimed Dividend Accounts	7,050	7,029
	103,658	1,715,861
# includes Rs. 11,816 (Previous Year - Rs. 1,601,481) under lien with Banks towards Bank Guarantee, Letters of Credit and Term Loan/ Cash Credit Facility issued by them.		
SCHEDULE 'I'		
Other Current Assets		
Interest Accrued on		
- Inter-Corporate Deposits and Others		
- Secured (Refer Note 19 on Schedule 'U')	12,541	32,539
- Unsecured	21,836	54,158
[Includes due from a subsidiary company - Rs. 14,169 (Previous Year - Rs. 10,215)]		
	34,377	86,697

(Rs. 000's)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'J'		
Loans and Advances		
(Unsecured and Considered Good, unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for value to be received	4,446	10,250
Initial Margin - Equity index/ stock futures [Refer Notes (1)(e)(v) and 10 on Schedule 'U']	–	13,173
Advance Tax and Tax Deducted at Source (Net of Provisions) [Refer footnote 1 of Note 2(b) on Schedule 'U']	54,356	46,948
Inter-Corporate Deposits to:		
- Subsidiary Company (Refer Note 7 on Schedule 'U')	737,000	1,376,500
- Others		
- Secured (Refer Note 19 on Schedule 'U')	950,000	1,140,000
- Unsecured	922,000	165,000
	2,667,802	2,751,871
SCHEDULE 'K'		
Current Liabilities		
Sundry Creditors (Refer Note 14 on Schedule 'U')		
- Due to micro and small enterprises	28	–
- Due to creditors other than micro and small enterprises	79,045	3,205
Advance Received from Customer	250	–
Unclaimed Dividend (Refer Note 15 on Schedule 'U')	7,050	7,029
Other Liabilities	2,172	2,451
	88,545	12,685

*There are no amounts as at year-end which are due to be credited to Investor Education and Protection Fund.

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'L'		
Provisions		
Gratuity (Refer Notes 1 (g) and 16 on Schedule 'U')	3,421	2,678
Leave Encashment	817	3,191
Wealth Tax	3,602	3,627
Fringe Benefit Tax (Net of Advance Tax)	19	79
Dividend	205,555	205,555
Dividend Tax	34,140	34,934
	247,554	250,064
SCHEDULE 'M'		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	111	830
	111	830

Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2010

(Rs. 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'N'		
Operating Income		
Income from Real Estate (Net)	–	10,000
Income/ (Loss) from trading of securities and equity index/ stock futures	6,098	(2,165)
(Refer Note 9(a) on Schedule 'U')		
Sub-broking Income	148	–
[Tax Deducted at Source Rs. 15 (Previous Year - Rs. Nil)]		
Income from sale/ distribution of film rights		
(Refer Note 1(e)(iv) on Schedule 'U')	77,021	–
Consultancy Fees	–	22,500
[Tax Deducted at Source Rs. Nil (Previous Year - Rs. 2,812)]		
Commission Income	–	2,100
[Tax Deducted at Source Rs. Nil (Previous Year - Rs. 267)]		
	83,267	32,435
SCHEDULE 'O'		
Interest and Dividend Income		
Interest [Tax Deducted at Source Rs. 60,592		
(Previous Year - Rs. 103,702)]		
- On Inter-Corporate Deposits	345,015	246,099
- On Deposits with Bank	101,729	210,232
Dividend	16,205	20,440
	462,949	476,771
SCHEDULE 'P'		
Other Income		
Liabilities/ Provisions no longer required written-back	–	3,500
Interest on Income Tax Refund	9,014	8,751
Miscellaneous Income	230	948
[Tax Deducted at Source Rs. 27 (Previous Year - Rs. 57)]		
	9,244	13,199
SCHEDULE 'Q'		
Direct Costs		
Advertisement, Publicity and Distribution Costs	53,280	–
Loss on Foreign Exchange Fluctuation (Net)	1,864	–
Amortisation of Film Rights	190,000	–
Other Expenses	5,277	–
	250,421	–

Schedules
forming part of the Profit and Loss Account for the year ended 31st March, 2010

(Rs. 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'R'		
Employee Costs		
Salary and Other Benefits	**20,012**	23,314
Gratuity	**776**	870
Contribution to Provident and Other Funds	**2,451**	2,469
Staff Welfare Expenses	**84**	48
	23,323	26,701
SCHEDULE 'S'		
Administrative and Other Expenses		
Rent	**4,384**	4,384
Repairs and Maintenance - Others	**4,038**	3,811
Insurance	**684**	592
Rates, Taxes and Duties	**6,073**	7,169
Advertisement and Business Promotion	**1,344**	1,059
Communication	**590**	636
Travelling, Conveyance and Car Hire Charges	**846**	1,431
Legal and Professional	**18,331**	19,589
Motor Car Expenses	**709**	577
Auditors' Remuneration		
- As Auditors	**2,300**	2,300
- For Other Matters	**90**	75
- Out-of-Pocket Expenses	**51**	50
Directors' Sitting Fees	**960**	1,000
Share issue and deferred revenue expenses written-off	**719**	774
Donation	**14,500**	—
Loss on Sale of Fixed Assets	—	215
Fixed Assets written-off	**78**	131
Sundry debit balances written-off	**125**	—
Miscellaneous Expenses	**1,396**	2,590
	57,218	46,383
SCHEDULE 'T'		
Financial Expenses		
Interest on:		
- Cash Credit/ Overdraft and Other Facilities	**9,779**	32,583
	9,779	32,583

Schedules

forming part of the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year then ended

SCHEDULE 'U'

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

a) Accounting Convention

These financial statements have been prepared on accrual basis and in accordance with generally accepted accounting principles in India, provisions of The Companies Act, 1956 of India ('the Act') and Accounting Standards referred in Section 211 (3C) of the Act.

b) Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.

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

Impairment of Assets

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

c) Valuation of Stock-in-Trade

i) Shares have been valued at cost or market value whichever is lower. The cost is computed by the "First In First Out" Method.

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 alongwith first theatrical release, the cost of such rights is carried forward to be written-off on commercial exploitation. Balance 30% will be amortised over the balance license period or based on management estimate of future revenue potential, as the case may be.

d) Investments

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

Current investments are valued at lower of cost or market value/ net asset value.

e) 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 accounted on right to receipt basis.

iii) Profits/ Losses from share trading/ 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 sale of such rights and income from other rights is recognised based on terms of the agreements with respective parties.

v) Equity Index/ Stock – Futures

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

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

f) Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transaction settled during the year are recognised in the Profit and Loss Account for the year. Monetary assets and liabilities in foreign currency are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

g) Retirement Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Company has a Defined Contribution Plan namely Provident Fund.

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

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

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

Defined Benefit Plan

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

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

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

ii) Other Employee Benefits:

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

h) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961, of India and legal advice from time to time.

ii) 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.

i) Accounting for Employee Stock Options

Stock Options granted to employees under the Employee Stock Option Schemes are accounted as per the accounting treatment prescribed in the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

j) Miscellaneous Expenditure

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

k) Leases

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

l) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. When there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' is made.

2. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts (net of capital advances aggregating Rs. 7,260 (000's) [Previous Year Rs. 416 (000's)] remaining to be executed on capital account and not provided for is Rs. 3,880 (000's) [Previous Year - Rs. 520 (000's)].

b) Contingent liabilities in respect of:

(Rs. 000's)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
i.	Counter Guarantee provided by the Company for guarantee given by IndusInd Bank Limited to IndusInd Media and Communications Limited, a subsidiary company.	10,460	10,000
ii.	Income Tax matters against which the Company has filed appeals/ objections. (Refer Note 1 below).	158,359	166,355
iii.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated November 25, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	86,712	86,712
iv.	Other Claims against the Company not acknowledged as debts (to the extent ascertainable).	—	158

Notes:

1. Net of amount of Rs. 1,220,843 (000's) [Previous Year – Rs. 308,164 (000's)] being disputed income tax liabilities pertaining to IT/ ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES business sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In respect of the aforesaid disputed dues, an amount of Rs. 194,712 (000's) [Previous Year – Rs. 72,768 (000's)] has been deposited by the Company with income tax authorities under protest. The Company has received Rs. 135,000 (000's) [Previous Year – Rs. 50,000 (000's)] upto March 31, 2010 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). Additionally, an objection in respect of income tax matters pertaining to IT/ ITES business has been filed with Dispute Resolution Panel involving an amount of Rs. 183,438 (000's) [Previous Year – Rs. Nil], which is pending disposal.
2. With respect to the above, the Company does not expect any outflow.

3. Earnings Per Equity Share (Basic and Diluted)

	2009-10	2009-10	2008-09
Profit After Tax (Rs. 000's)		390,856	330,077
Weighted average number of equity shares for Earnings Per Share Computation			
A. For Basic Earnings Per Share (Nos.)		20,555,503	20,555,503
B. For Diluted Earnings Per Share (Nos.)			
No. of shares for Basic EPS as per A	20,555,503		20,555,503
Add: Weighted Average outstanding employee stock option deemed to be issued for no consideration	Nil		Nil
No. of shares for Diluted Earnings Per Share		20,555,503	20,555,503
Nominal Value of an equity share (Rs.)		10.00	10.00
Basic and Diluted Earnings Per Share (Rs.)		19.01	16.06

4. Statement of Deferred Tax Asset/ (Liability)

(Rs. 000's)

	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability:		
Depreciation on Fixed Assets	540	589
Unamortised Preliminary/ Miscellaneous Expenditure	39	282
Total Deferred Tax Liability	**579**	**871**
Deferred Tax Asset:		
Liabilities to be deducted for tax purposes when paid	1,441	1,995
Unamortised cost of Film Rights	38,402	—
Demerger Expenses	563	1,127
Total Deferred Tax Asset	**40,406**	**3,122**
Net Deferred Tax Asset /(Liability)	**39,827**	**2,251**

5. Segment Reporting

Primary Segment

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

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

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

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

i. deployment of surplus funds and

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

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

Secondary Segment

The Company has identified its secondary segment as geographical segment, based on the location of the customers. Customers are classified as either domestic or overseas.

Business Segments

(Rs. 000's)

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1.	Segment Revenues	152,529	130,478	–	10,000	643,357	437,451	795,886	577,929
	Add: Other Income				–		–	9,014	8,751
								804,900	**586,680**
2.	Segment Results	(112,384)	116,695	(11,513)	(8,720)	585,352	370,449	461,455	478,424
	Add: Other Income							9,014	8,751
	Less: Unallocated Corporate Expenses							(7,926)	(7,955)
	Total Profit Before Tax							**462,543**	**479,220**
3.	Capital Employed								
	Segment Assets	1,798,848	2,184,424	106,389	106,515	4,461,835	4,058,225	6,367,072	6,349,164
	Add: Unallocated Corporate Assets	–	–	–	–	–	–	121,445	57,872
	Total Assets							**6,488,517**	**6,407,036**
	Segment Liabilities	78,736	2,185	4,182	6,269	2,348	145,470	85,266	153,924
	Add: Unallocated Corporate Liabilities							250,833	251,855
	Total Liabilities							**336,099**	**405,779**
	Segment Capital Employed	1,720,112	2,182,239	102,207	100,246	4,459,487	3,912,755	6,281,806	6,195,240
	Add: Unallocated Capital Employed							(129,388)	(193,983)
	Total Capital Employed							**6,152,418**	**6,001,257**
4.	Capital Expenditure	213,505	810	–	–	608	1,341	214,113	2,151
5.	Depreciation/ Amortisation	–	–	–	–	1,616	1,793	1,616	1,793
6.	Significant Non Cash Expenditure	192,424	774	–	–	204	346	192,628	1,120
	Add: Unallocated Non Cash Expenditure							–	–
								192,628	**1,120**

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

Geographical Segments

(Rs. 000's)

Particulars	India		Outside India		Total	
	2009-10	**2008-09**	**2009-10**	**2008-09**	**2009-10**	**2008-09**
Segment Revenue	750,902	586,680	53,998	–	804,900	586,680
Carrying Amount of Segment Assets	6,443,717	6,407,036	44,800	–	6,488,517	6,407,036
Capital Expenditure	214,113	2,151	–	–	214,113	2,151

Note : There are no Inter Segment Revenues.

Schedules

forming part of the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year then ended

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

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Subsidiaries of Hinduja Ventures Limited (includes indirect subsidiaries)

1. IndusInd Media and Communications Limited
2. Grant Investrade Limited
3. HTMT Telecom Private Limited
4. IDL Speciality Chemicals Limited (effective March 29, 2010)
5. USN Networks Private Limited
6. Gold Star Noida Network Private Limited (effective April 1, 2008)
7. Seven Star Information Technology Private Limited (effective April 1, 2008)
8. Bhima Riddhi Infotainment Private Limited (effective April 1, 2008)
9. United Mysore Network Private Limited (effective October 1, 2008)
10. Apna Incable Broadband Services Private Limited (effective January 19, 2009)
11. Sangli Media Services Private Limited (effective July 2, 2009)

III. Associates

1. United Mysore Network Private Limited (upto September 30, 2008)
2. Planet E-Shop Holdings India Limited
3. IN Entertainment (India) Limited (formerly Shop24Seven India Limited)

IV. Joint Venture

1. RMD Baroda Network Private Limited (effective April 1, 2009)

V. Key Management Personnel

Mr. Dilip Panjwani, Manager and Company Secretary

VI. Enterprises where common control exists

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

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in V above	Parties referred to in VI above	Total
Interest Income						
IndusInd Media and Communications Limited	– [–]	75,494 [40,177]	– [–]	– [–]	– [–]	75,494 [40,177]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	119,232 [127,560]	119,232 [127,560]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	14,713 [11,404]	14,713 [11,404]
IN Entertainment (India) Limited	– [–]	– [–]	29,774 [–]	– [–]	– [–]	29,774 [–]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [7,056]	– [7,056]
Total	**–** [–]	**75,494** [40,177]	**29,774** [–]	**–** [–]	**133,945** [146,020]	**239,213** [186,197]
Income from Real Estate						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [10,000]	– [10,000]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [10,000]	**–** [10,000]
Consultancy Fees						
IndusInd Media and Communications Limited	– [–]	– [22,500]	– [–]	– [–]	– [–]	– [22,500]
Total	**–** [–]	**–** [22,500]	**–** [–]	**–** [–]	**–** [–]	**–** [22,500]
Miscellaneous Income						
IndusInd Media and Communications Limited	– [–]	14 [388]	– [–]	– [–]	– [–]	14 [388]
IN Entertainment (India) Limited	– [–]	– [–]	156 [–]	– [–]	– [–]	156 [–]
Grant Investrade Limited	– [–]	60 [60]	– [–]	– [–]	– [–]	60 [60]
Total	**–** [–]	**74** [448]	**156** [–]	**–** [–]	**–** [–]	**230** [448]
Reimbursement of Expenses from Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	25 [763]	25 [763]
HTMT Telecom Private Limited	– [–]	110 [5]	– [–]	– [–]	– [–]	110 [5]
Total	**–** [–]	**110** [5]	**–** [–]	**–** [–]	**25** [763]	**135** [768]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	13 [77]	13 [77]
IN Entertainment (India) Limited	– [–]	– [–]	13,638 [–]	– [–]	– [–]	13,638 [–]
IndusInd Media and Communications Limited	– [–]	195 [32]	– [–]	– [–]	– [–]	195 [32]
Total	**–** [–]	**195** [32]	**13,638** [–]	**–** [–]	**13** [77]	**13,846** [109]

Schedules

forming part of the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year then ended

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in V above	Parties referred to in VI above	Total
Acquisition of Film Rights (including VAT)						
IN Entertainment (India) Limited	– [–]	– [–]	304,000 [–]	– [–]	– [–]	304,000 [–]
Total	**–** [–]	**–** [–]	**304,000** [–]	**–** [–]	**–** [–]	**304,000** [–]
Agency Fees						
IN Entertainment (India) Limited	– [–]	– [–]	1,000 [–]	– [–]	– [–]	1,000 [–]
Total	**–** [–]	**–** [–]	**1,000** [–]	**–** [–]	**–** [–]	**1,000** [–]
Professional Fees						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	10,600 [11,425]	10,600 [11,425]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**10,600** [11,425]	**10,600** [11,425]
Rent/Service Charges						
IndusInd Media and Communications Limited	– [–]	784 [784]	– [–]	– [–]	– [–]	784 [784]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	3,600 [3,600]	3,600 [3,600]
Total	**–** [–]	**784** [784]	**–** [–]	**–** [–]	**3,600** [3,600]	**4,384** [4,384]
Sundry Debit Balances Written-off						
Hindua Reality Ventures Limited	– [–]	– [–]	– [–]	– [–]	125 [–]	125 [–]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**125** [–]	**125** [–]
Sale of Fixed Assets						
IndusInd Media and Communications Limited	– [–]	– [151]	– [–]	– [–]	– [–]	– [151]
Total	**–** [–]	**–** [151]	**–** [–]	**–** [–]	**–** [–]	**–** [151]
Sale of Investments						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [3,060]	– [3,060]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [3,060]	**–** [3,060]
Purchase of Investments						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [10,350]	– [10,350]
HTMT Telecom Private Limited	– [–]	2,341 [–]	– [–]	– [–]	– [–]	2,341 [–]
Total	**–** [–]	**2,341** [–]	**–** [–]	**–** [–]	**–** [10,350]	**2,341** [10,350]

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in V above	Parties referred to in VI above	Total
Managerial Remuneration						
Mr. Ashok P. Hinduja	11,484 [13,733]	– [–]	– [–]	– [–]	– [–]	11,484 [13,733]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	3,813 [3,612]	– [–]	3,813 [3,612]
Total	**11,484** [13,733]	**–** [–]	**–** [–]	**3,813** [3,612]	**–** [–]	**15,297** [17,345]
Counter Guarantees provided and terminated during the year						
IndusInd Media and Communications Limited	– [–]	15,000 [121,000]	– [–]	– [–]	– [–]	15,000 [121,000]
IN Entertainment (India) Limited	– [–]	– [–]	40,000 [–]	– [–]	– [–]	40,000 [–]
Total	**–** [–]	**15,000** [121,000]	**40,000** [–]	**–** [–]	**–** [–]	**55,000** [121,000]
Inter-Corporate Deposits/ Loans Given						
IndusInd Media and Communications Limited	– [–]	961,000 [1,627,500]	– [–]	– [–]	– [–]	961,000 [1,627,500]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	882,500 [777,500]	882,500 [777,500]
HTMT Telecom Private Limited	– [–]	554,000 [–]	– [–]	– [–]	– [–]	554,000 [–]
IN Entertainment (India) Limited	– [–]	– [–]	520,900 [–]	– [–]	– [–]	520,900 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	25,000 [55,000]	25,000 [55,000]
Total	**–** [–]	**1,515,000** [1,627,500]	**520,900** [–]	**–** [–]	**907,500** [832,500]	**2,943,400** [2,460,000]
Subscription to Preference Share Capital						
HTMT Telecom Private Limited	– [–]	820,000 [–]	– [–]	– [–]	– [–]	820,000 [–]
Total	**–** [–]	**820,000** [–]	**–** [–]	**–** [–]	**–** [–]	**820,000** [–]
Inter-Corporate Deposits Receivable as at the Year-end						
IndusInd Media and Communications Limited.	– [–]	737,000 [1,376,500]	– [–]	– [–]	– [–]	737,000 [1,376,500]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	900,000 [910,000]	900,000 [910,000]
IN Entertainment (India) Limited	– [–]	– [–]	73,500 [–]	– [–]	– [–]	73,500 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	128,500 [125,000]	128,500 [125,000]
Total	**–** [–]	**737,000** [1,376,500]	**73,500** [–]	**–** [–]	**1,028,500** [1,035,000]	**1,839,000** [2,411,500]

Schedules

forming part of the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year then ended

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in V above	Parties referred to in VI above	Total
Receivable Net of Payable as at the Year-end						
IndusInd Media and Communications Limited	– [–]	14,031 [32,130]	– [–]	– [–]	– [–]	14,031 [32,130]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [25,929]	– [25,929]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	– [3,005]	– [3,005]
IN Entertainment (India) Limited	– [–]	– [–]	– [1,580]	– [–]	– [–]	– [1,580]
Total	**–** [–]	**14,031** [32,130]	**–** [1,580]	**–** [–]	**–** [28,934]	**14,031** [62,644]
Payable Net of Receivable as at the Year-end						
Hinduja Global Solutions Limited (Refer footnote 1 on Note 2 (b) in Schedule 'U')	– [–]	– [–]	– [–]	– [–]	135,000 [49,331]	135,000 [49,331]
IN Entertainment (India) Limited	– [–]	– [–]	3,693 [–]	– [–]	– [–]	3,693 [–]
Total	**–** [–]	**–** [–]	**3,693** [–]	**–** [–]	**135,000** [49,331]	**138,693** [49,331]
Counter Guarantees provided on behalf of and outstanding at the Year-end						
IndusInd Media and Communications Limited	– [–]	10,460 [10,000]	– [–]	– [–]	– [–]	10,460 [10,000]
Total	**–** [–]	**10,460** [10,000]	**–** [–]	**–** [–]	**–** [–]	**10,460** [10,000]
Investments as at the Year-end						
HTMT Telecom Private Limited	– [–]	920,454 [100,454]	– [–]	– [–]	– [–]	920,454 [100,454]
IndusInd Media and Communications Limited	– [–]	650,886 [650,886]	– [–]	– [–]	– [–]	650,886 [650,886]
Grant Investrade Limited	– [–]	23,531 [21,190]	– [–]	– [–]	– [–]	23,531 [21,190]
IDL Speciality Chemicals Limited	– [–]	5,000 [–]	– [–]	– [–]	– [–]	5,000 [–]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	253,830 [–]	253,830 [–]
Total	**–** [–]	**1,599,871** [772,530]	**–** [–]	**–** [–]	**253,830** [–]	**1,853,701** [772,530]

Notes :

1. Dividend paid/ payable to related parties aggregates to Rs. 135,284 (000's) [Previous Year Rs. 135,334 (000's)].
2. Figures in brackets represent previous year figures.
3. There are no transactions with party referred to in IV above.

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

(Rs. 000's)

Name of the Company	Relationship	Balance		Maximum Balance Outstanding	
		As at 31.03.2010	As at 31.03.2009	2009-2010	2008-2009
IndusInd Media and Communications Limited	Subsidiary	737,000	1,376,500	1,376,500	1,376,500
HTMT Telecom Private Limited	Subsidiary	–	–	433,000	–
IN Entertainment (India) Limited (formerly Shop24Seven India Limited)	Associate	73,500	–	377,450	–

- Loans and Advances, in the nature of Loans to Subsidiaries and Associates as shown above are repayable on demand.
- There are no other loans and advances in the nature of loans where there is no repayment schedule.
- All loans and advances in the nature of loans are given on terms within the limits specified under Section 372A of the Act.

8. Managerial Remuneration

Employee Costs includes remuneration of Executive Chairman and Manager:

(Rs. 000's)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary and Allowances	13,298	15,433
Contribution to Provident Fund	1,728	1,728
Perquisites	271	184
Total	**15,297**	**17,345**

9. Quantitative Details

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

(Rs. 000's)

Traded Goods	Unit	Opening Stock	Purchases	Sales	Closing Stock
Equity Shares	Qty (Nos.)	63,597	–	31,897	31,700
		(63,597)	(–)	(–)	(63,597)
	Value	2,938	–	3,247	731
		(3,519)	(–)	(–)	(2,938)
Stock/ Index Futures	Qty (Nos.)	–	87,500	87,500	(Refer Note 2)
		(–)	(685,565)	(685,565)	
	Value	–	333,478	338,536	
		(–)	(1,329,278)	(1,327,694)	
Real Estate	Value	106,373	–	–	106,373
		(106,373)	(–)	(–)	(106,373)
Film Rights (Refer Note 3)	Value	–	110,000	–	110,000
		(–)	(–)	(–)	(–)

Notes:

1. Figures in brackets represent previous year figures.
2. For details of open equity index futures as at the year-end, refer Note 10 below.
3. Net of amortisation of cost of film rights exploited during the year.

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

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

Sr. No.	Name of Equity Index/ Stock Futures	No. of Units involved	Nature of Position	No. of Contracts	Series of Futures	Settlement Price as on 31.03.2009 (Rs.)
1.	NIFTY*	— [35,000]	— [Long]	— [4]	— [May 28, 2009]	— [3,015.80]

* Figures in brackets represent previous year figures.

b) Initial Margin on equity index/ stock futures contracts have been paid in cash only.

11. Operating Leases

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

12. Earnings in Foreign Exchange

(Rs. 000's)

Particulars	2009-2010	2008-2009
Income on Sale/ Distribution of Film Rights	53,998	—

13. Dividend Remitted in Foreign Currency

Particulars	2009-2010	2008-2009
Amount Remitted (Rs. 000's)	263	263
Dividend related to financial year	2008-09	2007-08
Number of non resident shareholders	21	21
Number of shares	26,270	26,270

14. There are no delays in payment to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

This has been determined to the extent to such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

15. As at March 31, 2010, there are no amounts on account of Unclaimed Dividend, which are due to the Investors' Education Protection Fund (IEPF). During the year, the Company has transferred Rs. 187 (000's) [Previous Year - Rs. 186 (000's)] to the IEPF on account of Unclaimed Dividend outstanding for the period exceeding seven years.

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

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

I Defined Contribution Plans

a) Provident Fund

b) State Defined Contribution Plans

i) Employer's Contribution to Employees' State Insurance

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

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

(Rs. 000's)

	2009-10	2008-09
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995] *	2,440	2,456
- Employers' Contribution to Employees' State Insurance *	11	13

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

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:

	2009-10	2008-09
Discount Rate (per annum)	8.25%	7.75%
Rate of increase in Compensation levels	4%	4%
Rate of Return on Plan Assets	Not Applicable	Not Applicable

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2009-10	2008-09
	Unfunded	Unfunded
Present Value of Obligation as at the beginning of the year	2,678	3,262
Interest Cost	264	275
Current Service Cost	727	906
Transfers*	(33)	–
Benefits Paid	–	(1,454)
Actuarial (gain) / loss on obligations	(215)	(311)
Present Value of Obligation at the end of the year	**3,421**	**2,678**

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

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

(Rs. 000's)

	2009-10	2008-09
Present Value of Unfunded Obligation at the end of the year	(3,421)	(2,678)
Unrecognised Actuarial (gains) / losses	–	–
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	**(3,421)**	**(2,678)**

* Included in Provisions (Refer Schedule 'L')

C) Amount recognised in the Balance Sheet

(Rs. 000's)

	2009-10	2008-09
Present Value of Obligation at the end of the year	3,421	2,678
Liability recognised in the Balance Sheet*	**3,421**	**2,678**

* Included in Provisions (Refer Schedule 'L')

D) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2009-10	2008-09
Current Service Cost	727	906
Interest Cost	264	275
Net actuarial (gain) / loss recognised in the year	(215)	(311)
Total Expenses recognised in the Profit and Loss Account*	**776**	**870**

* Included in Employee Costs (Refer Schedule 'R')

E) **Other Information**

(Rs. 000's)

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

The liability for leave encashment and compensated absences as at March 31, 2010 aggregates Rs. 817 (000's) [Previous Year - 3,191 (000's)].

17. Employee Stock Option Scheme (ESOS)

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

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

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

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

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

Particulars	Number of Options Grant I		Number of Options Grant II	
	2009-10	2008-09	2009-10	2008-09
Outstanding at the beginning of the year	2,260	2,260	17,140	24,740
Granted during the year	–	–	–	–
Lapsed during the year	2,260	–	17,140	7,600
Exercised/ Alloted during the year	–	–	–	–
Outstanding at the end of the year	–	2,260	–	17,140
Exercisable at the end of the year	–	2,260	–	17,140
Weighted Average remaining life in years	–	0.65	–	0.84

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

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

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

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been lower by Rs. 2,448 (000's) [Previous Year - higher by Rs. 5,606 (000's)], Profit After Tax would have been higher by Rs. 2,448 (000's) [Previous Year - lower by Rs. 5,606 (000's)], and the basic and diluted earning per share would have been higher by Rs. 0.12 (Previous Year - lower by Rs. 0.27).

18. In the previous year, 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 commenced the activity of sub-broking during the year. In the opinion of the Management and based on the legal opinion obtained, the Company is not considered as Non-Banking Financial Company as per guidelines issued by Reserve Bank of India.

19. a) Inter Corporate Deposit aggregating Rs. 900,000 (000's) [Previous Year - Rs. 910,000 (000's)] and accrued interest of Rs. Nil [Previous Year – Rs. 25,803 (000's)] as at March 31, 2010 are secured by way of pledge of equity shares held by a borrower in a company. The original equity share certificates are deposited with an Escrow Agent, who has the right to facilitate the transfer of pledged shares in favour of the Company in case of a default. The market value of such equity shares determined by an independent valuer during the year aggregates Rs. 2,513,102 (000's) [Previous Year - Rs.1,560,183 (000's)].

    b) Inter Corporate Deposit aggregating Rs. 50,000 (000's) [Previous Year - Rs. 230,000 (000's)] and accrued interest of Rs. 12,541 (000's) [Previous Year – Rs. 6,736 (000's)] as at March 31, 2010 are secured by way of mortgage on borrower's immovable property at Bangalore.

20. Information with regard to other matters specified in Part II of Schedule VI to the Act are either nil or not applicable to the Company for the year ended March 31, 2010.

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

The Schedules A to U and Annexures A to C referred to above form an integral part of the financial statements.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Annexure 'A'

Investments

(Rs. 000's)

Sr. No.	Scrip	Face Value Per Share Rs.	As at 31.03.2010		As at 31.03.2009	
			Quantity Nos.	Amount	Quantity Nos.	Amount
I	INVESTMENT IN SUBSIDIARY COMPANIES (AT COST) (TRADE) - LONG TERM					
(a)	**UNQUOTED EQUITY SHARES**					
1	Grant Investrade Limited	10	4,154,902	23,531	2,119,002	21,190
2	HTMT Telecom Private Limited	10	10,010,000	100,454	10,010,000	100,454
3	IDL Speciality Chemicals Limited	10	10,000,000	5,000	–	–
4	IndusInd Media and Communications Limited	10	40,421,200	500,886	40,421,200	500,886
	Total (A)			**629,871**		**622,530**
(b)	**UNQUOTED 12% CUMULATIVE OPTIONALLY CONVERTIBLE PREFERENCE SHARES**					
1	IndusInd Media and Communications Limited	10	15,000,000	150,000	15,000,000	150,000
	Total (B)			**150,000**		**150,000**
(c)	**UNQUOTED 1% PARTICIPATORY REDEEMABLE NON - CUMULATIVE PREFERENCE SHARES**					
1	HTMT Telecom Private Limited	10	820,000	820,000	–	–
	Total (C)			**820,000**		**–**
	TOTAL INVESTMENTS IN SUBSIDIARIES (A+B+C)			**1,599,871**		**772,530**
II	OTHER UNQUOTED INVESTMENTS (AT COST) (NON - TRADE)					
(a)	**EQUITY SHARES - LONG TERM**					
1	Ashley Airways Limited	10	480,000	4,800	480,000	4,800
2	Plus Paper Foodpac Limited	10	1,045,000	39,885	1,045,000	39,885
(b)	**MUTUAL FUNDS - CURRENT**					
1	DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment [NAV per unit -Rs. 10.02 (Previous Year Rs. Nil)]	10	64,894,197	650,240	–	–
2	Fortis Overnight - Institutional Plus - Daily Dividend [NAV per unit - Rs. 10.00 (Previous Year Rs. Nil)]	10	2,612,135	26,121	–	–
3	Fortis Money Plus Institutional Plan Daily Dividend [NAV per unit - Rs. 10.00 (Previous Year Rs. Nil)]	10	687,514	6,875	–	–
4	Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan [NAV per unit - Rs. 1,001.34 (Previous Year Rs. Nil)]	1,000	79,893	79,999	–	–
	Total (D)			**807,920**		**44,685**
	TOTAL VALUE OF UNQUOTED NVESTMENTS (A+B+C+D)			**2,407,791**		**817,215**
III	QUOTED INVESTMENTS (NON-TRADE) - LONG TERM					
	EQUITY SHARES :					
1	Ashok Leyland Limited	1	–	–	1,450,000	51,756
2	Gulf Oil Corporation Limited	2	2,875	78	2,875	78
3	Hinduja Global Solutions Limited	10	518,812	253,830	–	–
4	IndusInd Bank Limited	10	6,083,818	522,040	10,077,391	865,988
5	NHPC Limited	10	50,736	1,826	–	–
6	VCK Capital Market Services Limited	10	24,007	146	24,007	146
	Total (E)			**777,920**		**917,968**
	AGGREGATE COST OF INVESTMENTS (A+B+C+D+E)			**3,185,711**		**1,735,183**
	Less : Diminution in Value of Long Term Investments			29,434		29,434
	TOTAL INVESTMENTS			**3,156,277**		**1,705,749**

Aggregate cost of Quoted Investments is Rs. 777,920 (Previous Year Rs. 917,968).
Market Value Rs. 1,270,051 (Previous Year Rs. 351,902).

Aggregate book value of Unquoted Investment is Rs. 2,378,357 (Previous Year – Rs. 787,781)

Annexure 'B'

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

(Rs. 000's)

Sr. No.	Scrip	Face Value Per Share Rs.	As at 31.03.2010		As at 31.03.2009	
			Quantity Nos.	Amount	Quantity Nos.	Amount
I	**QUOTED SHARES**					
1	Carol Info Services Limited	10	10,000	585	20,000	1,156
2	Godrej Industries Limited	1	500	194	500	194
3	Rural Electrification Corporation Limited	10	–	–	21,897	2,299
4	VCK Capital Market Services Limited	10	21,200	212	21,200	212
	AGGREGATE COST OF QUOTED SHARES (A)		**31,700**	**991**	63,597	3,861
	AGGREGATE MARKET VALUE OF QUOTED SHARES (B)			**731**		2,938
	(A) OR (B) WHICHEVER IS LOWER			**731**		2,938

Annexure 'C'

INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

(Rs. 000's)

Name of the Scrips	Purchases				Sales			
	Year ended 31.03.2010		Year ended 31.03.2009		Year ended 31.03.2010		Year ended 31.03.2009	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
A. Mutual Funds								
ABN AMRO FTPS5—13M — Institutional Dividend on Maturity	–	–	–	–	–	–	30,852,300	308,523
ABN AMRO FTP — Series 10 — Quaterly Plan F — Maturity Dividend	–	–	–	–	–	–	30,000,000	291,300
DWS Fixed Term Fund — Series 46 — Institutional Growth	–	–	–	–	–	–	20,000,000	207,000
DWS Insta Cash Plus Fund — Insta Plan Daily Dividend	–	–	4,994,300	50,043	–	–	4,994,300	50,043
RLF — Daily Dividend Reinvestment Plan	–	–	22,063,787	220,638	–	–	22,063,787	220,638
UTI Money Market Fund — Growth Plan	–	–	–	–	–	–	15,409	378
AXIS Liquid Fund — Daily Dividend	20,001	20,001	–	–	20,001	20,001	–	–
AXIS Treasury Advance Fund — IP — Daily Dividend	20,034	20,034	–	–	20,034	20,034	–	–
Bharti — AXA — Liquid Fund — Daily Dividend	298,520	298,520	–	–	298,520	298,520	–	–
Bharti — AXA — Treasury Fund — IP Daily Dividend	299,223	299,223	–	–	299,223	299,223	–	–
DWS Insta Cash Plus Fund — IP — Daily Dividend	70,543,622	707,553	–	–	70,543,622	707,553	–	–
DWS Ultra Short Term Fund — IP — Daily Dividend	70,641,346	707,826	–	–	5,747,149	57,586	–	–
Fortis Overnight Fund — Institutional Plus Daily Dividend	23,257,182	232,571	–	–	20,645,047	206,450	–	–
Fortis Money Plus Fund — Daily Dividend	14,883,115	148,831	–	–	14,195,601	141,956	–	–
IDFC Cash Fund — Institutional Plan — Daily Dividend	2,835,339	29,998	–	–	2,835,339	29,998	–	–
IDFC Money Manager Fund — Treasury Plan — Daily Dividend	2,984,395	30,053	–	–	2,984,395	30,053	–	–
Prudential ICICI Liquid Plan	299,960	30,002	–	–	299,960	30,002	–	–
Prudential ICICI Inst. Liquid Plan — SIP — Daily Dividend	720,158	72,030	–	–	720,158	72,030	–	–
Prudential ICICI Flax Income Plan — Daily Dividend Investment	511,802	54,113	–	–	511,802	54,113	–	–
Reliance Liquid Fund — Daily Dividend	47,906,858	479,069	–	–	47,906,858	479,069	–	–
Reliance Money Manager Fund — IP — Daily Dividend	244,258	244,562	–	–	164,365	164,563	–	–
Total Investments in Mutual Funds (A)		**3,374,386**		**270,681**		**2,611,151**		**1,077,882**
B. Shares								
HTMT Telecom Private Limited - Equity Shares	–	–	1,010,000	10,453	–	–	–	–
HTMT Telecom Private Limited — Preference Shares	820,000	820,000	–	–	–	–	–	–
IndusInd Bank Limited	1,095,196	92,708	4,300,000	242,420	5,088,769	689,341	–	–
Hinduja Global Solutions Limited	518,812	253,830	–	–	–	–	–	–
IDL Speciality Chemicals Limited	10,000,000	5,000	–	–	–	–	–	–
NHPC Limited	50,736	1,826	–	–	–	–	–	–
Ashok Leyland Limited	–	–	–	–	1,450,000	48,511	–	–
Grant Investrade Limited	2,035,900	2,341	–	–	–	–	–	–
Ashley Airways Limited	–	–	–	–	–	–	300,000	3,060
IndusInd Media and Communications Limited	–	–	–	–	–	–	150,000	67,500
Total Investments in Shares (B)		**1,175,705**		**252,873**		**737,852**		**70,560**
Grand Total (A+B)		**4,550,091**		**523,554**		**3,349,003**		**1,148,442**

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT
Balance Sheet Abstract and Company's General Business Profile:

I Registration Details

Registration No. 36896 State Code. 11

Balance Sheet Date 31032010

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

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

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

Total Liabilities	Total Assets
6488517	6488517

Sources of Funds

Paid-Up Capital	Reserves and Surplus
205555	5946863
Secured Loans	**Unsecured Loans**
NIL	NIL

Application of Funds

Net Fixed Assets	Investments
224535	3156277
Net Current Assets	**Miscellaneous Expenditure**
2731668	111
Accumulated Losses	**Deferred Tax Asset**
NIL	39827

IV Performance of Company (Amount in Rs. Thousands)

Total Income*	Total Expenditure
804900	342357

(*including other income)

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

+	-	Profit/Loss Before Tax	+	-	Profit/Loss After Tax
✓		462543	✓		390856

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

+	-	Earning per Share in Rs.	Dividend Rate %
✓		19.01	100

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

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

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

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 March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act 1956' of India (the 'Act') and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give 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 that:

   (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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

   (e) On the basis of written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, 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 March 31, 2010;

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

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

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 11th June, 2010

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Hinduja Ventures Limited on the financial statements for the year ended March 31, 2010)

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets have not been disposed of by the Company during the year.

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

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory/ confirmation with the statement of holdings by the depository participant, as compared to book records were not material.

(iii) (a) The Company has granted secured/ unsecured loans to eight companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 5,041,950 (000's) and Rs. 2,480,500 (000's), respectively.

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

(c) In respect of the aforesaid loans, the principal amount is repayable on demand and parties are regular in payment of interest, where applicable.

(d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.

(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 Act.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weaknesses have been noticed or reported.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at relevant time except for certain transactions which according to Management are of special nature and for which no comparative prices are available.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

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

(viii) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

(ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.

Annexure to the Auditors' Report

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, custom duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2010 which have not been deposited on account of a dispute, is as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in 000's)	Forum where the dispute is pending
The Income Tax Act, 1961, of India	Matters in Appeal for the Assessment Years 1994-1995, 1995-1996, 1996-1997, 1999-2000, 2000-2001	20,035	High Court of Judicature at Bombay
	Matters in Appeal for the Assessment Year 2002-2003, 2003-2004, 2004-2005 and 2005-2006	*1,090,651	Commissioner of Income Tax (Appeals)
Total:		**1,110,686**	

* includes an amount of Rs. 1,026,131 (000's) pertaining to IT/ ITES business, which as stated in footnote 1 of Note 2(b) of Schedule 'U' is reimbursable by Hinduja Global Solutions Limited.

(x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at The Balance Sheet date.

(xii) In our opinion, the Company has maintained adequate documents and records in the cases where the Company 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.

(xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.

(xiv) In our opinion, the Company has maintained proper records of transactions and contracts relating to dealing in shares, securities, debentures and other investments during the year 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 Act.

(xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) The Company has not obtained any term loans.

(xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used 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 Act during the year.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 11th June, 2010

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

(Rs. 000's)

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	217,223	(653,150)
HTMT Telecom Private Limited	Hinduja Ventures Limited	100.00%	10/-	10,010,000	2,146	8,418
Grant Investrade Limited	Hinduja Ventures Limited	100.00%	10/-	4,154,902	(6)	(409)
IDL Speciality Chemicals Limited	Hinduja Ventures Limited	100.00%	10/-	10,000,000	–	–
USN Networks Private Limited	IndusInd Media and Communications Limited	100.00%	100/-	5,000	(897)	(3,219)
United Mysore Network Private Limited	IndusInd Media and Communications Limited	95.91%	100/-	29,218	(2,460)	(2,592)
Seven Star Information Technology Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	2,182,800	(2,510)	(691)
Bhima Riddhi Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	520,400	335	910
Gold Star Noida Network Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	1,336,200	(1,347)	(757)
Apna Incable Broadband Services Private Limited	IndusInd Media and Communications Limited	66.67%	10/-	1,157,500	10	77
Sangli Media Services Private Limited	IndusInd Media and Communications Limited	51.00%	1/-	5,204,100	(763)	–

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

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Section 212 Statement

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

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

Sr. No.	Name of Subsidiary Company	Paid up Capital	Reserves	Total Assests	Total Liabilities	Investments (except in case of Investments in the subsidiary)	Turnover Income	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
1	IndusInd Media and Communications Limited	1,569,086	232,919	3,769,925	1,967,920	70,571	3,011,177	381,592	35,585	346,007	Nil
2	Grant Investrade Limited	41,549	2,174,983	2,216,582	50	–	137	(6)	–	(6)	Nil
3	HTMT Telecom Private Limited	108,300	822,515	945,957	15,143	917,560	11,289	2,146	–	2,146	Nil
4	U S N Networks Private Limited	3,500	(11,731)	8,204	16,435	–	10,789	(968)	460	(1,428)	Nil
5	United Mysore Network Private Limited	3,046	(18,871)	10,216	26,041	–	11,690	(3,919)	–	(3,919)	Nil
6	Gold Star Noida Network Private Limited	26,200	(6,594)	30,593	10,987	–	25,354	(3,549)	658	(4,208)	Nil
7	Seven Star Information Technology Private Limited	42,800	(10,020)	47,518	14,737	–	19,580	(6,572)	1,267	(7,838)	Nil
8	Bhima Riddhi Infotainment Private Limited	10,204	118,669	173,412	44,539	88	149,566	7,553	6,506	1,047	Nil
9	Apna Incable Broadband Services Private Limited	17,350	188	27,851	10,313	–	40,124	(332)	(356)	24	Nil
10	Sangli Media Services Private Limited*	10,204	31,320	61,890	20,365	–	42,771	(1,354)	1,030	(2,383)	Nil
11	IDL Speciality Chemicals Limited**	100,000	(80,773)	135,054	115,827	–	–	–	–	–	Nil

* Sangli Media Services Private Limited has become Subsidiary of the Company w.e.f. July 2, 2009. The figures mentioned are for the period July 2, 2009 to March 31, 2010.

** IDL Speciality Chemicals Limited has become Subsidiary of the Company w.e.f. March 29, 2010.

Consolidated Financial Statments

Consolidated Balance Sheet

as at 31st March, 2010

	Schedule		As at 31.03.2010		(Rs. 000's) As at 31.03.2009
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	**205,555**		205,555	
Reserves and Surplus	B	**5,974,602**		5,912,066	
			6,180,157		6,117,621
Minority Interest			**1,181,809**		1,363,185
Loan Funds					
Secured Loan	C	**354**		144,111	
Unsecured Loan	D	**115,349**		2,343	
			115,703		146,454
Deferred Tax Liability (Net)			–		1,722
(Refer Notes 1(j) and 8 on Schedule 'V')					
TOTAL			**7,477,669**		7,628,982
APPLICATION OF FUNDS					
Fixed Assets	E				
Gross Block		**3,041,193**		3,033,301	
Less: Accumulated Depreciation/ Amortisation		**1,148,082**		902,628	
Net Block		**1,893,111**		2,130,673	
Capital Work-in-Progress		**511,766**		288,173	
			2,404,877		2,418,846
Investments	F		**2,524,975**		1,036,533
Deferred Tax Asset (Net)			**33,563**		–
(Refer Notes 1(j) and 8 on Schedule 'V')					
Current Assets, Loans and Advances					
Stock-in-Trade	G	**252,277**		131,572	
Sundry Debtors	H	**731,335**		776,697	
Cash and Bank Balances	I	**385,943**		1,932,205	
Other Current Assets	J	**22,043**		92,283	
Loans and Advances	K	**2,764,879**		2,623,809	
		4,156,477		5,556,566	
Less: Current Liabilities and Provisions					
Current Liabilities	L	**1,377,217**		1,117,801	
Provisions	M	**266,102**		266,639	
		1,643,319		1,384,440	
Net Current Assets			**2,513,158**		4,172,126
Miscellaneous Expenditure	N		**1,096**		1,477
(to the extent not written off or adjusted)					
TOTAL			**7,477,669**		7,628,982
Notes to Consolidated Financial Statements	V				

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Consolidated Profit and Loss Account
for the year ended 31st March, 2010

(Rs. 000's)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Operating Income	O	**3,053,976**	2,788,759
Interest and Dividend Income	P	**387,455**	436,593
Gain on Sale of Long Term Investments (Net)		**249,440**	65,235
Other Income	Q	**326,243**	169,389
TOTAL		**4,017,114**	3,459,976
EXPENDITURE			
Operating Expenses and Direct Cost	R	**1,756,594**	1,377,103
Employee Costs	S	**259,687**	256,223
Administrative and Other Expenses	T	**911,778**	862,644
Financial Expenses	U	**16,706**	39,966
Depreciation/ Amortisation		**235,211**	237,006
TOTAL		**3,179,976**	2,772,942
Profit Before Tax		**837,138**	687,034
Less : Tax Expense (Refer Notes 1(j) and 8 on Schedule 'V')			
- Current Tax		**152,852**	160,812
- Deferred Tax		**(35,285)**	(36,837)
- Fringe Benefit Tax		–	5,823
Profit After Tax		**719,571**	557,236
Add : Share of Profit from Associates		–	128
Less : Minority Interest		**113,793**	89,404
Profit After Minority Interest		**605,778**	467,960
Add: Balance brought forward from Previous Year		**2,701,120**	2,506,657
PROFIT AVAILABLE FOR APPROPRIATION		**3,306,898**	2,974,617
Dividend			
- Final (Proposed)		**205,555**	205,555
- Dividend Tax		**34,140**	34,934
Transfer to General Reserve		**39,086**	33,008
Balance carried to Balance Sheet		**3,028,117**	2,701,120
Earnings Per Share (Face Value of an Equity Share - Rs. 10)			
- Basic and Diluted (Rupees)		**29.47**	22.77
(Refer Note 9 on Schedule 'V')			
Notes to Consolidated Financial Statements	V		

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.
This is the Consolidated Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Partha Ghosh
Partner
Membership No. F-55913

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Place : Mumbai
Date : 11th June, 2010

Consolidated Cash Flow Statement

for the year ended 31st March, 2010

(Rs. 000's)

		2009-10		2008-09	
A	**Cash Flow from Operating Activities :**				
	Net Profit Before Tax		**837,138**		687,034
	Adjustments for :				
	Preliminary and Share Issue Expenses written off	**957**		971	
	Depreciation/ Amortisation	**235,211**		237,006	
	Amortisation of Film Rights	**190,000**		–	
	Interest and Dividend Income (Other than Treasury Activities)	**(26,102)**		(48,602)	
	Bad Debts/ Advances written-off (Net)	**232,798**		14,491	
	Provisions for Doubtful Debts/ Advances	**–**		252,329	
	Loss on Sale of undertaking	**6,400**		–	
	Liabilities/ Provisions no longer payable written-back	**(100,491)**		(42,849)	
	Loss on Sale of Fixed Assets/ Fixed Assets written-off	**13,668**		485	
	Unrealised Foreign Exchange (Gain)/ Loss	**941**		(1,673)	
	Gain on Sale of Long Term Investments (Net)	**(249,440)**		(65,235)	
	Interest Expenses	**16,706**		39,966	
	Provision for Gratuity and Leave Encashment	**685**		879	
			321,333		387,768
	Operating Profit before working capital changes		**1,158,471**		1,074,802
	Adjustments for :				
	Sundry Debtors	**(586,201)**		(561,506)	
	Stock-in-Trade	**(310,705)**		214,661	
	Current Liabilities	**263,020**		425,192	
	Other Receivables	**68,450**		(1,014,409)	
			(565,436)		(936,062)
	Operating Profit after working capital changes		**593,035**		138,740
	Direct Taxes Paid		**(168,910)**		(186,503)
	Net Cash from/ (used in) Operating Activities (A)		**424,125**		(47,763)
B	**Cash Flow from Investing Activities :**				
	Purchase of Fixed Assets	**(384,413)**		(699,131)	
	Assets acquired/ Goodwill on acquisition of Subsidiaries	**(45,641)**		(187,809)	
	Sale of Fixed Assets	**404**		1,400	
	Investments Made - Others	**(1,265,925)**		(513,151)	
	Investments Sold - Subsidiaries/ Associates	**600**		70,560	
	Investments Sold - Others	**737,851**		1,127,882	
	Interest and Dividend Income (Other than Treasury Activities)	**31,052**		32,480	
			(926,072)		(167,769)
	Net Cash from/ (used in) Investing Activities (B)		**(926,072)**		(167,769)

Consolidated Cash Flow Statement

for the year ended 31st March, 2010

(Rs. 000's)

		2009-10		2008-09	
C	**Cash Flow from Financing Activities :**				
	Proceeds/ (Payments) of long term borrowings (net)	**(154,460)**		(701,732)	
	Interest Paid	**(16,706)**		(39,966)	
	Dividend Paid (including tax thereon)	**(240,468)**		(240,654)	
			(411,634)		(982,352)
	Net Cash from/ (used in) Financing Activities (C)		**(411,634)**		(982,352)
	Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)		**(913,581)**		(1,197,884)
	Cash and Cash equivalents as at the beginning of the year		**1,984,522**		2,990,738
	Cash and bank balance transferred pursuant to Scheme of Arrangement (Refer Note 21 on Schedule 'V')		**(2,912)**		–
	Cash and Cash Equivalents taken over pursuant to acquisition of subsidiaries/ joint ventures		**81,149**		191,668
	Cash and Cash equivalents as at the end of the year		**1,149,178**		1,984,522
	Cash and Cash Equivalents comprise :				
	Cash on Hand		**6,602**		7,724
	Cheques on Hand		**87,073**		81,932
	Balance with Banks		**292,268**		1,842,549
	Short Term Investments		**763,235**		52,317
			1,149,178		1,984,522

Notes

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.
3. Short Term Investments comprises investment in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

For and on behalf of the Board

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31.03.2010	(Rs. 000's) As at 31.03.2009
SCHEDULE 'A'		
Share Capital		
Authorised		
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs.10 each	**700,000**	700,000
	700,000	700,000
Issued, Subscribed and Paid-up		
20,555,503 (Previous Year - 20,555,503) Equity Shares of Rs. 10 each, fully paid-up	**205,555**	205,555
(Refer Notes 1 and 2 below)		
	205,555	205,555

Notes :

1. Of the bove, 8,965,157 (Previous Year - 8,965,157) Equity Shares were issued for consideration other than cash pursuant to the Scheme of Amalgamation with erstwhile Ashok Leyland Information Technology Limited, Richman Investrade Private Limited, Melody Trading Private Limited, Hinduja Telecom India Limited and Sarthak Mercantile Private Limited.
2. 103,559 (Previous Year - 103,559) Equity Shares of Rs. 10 each has been allotted to employees under Employee Stock Option Scheme (Refer Note 15 on Schedule 'V')

(Rs. 000's)

		As at 31.03.2010		As at 31.03.2009
SCHEDULE 'B'				
Reserves and Surplus				
Securities Premium				
As per last Balance Sheet		**109,263**		109,263
General Reserve				
As per last Balance Sheet	**2,054,582**		2,021,574	
Add : Transferred from Profit and Loss Account	**39,086**		33,008	
Add : Transferred from Statutory Reserve Fund	**7,884**		–	
		2,101,552		2,054,582
Capital Reserve				
As per last Balance Sheet	**632,112**		632,112	
Add : Addition due to acquisitions during the year (Refer Note 16 on Schedule 'V')	**97,171**		–	
		729,283		632,112
Revaluation Reserve				
As per last Balance Sheet	**407,105**		–	
Add : Adjustment pursuant to Revaluation of Fixed Assets (Refer Note 12 on Schedule 'V')	–		407,105	
Less : Adjustments pursuant to Scheme of Arrangement (Refer Note 21 on Schedule 'V')	**400,718**		–	
		6,387		407,105
Statutory Reserve Fund				
As per last Balance Sheet	**7,884**		7,884	
Less: Transfer to General Reserve	**7,884**		–	
		–		7,884
Profit and Loss Account		**3,028,117**		2,701,120
		5,974,602		5,912,066
SCHEDULE 'C'				
Secured Loan				
Bank Overdraft		–		143,030
(Secured by way of pledge of fixed deposits)				
[Due within a year Rs. Nil (Previous Year - Rs. 143,030)]				
Cash Credit from a Bank		**354**		1,081
(Secured by way of pledge of Plant and Machinery of a Subsidiary)				
[Due within a year Rs. 354 (Previous Year - Rs. 1,081)]				
		354		144,111
SCHEDULE 'D'				
Unsecured Loans				
Short Term Loans - Others		**115,349**		2,343
[Due within a year Rs. 115,349 (Previous Year - Rs. 2,343)]				
		115,349		2,343

SCHEDULE 'E'
Fixed Assets
(Refer Notes 1(c), 1(d), 12, 13, 17, 21 and 22 on Schedule 'V')

(Rs. 000's)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/ AMORTISATION/ IMPAIRMENT							NET BLOCK	
	As at 01.04.2009	Additions on account of acquisition (Refer Note 1 below)	Additions during the year	Deletions during the year: Transfer consequent to scheme of arrangements (Refer Note 21 on Schedule 'V')	Deletions during the year: Deletions	As at 31.03.2010	Upto 31.03.2009	Additions on account of acquisition (Refer Note 1 below)	For the Year	Impairment of assets (Refer Note 22 on Schedule 'V')	Transfer consequent to scheme of arrangements (Refer Note 21 on Schedule 'V')	Deletions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Intangible Assets															
Goodwill – on consolidation	95,543	–	15,857	–	–	111,400	–	–	–	–	–	–	–	111,400	95,543
– others	50	–	–	–	–	50	50	–	–	–	–	–	50	–	–
Computer Software	18,360	–	379	–	–	18,739	15,429	–	1,361	–	–	–	16,790	1,949	2,931
Network Rights	327,861	42,500	20,084	–	–	390,445	26,113	1,063	36,783	–	–	–	63,959	326,486	301,748
Film Rights	76,924	–	–	76,924	–	–	50,403	–	–	–	50,403	–	–	–	26,521
Tangible Assets															
Leasehold Land (Refer Note 5 below)	249	–	–	–	–	249	75	–	3	–	–	–	78	171	174
Building (Refer Note 3 below)	467,641	–	10,400	–	–	478,041	82,018	–	15,885	–	–	–	97,903	380,138	385,623
Set Top Boxes	193,777	–	16,191	–	–	209,968	19,503	–	753	174,274	–	–	194,530	15,438	174,274
Plant and Machinery (Refer Notes 2 and 4 below)	1,698,473	10,800	93,620	84,354	51,301	1,667,238	620,722	858	168,409	–	63,732	38,340	687,917	979,321	1,077,751
Office Equipments and Furniture and Fixtures	87,144	176	2,967	3,981	1,156	85,150	54,106	17	4,935	–	3,368	496	55,194	29,956	33,038
Computers	44,228	11	10,405	8,088	184	46,372	27,184	2	4,044	–	8,089	179	22,962	23,410	17,044
Live Stock	–	762	–	–	–	762	–	–	–	–	–	–	–	762	–
Vehicles	23,051	–	2,305	1,369	1,318	22,669	7,025	–	2,025	–	830	872	7,348	15,321	16,026
Total	**3,033,301**	**54,249**	**172,208**	**174,716**	**53,959**	**3,031,083**	**902,628**	**1,940**	**234,198**	**174,274**	**126,422**	**39,887**	**1,146,731**	**1,884,352**	**2,130,673**
Share of Joint Venture (Refer Note 19 on Schedule 'V')	–	10,092	18	–	–	10,110	–	338	1,013	–	–	–	1,351	8,759	–
Total	**3,033,301**	**64,341**	**172,226**	**174,716**	**53,959**	**3,041,193**	**902,628**	**2,278**	**235,211**	**174,274**	**126,422**	**39,887**	**1,148,082**	**1,893,111**	**2,130,673**
Previous Year	1,354,340	143,171	*1,548,324	–	12,534	3,033,301	666,436	9,836	237,006	–	–	10,650	902,628		
Capital Work–in–Progress [includes capital advances aggegating Rs. 7,260 (000's) (Previous Year – Rs. 416 (000's)]														511,766	288,173
Net Total														**2,404,877**	**2,418,846**

* The amount includes Rs. 648,463 (000's) on account of revaluation reserves of Building and Plant and Machinery carried out in the previous year (Refer Notes 3 and 4 below)

Notes:

1. Represents gross block and accumulated depreciation of subsidiaries on the date of acquisition.
2. Plant and Machinery includes assets viz. optical fibre cable ducts given on operating lease; the cost of which is not ascertainable.
3. Land and Building was revalued on March 31, 2009 on the basis of valuation made by external valuer resulting in net increase of Rs. 276,029 (000's) being surplus on revaluation. Consequently, revalued amount of Rs. 371,050 (000's) has been substituted for historical cost of such Land and Building on said date of revaluation. However, in absence of specific value being assigned to land by external valuer, the entire revaluation amount has been added to Building. Also refer Note 12 on Schedule 'V'.
4. Plant and Machinery which includes Optical Fibre Cables had been revalued on March 31, 2009 on the basis of valuation made by external valuer resulting in net increase of Rs. 372,434 (000's) being surplus on revaluation. Consequently, revalued amount of Rs. 496,454 (000's) has been substituted for historical cost of such Optical Fibre Cables on said date of revaluation. Also refer Note 12 on Schedule 'V'.
5. Leasehold Land is yet to be transferred in the name of a subsidiary company.

(Rs. 000's)

		As at 31.03.2010		As at 31.03.2009
SCHEDULE 'F'				
Investments - (At Cost)				
Equity and Preference Shares in Associates (Unquoted)	59,600		60,200	
Add : Share of Brought Forward Accumulated Losses from Associates	(10,200)		(17,223)	
Less: Adjustment on conversion of Associate into Subsidiary	–		7,023	
Add: Share of Profit/ (Loss) from Associate for the year	–		128	
Less: Adjustment on dilution/ sale of stake in Associate	600		(128)	
		50,000		50,000
Equity Shares, Mutual Fund Units and National Saving Certificates				
- Quoted	1,695,631		918,119	
- Unquoted	808,778		97,848	
		2,504,409		1,015,967
		2,554,409		1,065,967
Less: Provision for Diminution in Value of Investments		29,434		29,434
		2,524,975		1,036,533
SCHEDULE 'G'				
Stock-in-Trade				
Shares		731		2,938
Real Estate (pending registration in the name of the Company)		106,373		106,373
Unamortised Cost of Film Rights (Refer Note 1(e) (iv) on Schedule 'V')		110,000		–
Network Cables and Equipments		31,455		20,633
Set Top Boxes (Traded)		3,718		1,628
		252,277		131,572
SCHEDULE 'H'				
Sundry Debtors (Unsecured)				
Considered Good				
- Over Six Months		19,064		55,686
- Other Debts		711,030		721,011
(A)		730,094		776,697
Considered Doubtful				
- Over Six Months		17,006		556,850
- Other Debts		–		–
(B)		17,006		556,850
(A) + (B)		747,100		1,333,547
Less: Provision for Doubtful Debts		17,006		556,850
		730,094		776,697
Share of Joint Venture (Refer Note 17 on Schedule 'V')		1,241		–
		731,335		776,697

Schedules
forming part of the Consolidated Balance Sheet as at 31st March, 2010

(Rs. 000's)

		As at 31.03.2010		As at 31.03.2009
SCHEDULE 'I'				
Cash and Bank Balances				
Cash on Hand		**6,602**		7,724
Cheques on Hand		**87,073**		81,932
Bank Balances in :				
- Current Accounts		**136,733**		32,078
- Deposit Accounts #		**148,269**		1,803,442
- Unclaimed Dividend Accounts		**7,050**		7,029
		385,727		1,932,205
Share of Joint Venture (Refer Note 17 on Schedule 'V')		**216**		–
		385,943		1,932,205
# includes Rs. 11,816 (000's) [Previous Year- Rs.1,601,481 (000's)] under lien with banks towards Bank Guarantee, Letters of Credit and Term Loan/ Cash Credit Facility issued by them.				
SCHEDULE 'J'				
Other Current Assets				
Interest Accrued on				
- Inter-Corporate Deposits and Others				
- Secured (Refer Note 19 on Schedule 'V')		**12,541**		32,539
- Unsecured		**9,502**		59,744
		22,043		92,283
SCHEDULE 'K'				
Loans and Advances				
(Unsecured, unless otherwise stated)				
Advances Recoverable in Cash or in Kind or for value to be received				
- Considered Good*	**642,618**		597,292	
- Considered Doubtful	**–**		21,212	
	642,618		618,504	
Less: Provision for Doubtful Advances	**–**		21,212	
		642,618		597,292
Advance Tax and Tax Deducted at Source (Net of Provisions) (net)		**172,242**		147,558
(Refer footnote 1 of Note 2(b) on Schedule 'V')				
Inter-Corporate Deposits:				
- Secured (Refer Note 19 on Schedule 'V')		**950,000**		1,140,000
- Unsecured		**945,819**		670,000
Deposits		**53,902**		55,786
Initial Margin - Equity index/ stock futures [Refer Note 1(g)(vii) on Schedule 'V']		**–**		13,173
		2,764,581		2,623,809
Share of Joint Venture (Refer Note 17 on Schedule 'V')		**298**		–
		2,764,879		2,623,809

* includes Rs. 84,461 (000's) (Previous Year - Rs. Nil) against which, preference shares are yet to be allotted (Refer Note 21 on Schedule 'V')

	As at 31.03.2010	(Rs. 000's) As at 31.03.2009
SCHEDULE 'L'		
Current Liabilities		
Sundry Creditors	**783,713**	619,208
Income Received in Advance	**150,586**	91,265
Advance Received from Customers	**17,498**	21,901
Temporary Book Overdrafts	**90,443**	73,540
Unclaimed Dividend (Refer Note 6 on Schedule 'V')	**7,050**	7,029
Trade Deposits	**127,614**	103,698
Other Liabilities	**199,934**	201,160
	1,376,838	1,117,801
Share of Joint Venture (Refer Note 17 on Schedule 'V')	**379**	–
	1,377,217	1,117,801
SCHEDULE 'M'		
Provisions		
Gratuity (Refer Notes 1(i) and 14 on Schedule 'V')	**3,970**	2,961
Leave Encashment	**18,789**	19,113
Wealth Tax	**3,629**	3,665
Fringe Benefit Tax (Net of Advance Tax)	**19**	411
Dividend	**205,555**	205,555
Dividend Tax	**34,140**	34,934
	266,102	266,639
SCHEDULE 'N'		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	**971**	1,477
	971	1,477
Share of Joint Venture (Refer Note 17 on Schedule 'V')	**125**	–
	1,096	1,477

Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2010

(Rs. 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'O'		
Operating Income		
Income from Real Estate (Net)	–	10,000
Cable Television Transmission [including for prior years - Rs. Nil (Previous Year - Rs. 36,292)]	2,866,464	2,627,054
Income/ (Loss) from trading of securities and equity index/stock futures	6,098	(2,165)
Sale of Modems/ Set Top Boxes	8,069	16,081
Subscription from Internet Operations	50,791	47,901
Advertisement	41,011	52,747
Royalty Income	–	25,203
Income from sale/ distribution of film rights (Refer Note 1(g)(v) on Schedule 'V')	77,160	8,788
Consultancy Fee	–	1,050
Commission Income	750	2,100
Sub Broking Income	148	–
	3,050,491	2,788,759
Share of Joint Venture (Refer Note 17 on Schedule 'V')	3,485	–
	3,053,976	2,788,759
SCHEDULE 'P'		
Interest and Dividend Income (From Treasury Activities)		
Interest		
- On Inter-Corporate Deposits	269,521	205,921
- On Deposits with Banks	101,729	210,232
Dividend	16,205	20,440
	387,455	436,593
SCHEDULE 'Q'		
Other Income		
Exchange Gain (Net)	–	231
Interest		
- On Deposits with Banks	5,482	23,936
- On Others	9,057	12,506
- On Income Tax Refund	9,016	8,751
Dividend	2,547	3,409
Lease Rental and Maintenance Income - Fibre Optic	73,555	48,466
Service Charges	6,614	19,607
Bad Debts Recovered	118,083	500
Liabilities/ Provisions no longer payable written-back	100,491	42,849
License Fees	–	740
Miscellaneous Income	1,398	8,394
	326,243	169,389
SCHEDULE 'R'		
Operating Expenses and Direct Costs		
Subscription - Pay Channels	1,406,786	1,248,994
Direct Cost, Product Charges and Connectivity Cost (net)	15,095	44,412
Advertisement, Publicity and Distribution Costs	53,280	–
Loss on Foreign Exchange Fluctuation (Net)	1,864	–
Amortisation of Film Rights	190,000	–
Consumables	33,311	43,460
Royalty and Equipment Hiring Charges	49,673	39,817
Other Operating Expenses	6,123	420
	1,756,132	1,377,103
Share of Joint Venture (Refer Note 17 on Schedule 'V')	462	–
	1,756,594	1,377,103

(Rs. 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'S'		
Employee Costs		
Salary and Other Benefits	230,482	228,499
Gratuity	2,703	3,734
Contribution to Provident and Other Funds	16,429	15,260
Staff Welfare Expenses	9,737	8,730
	259,351	256,223
Share of Joint Venture (Refer Note 17 on Schedule 'V')	336	–
	259,687	256,223
SCHEDULE 'T'		
Administrative and Other Expenses		
Rent [including for prior years - Rs. Nil (Previous Year - Rs. 1,740)]	43,374	38,919
Repairs and Maintenance		
- Building	–	326
- Plant and Machinery	39,383	35,412
- Others	39,910	46,535
Power and Fuel	48,767	37,265
Insurance	4,693	3,985
Rates, Taxes and Duties	12,910	13,675
Advertisement/ Business Promotion/ Marketing Expenses	1,855	17,581
Communication	15,223	15,219
Travelling, Conveyance and Car Hire Charges	53,723	49,585
Legal and Professional	172,266	158,340
Freight and Octroi	3,591	5,730
Commission [including for prior years - Rs. Nil (Previous Year - Rs. 148)]	158,389	143,319
Auditors' Remuneration	2,441	2,425
Donation	14,500	195
Bad Debts/ Advances written off (net of withdrawal from provisions)	232,798	14,491
Directors' Sitting Fees	1,230	1,180
Preliminary and Share Issue Expenses written-off	957	971
Fixed Assets written-off	13,331	131
Loss on Sale of Fixed Assets	337	354
Loss on Sale of Undertaking (Refer Note 21 on Schedule 'V')	6,400	–
Software Expenses	–	4,361
Provision for Doubtful Debts/ Advances	–	252,329
Miscellaneous Expenses	44,036	20,316
	910,114	862,644
Share of Joint Venture (Refer Note 17 on Schedule 'V')	1,664	–
	911,778	862,644
SCHEDULE 'U'		
Financial Expenses		
Interest on:		
- Cash Credit/ Overdraft and Other Facilities	16,701	39,966
	16,701	39,966
Share of Joint Venture (Refer Note 17 on Schedule 'V')	5	–
	16,706	39,966

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended

SCHEDULE – 'V'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

These financial statements have been prepared on accrual basis and in accordance with generally accepted accounting principles in India, provisions of The Companies Act, 1956 of India ('the Act') and Accounting Standards referred in Section 211 (3C) of the Act as modified to give affect to the order of High Court of Judicature at Bombay referred in Note 21 below.

b) Principles of Consolidation

The Consolidated Financial Statements relate to Hinduja Ventures Limited (the 'Company') 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 fully 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.
- Investments of the Group in associates are accounted as per the Equity Method under Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- Interests in a jointly controlled entity is reported using Proportionate Consolidation Method as per requirements of Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures.'
- The financial statements of the subsidiaries, jointly controlled entity and associate company used in the consolidated financial statements are consolidated from the date of the acquisition and are drawn upto the same reporting date as of the Company.

c) Fixed Assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.

Intangible assets are stated at cost of acquisition less amortisation.

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

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

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

d) Depreciation/ Amortisation/ Impairment

<u>Intangible Assets</u>

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

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

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

<u>Tangible Assets</u>

Depreciation on assets is provided on Straight Line Method on pro-rata basis at the rates prescribed under Schedule XIV to the Act. Leasehold land is amortised over the balance period of lease in equal annual installments. Set Top boxes are depreciated over a period of five years on straight-line basis.

<u>Impairment of Assets</u>

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

e) Valuation of Stock-in-Trade

i) Shares and inventory consisting of cables, head-end equipments and other network items like modems etc. are valued at lower of cost and net realisable value. The cost of shares 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) Cost of television programmes, news, current affairs of chat shows produced for telecast on its own television channel are charged to the Profit and Loss Account.

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

iv) 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.

f) Valuation of Investments

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

Current investments are valued at lower of cost or market value/ net asset value.

g) 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/ 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 sale 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 accounted on right to receipt basis.

vii) Equity Index/ Stock – Futures

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

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

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

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

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

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

h) Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transaction settled during the year are recognised in the Profit and Loss Account of the year. Monetary assets and liabilities in foreign currency are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

i) Retirement Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Group has Defined Contribution Plan namely Provident Fund.

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

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

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

Defined Benefit Plan

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

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

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

ii) Other Employee Benefits:

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

j) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961, of India and legal advice from time to time.

ii) 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.

k) Accounting for Employee Stock Options

Stock Options granted to employees under the Employee Stock Option Schemes are accounted as per the accounting treatment prescribed in the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

l) Miscellaneous Expenditure

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

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

iii) Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Lease rentals receipts under operating leases are recognised as income on a straight line basis over the lease term.

n) Provisions and Contingent Liabilities

The Group recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. When there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' is made.

o) Borrowing Costs

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

p) Use of Estimates

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

2. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts [net of capital advances aggregating Rs. 7,260 (000's) (Previous Year Rs. 416 (000's)] remaining to be executed on capital account – Rs. 28,759 (000's) [Previous Year - Rs. 7,253 (000's)].

b) Contingent liabilities in respect of: (Rs. 000's)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
i.	Bank Guarantees given on behalf of the Group.	19,662	19,102
ii.	Guarantees/ Counter Guarantees given to Custom Authorities.	34,705	34,705
iii	Claims against the Group not acknowledged as debts :		
	- Entertainment Tax	52,341	52,088
	- Telecasting of films, copyrights etc. and claims from pay channel providers for subscription charges under negotiation	Not Ascertainable	Not Ascertainable
	- Service tax	7,268	5,411
	- Others (to the extent ascertainable)	20,353	9,985
iv.	Income tax matters against which the Group has filed appeals/ objections. (Refer Note 1 below).	158,359	167,027
v.	Demands of Custom Duty in a subsidiary company against which it has filed appeal.	19,441	—
vi.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated November 25, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	86,712	86,712
vii.	Arrears of dividend on preference shares issued by a subsidiary company.	889,800	800,820

Notes:

1. Net of amount of Rs. 1,220,843 (000's) [Previous Year – Rs. 308,164 (000's)] being disputed income tax liabilities pertaining to IT/ ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES business sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In respect of the aforesaid disputed dues, an amount of Rs. 194,712 (000's) [Previous Year – Rs. 72,768 (000's)] has been deposited by the Company with income tax authorities under protest. The Company has received Rs. 135,000 (000's) [Previous Year – Rs. 50,000 (000's)] upto March 31, 2010 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). Additionally, an objection in respect of income tax matters pertaining to IT/ ITES business has been filed with Dispute Resolution Panel involving an amount of Rs. 183,438 (000's) [Previous Year – Rs. Nil], which is pending disposal.
2. With respect to the above, the Group does not expect any outflow.

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

Sr. No.	Name of the Company	Held by	Parent's Shareholding and Voting Power (%)		Company's Effective Stake (%)	
			Year-ended		Year-ended	
			31.03.2010	31.03.2009	31.03.2010	31.03.2009
A	**DIRECT SUBSIDIARIES**					
1.	IndusInd Media and Communications Limited (IMCL)	HVL and GIL	65.78	62.78	65.78	62.78
2.	Grant Investrade Limited (GIL)	HVL	100.00	51.00	100.00	51.00
3.	HTMT Telecom Private Limited	HVL	100.00	100.00	100.00	100.00
4.	IDL Speciality Chemicals Limited (w.e.f. March 29, 2010)	HVL	100.00	–	100.00	–
B	**INDIRECT SUBSIDIARIES**					
1.	USN Networks Private Limited	IMCL	100.00	100.00	65.78	62.78
2.	United Mysore Network Private Limited	IMCL	95.91	95.91	63.09	60.21
3.	Seven Star Information Technology Private Limited	IMCL	51.00	51.00	33.55	32.02
4.	Bhima Riddhi Infotainment Private Limited	IMCL	51.00	51.00	33.55	32.02
5.	Gold Star Noida Network Private Limited	IMCL	51.00	51.00	33.55	32.02
6.	Apna Incable Broadband Services Private Limited	IMCL	66.67	75.00	43.86	47.08
7.	Sangli Media Services Private Limited (w.e.f. July 2, 2009)	IMCL	51.00	–	33.55	–

4. The associate and joint ventures companies considered in the consolidated financial statements for the year ended March 31, 2010 with the Company's shareholding in these companies is as follows:

Sr. No.	Name of the Company	Held through	Share in Voting Power (%)		Company's Effective Stake (%)	
			Year- ended		Year- ended	
			31.03.2010	31.03.2009	31.03.2010	31.03.2009
	Associates					
1.	Planet E - Shop Holdings India Limited (PES-H) [including IN Entertainment (India) Limited (formerly Shop24Seven India Limited) being subsidiary of PES-H]	IMCL	48.00	48.00	31.57	30.13
	Joint Venture					
1.	RMD Baroda Network Private Limited (effective April 1, 2009)	IMCL	50.00	–	32.89	–

5. Operating Leases

The operating lease arrangement relating to office premise extend upto a maximum of five years from the respective dates of inception and is renewable on mutual consent. In addition, the Group has entered into various cancellable leasing arrangements for office premises and towards which lease rentals of Rs. 43,374 (000's) [Previous Year - Rs. 38,919 (000's)] has been recognised in 'Rent' under Schedule 'T' to the Profit and Loss Account.

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forming part of the Consolidated Balance Sheet as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended

6. As at March 31, 2010, there are no amounts on account of Unclaimed Dividend, which are due to the Investors' Education Protection Fund (IEPF). During the year, the Company has transferred Rs. 187 (000's) [Previous Year - Rs. 186 (000's)] to the IEPF on account of Unclaimed Dividend outstanding for the period exceeding seven years.

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

(Rs. 000's)

Particulars	Gross Invesment	Unearned Finance Income	Present Value of Minimum Lease Payments
Not later than 1 year	1,644 [1,644]	1,644 [1,644]	– [–]
Between 1 and 5 years	6,575 [6,575]	6,567 [6,572]	8 [3]
Later than 5 years	6,575 [8,219]	5,800 [7,438]	775 [781]

Note : Figures in brackets represent previous year figures.

8. **Statement of Deferred Tax Asset/ (Liability)**

(Rs. 000's)

	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability:		
Depreciation on Fixed Assets	176,041	53,243
Unamortised Preliminary/ Miscellaneous Expenses	39	282
Total Deferred Tax Liability	**176,080**	53,525
Deferred Tax Asset:		
Liabilities to be deducted for tax purposes when paid	1,441	1,995
Unamortised cost of Film Rights	38,402	–
Demerger Expenses	563	1,127
Unabsorbed Depreciation in a subsidiary*	170,255	48,681
Total Deferred Tax Asset	**210,661**	51,803
	34,581	**(1,722)**
Less : Share of Joint Venture	1,018	–
Net Deferred Tax Asset/ (Liability)	**33,563**	**(1,722)**

* Restricted to the extent of Deferred Tax Liability in the subsidiary.

9. **Earnings per Equity Share (Basic and Diluted)**

	2009-10	2009-10	2008-09
Profit After Minority Interest (Rs. 000's)		605,778	467,960
Weighted average number of equity shares for Earnings per Share Computation A. For Basic Earnings per share (Nos.)		20,555,503	20,555,503
B. For Diluted Earnings per share (Nos.)			
No. of shares for Basic EPS as per A	20,555,503		20,555,503
Add: Weighted Average outstanding employee stock option deemed to be issued for no consideration	Nil		Nil
No. of shares for Diluted Earnings per share		20,555,503	20,555,503
Nominal Value of an equity share (Rs.)		10.00	10.00
Basic and Diluted Earnings per share (Rs.)		29.47	22.77

10. Segment Information

Primary Segment

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

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

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

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

   i) deployment of surplus funds and

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

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

Secondary Segment

The Group has identified its secondary segment as geographical segment, based on the location of the customers. Customers are classified as either domestic or overseas.

Business Segments

(Rs. 000's)

Sr. No.	Particulars	Media and Communications		Real Estate		Treasury		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1.	Segment Revenues	3,364,743	3,003,774	–	10,000	643,357	437,451	4,008,100	3,451,225
	Add: Other Income							9,014	8,751
								4,017,114	**3,459,976**
2.	Segment Results	262,212	324,509	(11,513)	(8,720)	585,351	370,449	836,050	686,238
	Add: Other Income							9,014	8,751
	Less: Unallocated Corporate Expenses							(7,926)	(7,955)
	Total Profit Before Tax							**837,138**	**687,034**
3.	Capital Employed								
	Segment Assets	4,304,158	4,793,061	106,389	106,515	4,458,942	4,058,225	8,869,489	8,957,801
	Add: Unallocated Corporate Assets							251,499	55,621
	Total Assets							**9,120,988**	**9,013,422**
	Segment Liabilities	1,385,830	1,131,273	4,182	6,269	2,348	145,470	1,392,360	1,283,012
	Add: Unallocated Corporate Liabilities							366,662	249,604
	Total Liabilities							**1,759,022**	**1,532,616**
	Segment Capital Employed	2,918,328	3,661,788	102,207	100,246	4,456,594	3,912,755	**7,477,129**	**7,674,789**
	Add: Unallocated Capital Employed							(115,163)	(193,983)
	Total Capital Employed							**7,361,966**	**7,480,806**
4.	Capital Expenditure	443,379	783,516	–	–	608	1,341	443,987	784,857
5.	Depreciation / Amortisation	233,595	235,213	–	–	1,616	1,793	235,211	237,006
6.	Significant Non Cash Expenditure	443,651	267,930	–	–	204	346	443,855	268,276
	Add: Unallocated Non Cash Expenditure							–	–
								443,855	**268,276**

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.

Geographical Segments

(Rs. 000's)

Particulars	India		Outside India		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue	3,963,116	3,459,976	53,998	–	4,017,114	3,459,976
Carrying Amount of Segment Assets	9,075,587	9,013,422	44,800	–	9,120,387	9,013,422
Capital Expenditure	443,987	784,857	–	–	443,987	784,857

Note : There are no Inter Segment Revenues.

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

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Associates

1. United Mysore Network Private Limited (upto September 30, 2008)
2. Planet E-Shop Holdings India Limited
3. IN Entertainment (India) Limited (formerly Shop24Seven India Limited)
4. Ashley Airways Limited (upto September 22, 2008)

III. Joint Venture

1. RMD Baroda Network Private Limited (effective April 1, 2009)

IV. Key Management Personnel

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

V. Enterprises where common control exists

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

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forming part of the Consolidated Balance Sheet as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Interest Income						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	119,232 [127,889]	119,232 [127,889]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	14,713 [11,404]	14,713 [11,404]
IN Entertainment (India) Limited	– [–]	29,774 [12,067]	– [–]	– [–]	– [–]	29,774 [12,067]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	2,551 [–]	2,551 [–]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [7,056]	– [7,056]
Total	**–** [–]	**29,774** [12,067]	**–** [–]	**–** [–]	**136,496** [146,349]	**166,270** [158,416]
Income from Real Estate						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [10,000]	– [10,000]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [10,000]	**–** [10,000]
Infrastructure Charges						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	2,991 [16,271]	2,991 [16,271]
IN Entertainment (India) Limited	– [–]	633 [628]	– [–]	– [–]	– [–]	633 [628]
Total	**–** [–]	**633** [628]	**–** [–]	**–** [–]	**2,991** [16,271]	**3,624** [16,899]
Internet Income						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	1,161 [1,718]	1,161 [1,718]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	1,107 [779]	1,107 [779]
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	1,079 [472]	1,079 [472]
IN Entertainment (India) Limited	– [–]	53 [54]	– [–]	– [–]	– [–]	53 [54]
Total	**–** [–]	**53** [54]	**–** [–]	**–** [–]	**3,347** [2,969]	**3,400** [3,023]
Miscellaneous Income						
IN Entertainment (India) Limited	– [–]	156 [319]	– [–]	– [–]	– [–]	156 [319]
Total	**–** [–]	**156** [319]	**–** [–]	**–** [–]	**–** [–]	**156** [319]

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Reimbursement of Expenses from Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	25 [763]	25 [763]
IN Entertainment (India) Limited	– [–]	125 [234]	– [–]	– [–]	– [–]	125 [234]
Planet E - Shop Holdings India Limited	– [–]	7,402 [2,067]	– [–]	– [–]	– [–]	7,402 [2,067]
RMD Baroda Network Private Limited	– [–]	– [–]	375 [–]	– [–]	– [–]	375 [–]
Total	**–** [–]	**7,527** [2,301]	**375** [–]	**–** [–]	**25** [763]	**7,927** [3,064]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	168 [4,093]	168 [4,093]
IN Entertainment (India) Limited	– [–]	13,638 [342]	– [–]	– [–]	– [–]	13,638 [342]
Planet E - Shop Holdings India Limited	– [–]	838 [–]	– [–]	– [–]	– [–]	838 [–]
Total	**–** [–]	**14,476** [342]	**–** [–]	**–** [–]	**168** [4,093]	**14,644** [4,435]
Interest Paid						
IN Entertainment (India) Limited	– [–]	44 [–]	– [–]	– [–]	– [–]	44 [–]
Total	**–** [–]	**44** [–]	**–** [–]	**–** [–]	**–** [–]	**44** [–]
Agency Fees						
IN Entertainment (India) Limited	– [–]	1,000 [–]	– [–]	– [–]	– [–]	1,000 [–]
Total	**–** [–]	**1,000** [–]	**–** [–]	**–** [–]	**–** [–]	**1,000** [–]
Professional/ Technical Fees						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	15,600 [16,425]	15,600 [16,425]
RMD Baroda Network Private Limited	– [–]	– [–]	1,500 [–]	– [–]	– [–]	1,500 [–]
Total	**–** [–]	**–** [–]	**1,500** [–]	**–** [–]	**15,600** [16,425]	**17,100** [16,425]

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forming part of the Consolidated Balance Sheet as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Link Charges						
RMD Baroda Network Private Limited	– [–]	– [–]	762 [–]	– [–]	– [–]	762 [–]
Total	**–** [–]	**–** [–]	**762** [–]	**–** [–]	**–** [–]	**762** [–]
Rent / Service Charges Paid						
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	6,780 [10,570]	6,780 [10,570]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**6,780** [10,570]	**6,780** [10,570]
Acquisition of Film Rights (including VAT)						
IN Entertainment (India) Limited	– [–]	304,000 [–]	– [–]	– [–]	– [–]	304,000 [–]
Total	**–** [–]	**304,000** [–]	**–** [–]	**–** [–]	**–** [–]	**304,000** [–]
Sundry Debit Balances Written-off						
Hindua Reality Ventures Limited	– [–]	– [–]	– [–]	– [–]	125 [–]	125 [–]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**125** [–]	**125** [–]
Advertisements and Business Promotional Expenses						
IN Entertainment (India) Limited	– [–]	4,019 [3,795]	– [–]	– [–]	– [–]	4,019 [3,795]
Total	**–** [–]	**4,019** [3,795]	**–** [–]	**–** [–]	**–** [–]	**4,019** [3,795]
Traveling Expenses						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	– [1,673]	– [1,673]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [1,673]	**–** [1,673]
Sale of Investments						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [3,060]	– [3,060]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [3,060]	**–** [3,060]
Purchase of Investments						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [10,350]	– [10,350]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [10,350]	**–** [10,350]

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Purchase of Fixed Assets						
IN Entertainment (India) Limited	– [–]	– [140]	– [–]	– [–]	– [–]	– [140]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	275 [–]	275 [–]
Total	**–** [–]	**–** [140]	**–** [–]	**–** [–]	**275** [–]	**275** [140]
Managerial Remuneration						
Mr. Ashok P. Hinduja	11,484 [13,733]	– [–]	– [–]	– [–]	– [–]	11,484 [13,733]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	3,813 [3,612]	– [–]	3,813 [3,612]
Mr. Ravi Mansukhani	– [–]	– [–]	– [–]	4,800 [4,890]	– [–]	4,800 [4,890]
Total	**11,484** [13,733]	**–** [–]	**–** [–]	**8,613** [8,502]	**–** [–]	**20,097** [22,235]
Counter Guarantee provided and terminated during the year						
IN Entertainment (India) Limited	– [–]	40,000 [–]	– [–]	– [–]	– [–]	40,000 [–]
Total	**–** [–]	**40,000** [–]	**–** [–]	**–** [–]	**–** [–]	**40,000** [–]
Inter-Corporate Deposits/ Loans Given						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	882,500 [1,277,500]	882,500 [1,277,500]
IN Entertainment (India) Limited	– [–]	805,425 [167,614]	– [–]	– [–]	– [–]	805,425 [167,614]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	80,000 [–]	80,000 [–]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	25,000 [55,000]	25,000 [55,000]
Total	**–** [–]	**805,425** [167,614]	**–** [–]	**–** [–]	**987,500** [1,332,500]	**1,792,925** [1,500,114]
Inter-Corporate Deposits/ Loans Taken						
IN Entertainment (India) Limited	– [–]	449,114 [–]	– [–]	– [–]	– [–]	449,114 [–]
Total	**–** [–]	**449,114** [–]	**–** [–]	**–** [–]	**–** [–]	**449,114** [–]

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forming part of the Consolidated Balance Sheet as at 31st March, 2010 and the Consolidated Profit and Loss Account for the year then ended

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Inter-Corporate Deposits Receivable as at the Year-end						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	900,000 [1,410,000]	900,000 [1,410,000]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	128,500 [125,000]	128,500 [125,000]
IN Entertainment (India) Limited	– [–]	73,500 [–]	– [–]	– [–]	– [–]	73,500 [–]
Total	**–** [–]	**73,500** [–]	**–** [–]	**–** [–]	**1,028,500** [1,535,000]	**1,102,000** [1,535,000]
Receivable Net of Payable as at the Year-end						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [26,258]	– [26,258]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	– [193]	– [193]
IN Entertainment (India) Limited	– [–]	10,233 [198,483]	– [–]	– [–]	– [–]	10,233 [198,483]
Planet E - Shop Holdings India Limited	– [–]	407 [4,627]	– [–]	– [–]	– [–]	407 [4,627]
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	– [3,005]	– [3,005]
RMD Baroda Network Private Limted	– [–]	– [–]	45 [–]	– [–]	– [–]	45 [–]
Total	**–** [–]	**10,640** [203,110]	**45** [–]	**–** [–]	**–** [29,456]	**10,685** [232,566]
Payable Net of Receivable as at the Year-end						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	259 [788]	259 [788]
Aasia Management and Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	64 [–]	64 [–]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	126,762 [26,656]	126,762 [26,656]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**127,085** [27,444]	**127,085** [27,444]

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

(Rs. 000's)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Investments as at the Year-end						
Planet E - Shop Holdings India Limited	– [–]	59,600 [59,600]	– [–]	– [–]	– [–]	59,600 [59,600]
IN Entertainment (India) Limited	– [–]	– [600]	– [–]	– [–]	– [–]	– [600]
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	253,830 [–]	253,830 [–]
Total	**–** [–]	**59,600** [60,200]	**–** [–]	**–** [–]	**253,830** [–]	**313,430** [60,200]
Shares (Pending Allottment)						
IN Entertainment (India) Limited	– [–]	84,461 [–]	– [–]	– [–]	– [–]	84,461 [–]
Total	**–** [–]	**84,461** [–]	**–** [–]	**–** [–]	**–** [–]	**84,461** [–]

Notes:

1. Dividend paid/ payable to related parties aggregates to Rs. 135,284 (000's) [Previous Year - Rs. 135,334 (000's)].
2. Figures in brackets represent previous year figures.
3. Transactions with joint venture company as reflected in III above are at full value.

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

    The Group's share of Revaluation Reserve aggregating Rs. 407,105 (000's) as on March 31, 2009 was disclosed under "Reserves and Surplus" in Schedule 'B'.

13. Hitherto, it was the practice of the Company's subsidiary IndusInd Media and Communications Limited (IMCL) to adjust the difference between depreciation on revalued cost and original cost of revalued assets from the Revaluation Reserve. During the year, IMCL has changed its policy to charge such additional depreciation to Profit and Loss Account instead of Revaluation Reserve. Accordingly, additional depreciation of Rs. 51,980 (000's) has been charged to Profit and Loss Account for the year ended March 31, 2010.

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

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

    I. Defined Contribution Plans

    a. Provident Fund

b. State Defined Contribution Plans

i) Employer's Contribution to Employees' State Insurance

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

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

(Rs. 000's)

	2009-10	2008-09
- Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employees' Pension Scheme 1995]*	**14,224**	12,660
- Employers' Contribution to Employees' State Insurance *	**2,162**	2,556
- Employers' Contribution to Other Employees' Benefit Scheme *	**43**	44

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

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:

	2009-10	2008-09
Discount Rate (per annum)	8.00% - 8.25%	7.50% - 7.75%
Rate of increase in Compensation levels	4-5%	4-5%
Rate of Return on Plan Assets	8%	8%

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2009-10		2008-09	
	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation as at the beginning of the year	**11,851**	**2,678**	10,496	3,262
Interest Cost	**1,005**	**264**	862	275
Current Service Cost	**2,435**	**727**	1,480	906
Transfers	**(426)**	**(33)**	–	–
Benefits Paid	**(1,773)**	**–**	(2,407)	(1,454)
Actuarial (gain) / loss on obligations	**(528)**	**(215)**	1,420	(311)
Present Value of Obligation at the end of the year	**12,564**	**3,421**	**11,851**	**2,678**

B) Changes in the Fair Value of Plan Assets

(Rs. 000's)

	2009-10	2008-09
Opening Fair Value of Plan Assets	**11,568**	11,368
Expected Return on Plan Assets	**1,010**	950
Actuarial Gains and (Losses)	**(25)**	(52)
Contributions	**1,949**	1,709
Transfers	**(714)**	–
Benefits Paid	**(1,773)**	(2,407)
Closing Fair Value of Plan Assets	**12,015**	**11,568**

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

(Rs. 000's)

	2009-10		2008-09	
	Funded	Unfunded	Funded	Unfunded
Present Value of Funded Obligation as at the end of the year	**12,564**	**–**	11,851	–
Fair Value of Plan Assets as at the end of the year	**12,015**	**–**	11,568	–
Funded Status	**12,015**	**–**	11,568	–
Present Value of Unfunded Obligation at the end of the year	**–**	**(3,421)**	–	(2,678)
Unfunded Net Asset/ (Liability) Recognised in Balance Sheet*	**(549)**	**(3,421)**	**(283)**	**(2,678)**

* Included in Provisions (Refer Schedule 'M')

D) Amount recognised in the Balance Sheet

(Rs. 000's)

	2009-10		2008-09	
	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation at the end of the year	**12,564**	**3,421**	11,851	2,678
Fair Value of Plan Assets as at the end of the year	**12,015**	**–**	11,568	–
Liability recognised in the Balance Sheet*	**549**	**3,421**	**283**	**2,678**

*Included in Provisions (Refer Schedule 'M')

E) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2009-10	2008-09
Current Service Cost	**3,162**	2,386
Interest Cost	**1,269**	1,137
Expected Return on Plan Assets	**(1,010)**	(950)
Net actuarial (gain) / loss recognised in the year	**(718)**	1,161
Total Expenses recognised in the Profit and Loss Account*	**2,703**	3,734

* Included in Employee Costs (Refer Schedule 'S')

F) Other Information

(Rs. 000's)

	2009-10		2008-09		2007-08	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Present Value of Obligation at the end of the year	**12,564**	**3,421**	11,851	2,678	10,496	3,262
Fair Value of Plan Assets at the end of the year	**12,015**	**–**	11,568	–	7,312	–
Surplus/ (Deficit)	**549**	**–**	283	–	3,184	–
Experience Adjustments on Plan Liabilities - (Gain)/ Loss	**399**	**(152)**	710	(359)	2,929	725
Experience Adjustments on Plan Assets - (Gain)/ Loss	**(25)**	**–**	(52)	–	(141)	–

G) Percentage of each category of Plan Asset to the Fair Value of Plan Assets as at March 31, 2010

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

H) Expected Contribution to Fund for the next year

Expected Employer's Contribution to fund maintained with LIC for the next year aggregates Rs. 2,312 (000's) [Previous Year – Rs. 3,437 (000's)].

The liability for leave encashment and compensated absences as at March 31, 2010 aggregates Rs. 18,789 (000's) [Previous Year - Rs. 19,113 (000's)].

15. Employee Stock Option Scheme (ESOS)

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

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

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

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

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

Particulars	Number of Options Grant I		Number of Options Grant II	
	2009-10	2008-09	**2009-10**	2008-09
Outstanding at the beginning of the year	2,260	2,260	17,140	24,740
Granted during the year	–	–	–	–
Lapsed during the year	2,260	–	17,140	7,600
Exercised/ Alloted during the year	–	–	–	–
Outstanding at the end of the year	–	2,260	–	17,140
Exercisable at the end of the year	–	2,260	–	17,140
Weighted Average remaining life in years	–	0.65	–	0.84

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

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

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

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been lower by Rs. 2,448 (000's) [Previous Year - higher by Rs. 5,606 (000's)], Profit After Tax would have been higher by Rs. 2,448 (000's) [Previous Year - lower by Rs. 5,606 (000's)], and the basic and diluted earning per share would have been higher by Rs. 0.12 (Previous Year - lower by Rs. 0.27).

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

(Rs. 000's)

Name of the Company	Goodwill/ (Capital Reserve) on Consolidation	Effect on Group Profit/ (Loss) After Tax	Effect on Net Assets as on March 31, 2010
Sangli Media Services Private Limited	15,857	(2,383)	43,593
IDL Speciality Chemicals Limited	(14,227)	–	19,227
Grant Investrade Limited (on account of additional acquisition)	(79,578)	–	–

17. During the year, the Company's subsidiary IndusInd Media and Communications Limited (IMCL) has acquired 50% of the equity shareholding in RMD Baroda Network Private Limited (RMD), and pursuant to joint venture agreement, acquired joint control over RMD effective April 1, 2009.

IMCL's share of assets and liabilities as at March 31, 2010 and income and expenditure for the year ended March 31, 2010 of the above joint venture company based on audited financial statements are as follows:

(Rs. 000's)

Particulars	For the Year ended March 31, 2010
A. Assets	
Fixed Assets (Net)	8,759
Current Assets	
- Sundry Debtors	1,241
- Cash and Bank Balance	216
- Loans and Advances	298
Miscellaneous Expenditure	125
B. Liabilities	
Current Liabilities	379
Deferred Tax Liability	1,018
C. Income	
Subscription Income	3,485
D. Expendiiture	
Operating Expenses and Direct Costs	462
Employee Cost	336
Administrative and Other Expenses	1,664
Depreciation	1,013
Finanicial Expenses	5
Taxation	730
E. Other Matters	
Capital Commitments	Nil
Contingent Liabilities	Nil

18. In the previous year, 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 commenced the activity of sub-broking during the year. In the opinion of the Management and based on the legal opinion obtained, the Company is not considered as Non-Banking Financial Company as per guidelines issued by Reserve Bank of India.

19. a. Inter Corporate Deposit aggregating Rs. 900,000 (000's) [Previous Year - Rs. 910,000 (000's)] and accrued interest of Rs. Nil [Previous Year – Rs. 25,803 (000's)] as at March 31, 2010 are secured by way of pledge of equity shares held by a borrower in a company. The original equity share certificates are deposited with an Escrow Agent, who has the right to facilitate the transfer of pledged shares in favour of the Company in case of a default. The market value of such equity shares determined by an independent valuer during the year aggregates Rs. 2,513,102 (000's) [Previous Year - Rs. 1,560,183 (000's)].

b. Inter Corporate Deposit aggregating Rs. 50,000 (000's) [Previous Year - Rs. 230,000 (000's)] and accrued interest of Rs. 12,541 (000's) [Previous Year – Rs. 6,736 (000's)] as at March 31, 2010 secured by way of mortgage on borrower's immovable property at Bangalore.

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

21. Scheme of Arrangement by and between Company's subsidiary IndusInd Media and Communications Limited (IMCL) and IN Entertainment (India) Limited (IEIL) (formerly known as Shop24Seven India Limited).

a. Pursuant to the Scheme of Arrangement under section 391 and 394 of the Act as sanctioned by the High Court of Judicature at Bombay vide its order dated March 26, 2010, the content division of IMCL consisting of its cable, movie channel viz. CVO including all the properties and assets, debts, liabilities and obligations relating there to, together with all employees of the said division, has been transferred to and vested in IEIL w.e.f. April 1, 2009, the appointed date.

b. In the intervening period, from April 1, 2009 to March 26, 2010 IMCL has carried on the business of the Content Division for the benefit and in trust for IEIL.

c. In terms of the aforesaid Scheme of Arrangement, IMCL has transferred assets and liabilities having value of Rs. 100,113 (000's) and Rs. 9,252 (000's), respectively, as detailed below:

Particulars	**Amount (Rs.000's)**
Fixed Assets	48,294
Current Assets	
- Sundry Debtors	20,968
- Cash and Bank Balances	2,912
- Other Current Assets	6,231
- Loans and Advances	21,708
Total Assets	**100,113**
Current Liabilities and Provisions	9,252
Total Liabilities	**9,252**
Net Assets	**90,861**

d. In consideration of the transfer and vesting of the content division in favour of IEIL, IEIL will allot 8,446,120, 7% Cumulative Redeemable Preference Shares of Rs. 10 each as fully paid up.

e. The amount of Rs. 6,400 (000's) being the excess of net assets over the consideration received as above has been charged to Profit and Loss Account in the current year.

f. Further as per the aforesaid Scheme of Arrangement, IMCL has utilized a sum of Rs. 638,289 (000's) from Revaluation Reserve Account to adjust the diminution in value of assets as under:

Particulars	**Amount (Rs. 000's)**
Fixed Assets [including Capital Work-in-Progress of Rs. 64,025 (000's)]	238,299
Sundry Debtors	389,028
Loans and Advances	10,962
Total	**638,289**

Accordingly, the Group's share of the aforesaid write-offs aggregating Rs. 400,718 (000s) is adjusted to the revaluation reserve.

Had the write-offs not been adjusted to revaluation reserve as permitted under the Order of the High Court but debited to the Profit and Loss Account as per the generally accepted accounting principles, profit after minority interest of Rs. 605,778 (000's) for the year ended March 31, 2010 would have been Rs. 205,060 (000's) and the revaluation reserve would have been higher by Rs. 400,718 (000's).

22. During the year, the Company's subsidiary IMCL has written-off the carrying costs of fixed assets including CWIP (set top boxes) against Revaluation Reserve pursuant to the Scheme of Arrangement (as explained in Note 21 above) approved by the High Court of Judicature at Bombay.

    In the opinion of the Management, the following were the determinants for the decision to write down the carrying value of fixed assets:

    - There could be no digital revenues to the MSO's from non-CAS area subscribers in the immediate future in view of the fact that under the changed business scenario set top boxes are supplied free of costs to subscribers.
    - Proliferation of high-end/ free to air set top boxes that could render other boxes obsolete;
    - Government's stand on expansion of CAS in 55 other cities and also in other areas of India besides the originally announced metro cities not being implemented.

23. Minority Interest includes 12% cumulative redeemable non-convertible preference shares aggregating Rs. 741,500 (000's) issued by a subsidiary company, IndusInd Media and Communications Limited (IMCL), which were due for redemption in July 2005. However, the aforesaid preference shares have not been redeemed so far. In terms of the Foreign Investment in Preference Shares Revised Guidelines issued by the Reserve Bank of India (RBI) vide circular - RBI/2006-2007/434 A.P. (DIR Series) Circular No. 73 dated June 8, 2007 the unredeemed preference shares aggregating Rs. 741,500 (000's) could be considered as debt requiring compliance with External Commercial Borrowings (ECB) guidelines/ sectoral cap. IMCL has obtained legal opinion in the matter and has filed an application for approval with the RBI.

24. The current year figures are not comparable with previous year figures in view of acquisition of subsidiaries/ joint venture company during the year.

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

    The Schedules A to V referred to above form an integral part of the Consolidated Financial Statements.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 11th June, 2010

Anil Harish
Director

A. P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 11th June, 2010

Auditor's Report

on the Consolidated Financial Statements of Hinduja Ventures Limited

The Board of Directors of Hinduja Ventures Limited

1. We have audited the attached consolidated Balance Sheet of Hinduja Ventures Limited (the "Company") and its subsidiaries, its jointly controlled entity and associate company, hereinafter referred to as the 'Group'(refer Notes 3 and 4 on Schedule V to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and 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 (i) eleven subsidiaries and one jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs. 4,892,145 ('000s) and net assets of Rs. 3,589,609 ('000s) as at March 31, 2010, total revenue of Rs. 3,287,781 ('000s), net profit of Rs. 403,500 ('000s) and net cash flows amounting to Rs. 30,408 ('000s) for the year then ended; and (ii) one associate company which constitute consolidated net profit of Rs. Nil for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.

5. Without qualifying our report, we draw your attention to the following matters reported in the audit report dated June 9, 2010 of the Company's subsidiary IndusInd Media and Communications Limited ('IMCL'):

   a. Note 13 on Schedule V to the attached consolidated financial statements regarding charging off of additional deprecation on revalued assets to Profit and Loss Account against the earlier policy of adjusting it from Revaluation Reserve for the reasons explained in the said note. Accordingly, an additional depreciation of Rs. 51,980 (000s) has been charged to the Profit and Loss Account for the year ended March 31, 2010.

   b. Note 21 on Schedule V to the attached consolidated financial statements regarding write-off of Sundry Debtors, Fixed Assets including capital work-in-progress and Loans and Advances against the balance in Revaluation Reserve by IMCL, pursuant to the approval dated March 26, 2010 given by the High Court of Bombay to the Scheme of Arrangement filed by IMCL under Section 391/394 of the Companies Act, 1956, for transfer of Content Division to IN Entertainment (India) Limited (formerly Shop 24Seven India Limited). IMCL has been permitted to write-off an amount not exceeding Rs. 660,000 (000's) pertaining to debtors, fixed assets including capital work-in-progress and loans and advances against the balance in the Revaluation Reserve and accordingly, IMCL has written-off debtors of Rs. 389,028 (000's), fixed assets including capital work-in-progress of Rs. 238,299 (000's) and loans and advances of Rs. 10,962 (000's) aggregating to Rs. 638,289 (000's) by adjustment from revaluation reserve. Accordingly, the Group's share of the aforesaid write-offs aggregating Rs. 400,718 (000s) is adjusted to the revaluation reserve.

Had the write-offs not been adjusted to revaluation reserve as permitted under the Order of the High Court but debited to the Profit and Loss Account as per the generally accepted accounting principles, profit after minority interest of Rs. 605,778 (000's) for the year ended March 31, 2010 would have been Rs. 205,060 (000's) and the revaluation reserve would have been higher by Rs. 400,718 (000's).

6. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2010;

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

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

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 11th June, 2010

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