

Financial Statements

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Balance Sheet

as at 31st March, 2008

	Schedule	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	205,555	205,380
Reserves and Surplus	B	5,706,114	5,526,460
		<u>5,911,669</u>	<u>5,731,840</u>
Loan Funds			
Secured Loan	C	746,391	300,000
TOTAL		<u><u>6,658,060</u></u>	<u><u>6,031,840</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	24,467	18,638
Less: Depreciation		<u>12,212</u>	<u>12,394</u>
Net Block		12,255	6,244
Investments	E	2,266,361	3,172,140
Deferred Tax Asset (Net) (Refer Note 5 on Schedule 'T')		2,294	800
Current Assets, Loans and Advances			
Stock-in-Trade	F	109,892	105,684
Sundry Debtors	G	1,497	3,308
Cash and Bank Balances	H	2,780,846	2,010,633
Other Current Assets	I	147,215	86,294
Loans and Advances	J	<u>1,601,981</u>	<u>938,861</u>
		<u>4,641,431</u>	<u>3,144,780</u>
Less: Current Liabilities and Provisions			
Current Liabilities	K	14,427	46,930
Provisions	L	<u>251,458</u>	<u>247,788</u>
		<u>265,885</u>	<u>294,718</u>
Net Current Assets		4,375,546	2,850,062
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	M	1,604	2,594
TOTAL		<u><u>6,658,060</u></u>	<u><u>6,031,840</u></u>
Notes to Accounts	T		

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.

Partha Ghosh
Partner
Membership No. F - 55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : 25th August, 2008

For and on behalf of the Board

Anil Harish
Director

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 25th August, 2008

Profit and Loss Account

for the year ended 31st March, 2008

	Schedule	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
INCOME			
Operating Income	N	121,892	1,598,607
Interest and Dividend Income	O	481,047	314,335
Gain on Sale of Long Term Investments (net)		61,751	8,833,309
Other Income	P	829	24,100
TOTAL		665,519	10,770,351
EXPENDITURE			
Direct Cost, Product Charges and Connectivity Cost		—	57,915
Increase/ (Decrease) in Stock-in-Trade		—	(12)
Employee Costs	Q	27,384	864,987
Administrative and Other Expenses	R	43,125	655,361
Interest	S	21,048	82,654
Depreciation / Amortisation		1,588	75,584
TOTAL		93,145	1,736,489
Profit Before Tax*		572,374	9,033,862
Less: Tax Expense* (Refer Notes 1 (h) and 5 on Schedule 'T')			
- Current Tax (net of write-back of excess provision of earlier years Rs. 2,511 (Previous Year Rs. Nil))		157,000	2,073,901
- Deferred Tax		(1,494)	66,431
- Fringe Benefit Tax		400	2,305
Profit After Tax		416,468	6,891,225
Add : Balance Brought Forward from Previous Year		3,475,266	1,282,896
PROFIT AVAILABLE FOR APPROPRIATION		3,891,734	8,174,121
Dividend			
- Interim		205,555	818,078
- Final (Proposed)		—	205,380
- Dividend Tax		34,934	149,639
Transfer to General Reserve		41,647	3,525,758
Balance carried to Balance Sheet		3,609,598	3,475,266
Earnings Per Share			
- Basic (Rupees)		20.28	224.29
- Diluted (Rupees)		20.26	224.20

(Refer Note 4 on Schedule 'T')

* Includes Profit before tax from Discontinuing operations Rs. Nil (Previous Year: Rs. 255,662). Tax expense relating to discontinuing operations aggregates to Rs. Nil (Previous Year: Rs. 79,663) (Refer Note 17 on Schedule 'T')

Notes to Accounts

T

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

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Place : Mumbai
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Cash Flow Statement

for the year ended 31st March, 2008

	<u>2007–2008</u>	<u>(Rs. 000's)</u> <u>2006–2007</u>
A Cash Flow from Operating Activities :		
Profit Before Tax	572,374	9,033,862
Adjustments for :		
Share issue and deferred revenue expenses written off	990	990
Depreciation/ Amortisation	1,588	75,584
Bad Debts / Advances written off	–	8,721
Liability no longer required written back	–	(15,632)
Investments written off (net)	900	–
Loss on Sale of Assets	254	264
Gain on Sale of Long Term Investments	(61,751)	(8,833,309)
Interest Expenses	21,048	82,654
Provision for Gratuity and Leave Encashment	1,846	10,585
	<u>(35,125)</u>	<u>(8,670,143)</u>
Operating profit before working capital changes	537,249	363,719
Adjustments for :		
Trade Receivables	1,811	31,128
Stock in Trade	(5,116)	11,086
Trade Payables	(31,795)	(15,756)
Other Receivables	(725,568)	(260,403)
	<u>(760,668)</u>	<u>(233,945)</u>
Operating profit after working capital changes	(223,419)	129,774
Direct Taxes Paid	(153,392)	(2,035,685)
Net Cash from Operating Activities (A)	<u>(376,811)</u>	<u>(1,905,911)</u>
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(10,333)	(111,021)
Sale of Fixed Assets	2,480	418
Investments Made	(7,826,962)	(14,627,463)
Investments Sold	8,791,138	21,945,589
	<u>956,323</u>	<u>7,207,523</u>
Net Cash from Investing Activities (B)	<u>956,323</u>	<u>7,207,523</u>

Cash Flow Statement

for the year ended 31st March, 2008

	<u>2007–2008</u>	<i>(Rs. 000's)</i> <u>2006–2007</u>
C Cash Flow from Financing Activities :		
Issue of Share Capital	175	1,721
Share Premium Received	6,175	60,883
Borrowings/ (Repayment) of Secured Loan	446,391	(2,282,572)
Interest Expense	(21,048)	(82,654)
Dividend Paid (including tax thereon)	<u>(240,992)</u>	<u>(1,278,235)</u>
	<u>190,701</u>	<u>(3,580,857)</u>
Net Cash from Financing Activities (C)	<u>190,701</u>	<u>(3,580,857)</u>
Net Increase in Cash and Cash Equivalents (A + B + C)	770,213	1,720,755
Cash and Cash Equivalents as at the beginning of the year	2,010,633	328,282
Cash and Cash Equivalents transferred pursuant to Scheme of Arrangement and Reconstruction	—	(38,404)
Cash and Cash Equivalents as at the end of the year	<u><u>2,780,846</u></u>	<u><u>2,010,633</u></u>
Cash and Cash Equivalents comprise :		
Cash on Hand	49	14
Cheques on Hand	5,057	732
Bank Balances with Scheduled Banks in :		
- Current Accounts	2,336	3,512
- Margin Money Accounts	779,391	420,000
- Deposit Accounts	1,986,819	1,578,473
- Unclaimed Dividend Accounts	7,194	7,902
	<u><u>2,780,846</u></u>	<u><u>2,010,633</u></u>

Notes :

- The above cash flow statement has been prepared under the “Indirect Method” as set out in the Accounting Standard-3 on Cash Flow Statement.
- In terms of the Scheme of Arrangement and Reconstruction (refer Note 16 on Schedule ‘T’), the net assets aggregating Rs. 4,970,006 (000’s) were transferred to HTMT Global Solutions Limited in previous year. The demerger being a non cash transaction, the same has been appropriately considered in the Cash Flow Statement for the year ended March 31, 2007.
- In view of the matter stated in Note 16 on Schedule ‘T’, the figures of the current year are not comparable with those of the previous year.

This is the Cash flow statements referred to in our report of even date.

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Partner
Membership No. F - 55913
For and on behalf of
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Place : Mumbai
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Place : Mumbai
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Schedules

forming part of the Balance Sheet as at 31st March, 2008

	As at <u>31.03.2008</u>	(Rs. 000's) As at <u>31.03.2007</u>
SCHEDULE 'A'		
Share Capital		
Authorised		
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs. 10 each	700,000	700,000
	<u>700,000</u>	<u>700,000</u>
Issued, Subscribed and Paid-up :		
20,555,503 (Previous Year - 41,076,006) Equity Shares of Rs. 10 each, fully paid-up (Refer Notes 1 and 2 below)	205,555	410,760
Less : Reduction in Share Capital pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 16 on Schedule 'T')	<u>—</u>	<u>205,380</u>
	205,555	205,380
	<u>205,555</u>	<u>205,380</u>

Notes :

1. Of the above, 8,965,157* (Previous Year - 17,930,315) 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 - 1,72,119) Equity Shares of Rs. 10 each has been allotted to employees under Employee Stock Option Scheme (Refer Note 19 on Schedule 'T')

* The number of equity shares are after considering the reduction in share capital.

Schedules

forming part of the Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'B'		
Reserves and Surplus		
Securities Premium		
As per last Balance Sheet	60,883	1,016,143
Add : Received on account of Employee Stock Option Scheme (Refer Note 19 on Schedule 'T')	6,175	60,883
	<u>67,058</u>	<u>1,077,026</u>
Less : Adjustment pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 16 on Schedule 'T')	—	1,016,143
	<u>67,058</u>	60,883
General Reserve		
As per last Balance Sheet	1,982,427	2,192,228
Add : Reduction in Share Capital pursuant to the Scheme of Arrangement and Reconstruction	—	205,380
Add : Transferred from Profit and Loss Account	41,647	3,525,758
Add : Adjustment on adoption of Accounting Standard 15 (Revised) (Net of Tax)	—	12,924
	<u>2,024,074</u>	<u>5,936,290</u>
Less : Adjustment pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 16 on Schedule 'T')	2,500	3,953,863
	<u>2,021,574</u>	1,982,427
Statutory Reserve Fund		
As per last Balance Sheet	7,884	7,884
Profit and Loss Account		
	<u>3,609,598</u>	<u>3,475,266</u>
	<u>5,706,114</u>	<u>5,526,460</u>
SCHEDULE 'C'		
Secured Loan		
Bank Overdraft [Secured by equivalent amount of deposit as margin money] [Due within a year Rs. 746,391 (Previous Year Rs. 300,000)]	746,391	300,000
	<u>746,391</u>	<u>300,000</u>

Schedules

forming part of the Balance Sheet as at 31st March, 2008

DESCRIPTION	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 01.04.2007	Additions/ Adjustments during the year	Cost transferred consequent to Scheme of Arrangement and Reconstruction on Demerger (Refer Note below)	Deletions during the year	As at 31.03.2008	Up to 31.03.2007	For the Year	Depreciation transferred consequent to Scheme of Arrangement and Reconstruction on Demerger (Refer Note below)	On Deletions during the year	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007		
Office Equipments	738	28	—	99	667	209	37	—	17	229	438	529		
Computers	12,100	456	—	—	12,556	10,151	695	—	—	10,846	1,710	1,949		
Furniture & Fixtures	228	—	—	—	228	204	6	—	—	210	18	24		
Vehicles	5,572	9,961	—	4,517	11,016	1,830	850	—	1,753	927	10,089	3,742		
TOTAL	18,638	10,445	—	4,616	24,467	12,394	1,588	—	1,770	12,212	12,255	6,244		
Previous Year	1,060,187	228,283	1,266,543	3,289	18,638	336,045	75,584	396,628	2,607	12,394	6,244			

Note:

Cost and Accumulated depreciation transferred pursuant to the Scheme of Arrangement and Reconstruction referred to in Note 16 on Schedule 'T'.

Schedules

forming part of the Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'E'		
Investments - (At cost)		
(As per Annexure - A)	2,295,795	3,204,282
Less: Provision for Diminution in Value of Investments	29,434	32,142
	<u>2,266,361</u>	<u>3,172,140</u>
SCHEDULE 'F'		
Stock-in-Trade		
Shares (As per Annexure - B)	3,519	290
Real Estate*	106,373	105,394
	<u>109,892</u>	<u>105,684</u>
* pending registration in the name of Company		
SCHEDULE 'G'		
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months (Considered Doubtful)	3,500	3,500
Other Debts - Considered Good	1,497	3,308
	<u>4,997</u>	<u>6,808</u>
Less: Provision for Doubtful Debts	3,500	3,500
	<u>1,497</u>	<u>3,308</u>
SCHEDULE 'H'		
Cash and Bank Balances		
Cash on Hand	49	14
Cheques on hand	5,057	732
Balances with Scheduled Banks in :		
- Current Accounts	2,336	3,512
- Margin Money Accounts #	779,391	420,000
- Deposit Accounts	1,986,819	1,578,473
- Unclaimed Dividend Accounts	7,194	7,902
	<u>2,780,846</u>	<u>2,010,633</u>
#- 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	139,921	86,294
[Includes due from subsidiaries - Rs. 2,547 (Previous Year - Rs. Nil)]		
Dividend Receivable	7,294	-
	<u>147,215</u>	<u>86,294</u>
SCHEDULE 'J'		
Loans and Advances		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for value to be received [Includes due from subsidiaries Rs. 15 (Previous Year - Rs. 1,092)]	1,976	3,348
Advance Tax and Tax Deducted at Source (Net of Provisions)	45,505	45,513
Inter-Corporate Deposits	1,232,500	890,000
Loan to Subsidiaries	322,000	-
	<u>1,601,981</u>	<u>938,861</u>

Schedules

forming part of the Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'K'		
Current Liabilities		
Sundry Creditors (Refer Note 15 on Schedule 'T')		
- Due to Micro and Small Enterprises	—	—
- Due to Creditors other than Micro and Small Enterprises	6,392	37,419
Unclaimed Dividend*	7,194	7,902
Other Liabilities	841	1,609
	<u>14,427</u>	<u>46,930</u>
*There are no amounts as at year-end which are due to be credited to Investor Education and Protection Fund.		
SCHEDULE 'L'		
Provisions		
Gratuity (Refer Note 18 on Schedule 'T')	3,262	1,486
Leave Encashment	3,707	2,018
Wealth Tax	4,000	4,000
Dividend	205,555	205,380
Dividend Tax	34,934	34,904
	<u>251,458</u>	<u>247,788</u>
SCHEDULE 'M'		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	1,604	2,594
	<u>1,604</u>	<u>2,594</u>

Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2008

	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
SCHEDULE 'N'		
Operating Income		
I.T. and I.T. Enabled Services		
- Overseas	—	1,201,172
- Domestic	—	278,855
[Tax Deducted at Source Rs. Nil (Previous Year - Rs. 17,174)]	—	1,480,027
Income from Real Estate (Refer Note 20 on Schedule 'T')	100,000	—
Income from Trading of securities and equity index/ stock futures (Refer Note 10 (a) in Schedule 'T')	16,190	—
Commitment Fee	—	118,380
[Tax Deducted at Source Rs. Nil (Previous Year - Rs. 26,565)]		
Commission Income	5,702	—
[Tax Deducted at Source Rs. 726 (Previous Year - Rs. Nil)]		
Consultancy Fees	—	200
[Tax Deducted at Source Nil (Previous Year - Rs. 13)]		
	<u>121,892</u>	<u>1,598,607</u>
SCHEDULE 'O'		
Interest and Dividend Income		
Interest		
[Tax Deducted at Source Rs. 86,652 (Previous Year Rs. 41,860)]		
- On Inter-Corporate Deposits	152,835	92,496
- On Deposits with Bank	232,353	94,021
- On Others	2	4
Dividend	95,857	127,814
	<u>481,047</u>	<u>314,335</u>
SCHEDULE 'P'		
Other Income		
Exchange Gain (Net)	—	6,517
Interest Income - Others	—	631
Liabilities/ Provisions no longer payable written-back	—	15,632
Miscellaneous Income	829	1,320
[Tax Deducted at Source Rs. 92 (Previous Year Rs. 180)]		
	<u>829</u>	<u>24,100</u>
SCHEDULE 'Q'		
Employee Costs (Net of Re-imburement)		
Salary and Other Benefits	23,255	798,223
Contribution to Employees' Provident and Other Funds	3,824	39,579
Staff Welfare Expenses	305	27,185
	<u>27,384</u>	<u>864,987</u>

Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2008

	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
SCHEDULE 'R'		
Administrative and Other Expenses		
Rent	4,384	117,098
Repairs and Maintenance		
- Building	—	124
- Others	2,692	18,802
Power and Fuel	—	46,173
Insurance	494	2,238
Rates, Taxes and Duties	2,385	7,331
Advertisement and Business Promotion	3,095	3,961
Communication	915	15,142
Travelling, Conveyance and Car Hire	895	31,470
Legal and Professional	15,716	337,876
Training and Recruitment	—	23,863
Motor Car Expenses	636	833
Discounts and Commission	—	8,774
Software Expenses / Jobs-in-Progress written-off	—	12,104
Auditors' Remuneration		
- As Auditors	2,000	3,000
- For Other Matters	90	141
- Out-of-Pocket Expenses	112	71
Directors' Sitting Fees	1,080	1,115
Share issue and deferred revenue expenses written-off	990	990
Donation	1,000	—
Bad Debts / Advances written-off	—	8,721
Loss on Sale / Scrapping of Assets	254	264
Investments written-off	3,608	—
Less: Withdrawn from provision for diminution in value of long term investments	2,708	—
	900	—
Miscellaneous Expenses	5,487	15,270
	<u>43,125</u>	<u>655,361</u>
SCHEDULE 'S'		
Interest		
Interest on		
- Term Loans	—	59,284
- Cash Credit/ Overdraft and Other Facilities	21,048	23,370
	<u>21,048</u>	<u>82,654</u>

Schedules

forming part of the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2008

SCHEDULE 'T'

Notes to Accounts

1. Significant Accounting Policies

a) Accounting Convention

These Accounts have been prepared under historical cost convention on accrual basis and comply in all material aspects with all applicable accounting principles in India, the accounting standards notified u/s 211(3C) of the Companies Act, 1956 of India ('the Act') and the relevant provisions 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, except for leasehold improvements, which are depreciated over the period of the lease. 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 the recoverable amount.

c) Valuation of Stock-in-trade

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

Real Estate is valued at cost and net realisable value, whichever is lower.

d) Valuation of Investments

Long term investments are stated at cost and provision is made for diminution other than temporary, in value of investments. Current investments are valued at lower of cost or market value/ net asset value.

e) Revenue Recognition

- i) Interest income is accounted on accrual basis and dividend income is accounted on right to receipt basis.
- ii) Profits/ Losses from share trading/ investment activities (including gain/ (loss) on sale of stake in subsidiaries) are recognised on the basis of trade dates/ contracts/ agreements entered with parties.
- iii) In respect of other heads of income, the Company follows the practice of accounting of such income on accrual basis.

iv) Equity Index/ Stock - Futures

1. Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or credit balance, 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

Schedules

forming part of the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2008

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.

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, which is recognised by the income tax authorities and administered through trustees.

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 Employee's State Insurance Fund and Employee's 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 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.

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.

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.

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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. CONTINGENT LIABILITIES IN RESPECT OF

(Rs. 000's)

Sr. No.	Particulars	As at March 31, 2008	As at March 31, 2007
i.	Counter Guarantee provided by the Company for guarantee given by Standard Chartered Bank to erstwhile In2cable (India) Limited (merged with IndusInd Media & Communications Limited), a subsidiary company.	10,000	10,000
ii.	Letter of Comfort given by the Company for Channel Financing Facility to Axis Bank Limited on behalf of IndusInd Media & Communications Limited, a subsidiary company.	—	50,000
iii.	Security provided by the Company to IndusInd Bank Limited by way of lien on fixed deposits for Letter of Credit issued by IndusInd Bank Limited on behalf of IndusInd Media & Communications Limited, a subsidiary company.	23,000	110,000
iv.	Demands raised by income tax authorities against which the Company has filed an appeal.	174,943	112,185
v.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated 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
vi.	Other Claims against Company not acknowledged as debts. (to the extent ascertainable)	158	—

Note: - With respect to the above, the Company does not expect any outflow.

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for the year ended 31st March, 2008

3. During the year, the name of the Company was changed from Hinduja TMT Limited to Hinduja Ventures Limited effective 23rd October, 2007.

4. Earnings per Equity Share (Basic and Diluted)

(Rs. 000's)

	2007-08	2007-08	2006-07
Profit after Tax		416,468	6,891,225
Weighted average number of equity shares for Earnings per Share Computation			
A. For Basic Earnings per share (Nos.)		20,539,793	30,724,278
B. For Diluted Earnings per share (Nos.)			
No of shares for Basic EPS as per A	20,539,793		30,724,278
Add: Weighted Average outstanding employee Stock option deemed to be issued for no consideration	19,286		11,602
No. of shares for Diluted Earnings per share		20,559,079	30,735,880
Nominal Value of an equity share (Rs.)		10.00	10.00
Earnings per share after Tax (Basic) (Rs.)		20.28	224.29
Earnings per share after Tax (Diluted) (Rs.)		20.26	224.20

5. Statement of Deferred Tax Asset/ (Liability)

(Rs. 000's)

	As at 31.03.2008	As at 31.03.2007
<i>Deferred Tax Liability</i>		
Depreciation on Fixed Assets	719	699
Amalgamation Expenses	545	882
Total Deferred Tax Liability	1,264	1,581
<i>Deferred Tax Asset</i>		
Liabilities to be deducted for Tax purposes when paid	2,368	1,191
Provision for Doubtful Debts	1,190	1,190
Total Deferred Tax Asset	3,558	2,381
Net Deferred Tax Asset /(Liability)	2,294	800

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6. Segment Information

Segmental information for the year ended 31st March, 2008 has been provided so that the users of these accounts can appreciate the diverse nature of the businesses carried out by the Company.

Various Business Segments as identified by the Management based on the nature of products and 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, are as under:

- I. **Convergence Activities** - This segment is further classified into two sub-segments as under:
 - a. **Information Technology (IT)** - which consists of IT as well as IT Enabled Services (including Business Process outsourcing). During the previous year, IT and ITES business has been demerged pursuant to the Scheme of Arrangement and Reconstruction between the Company and HTMT Global Solutions Limited and their respective shareholders and creditors (Refer Note 16 below).
 - b. **Media & Communications**, which 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 Company has entered into an option agreement for development of its existing property at Bangalore. 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".

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Particulars	(Rs. 000's)											
	I. T.		Media & Communications		Real Estate		Treasury		Total			
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07		
1. Segment Revenues Add: Other Income Profit on sale of Investment in Subsidiaries (net)	—	1,527,167	15,654	118,580	100,000	—	549,757	248,901	665,411	1,894,648		
2. Segment Results Add: Other Income Profit on sale of Investment in Subsidiaries (net) Less: Interest expense Unallocated Corporate Expenses Total Profit before Tax	—	241,794	3,750	108,142	88,157	—	495,608	237,653	587,515	587,589		
3. Capital Employed Segment Assets# Add: Unallocated Corporate Assets Total Assets Segment Liability Add: Unallocated Corporate Liability Total Liabilities Segment Capital Employed Add: Unallocated Capital Employed Total Capital Employed	—	—	1,122,135	689,142	106,404	105,394	5,632,621	5,472,948	6,861,160	6,267,484		
4. Capital Expenditure	—	228,131	—	—	—	—	10,333	152	10,333	228,283		
5. Depreciation/ Amortisation	—	74,313	—	—	—	—	1,588	1,271	1,588	75,584		
6. Significant Non Cash Expenditure Add: Unallocated Non Cash Expenditure	—	8,721	990	990	—	—	900	—	1,890	9,711		
									254	264		
									2,144	9,975		

- 1) There are no Inter Segment Revenues.
- 2) Media – Telecom has been renamed Media & Communications with effect from the current year as it better reflects the activities that form part of the segment.
- 3) Except the renaming, there is no change in the activities included in the segment.
- 4) Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.

Particulars	(Rs. 000's)					
	India		Outside India		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Sales Revenue	665,519	9,569,179	—	1,201,172	665,519	10,770,351
Carrying Amount of Assets	6,923,945	6,326,558	—	—	6,923,945	6,326,558
Capital Expenditure	10,333	84,253	—	144,030	10,333	228,283

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7. 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)

I.T. (upto September 30, 2006)

1. Source 1 HTMT Inc., U.S.A
2. HTMT Europe Limited
3. Hinduja TMT France
4. Customer Contact Centre Inc., Manila
5. C-Cubed B.V., Netherlands
6. C-Cubed (Antilles) N.V.
7. HTMT Global Solutions Limited (formerly Tele Video Communications Limited)
8. Pacific Horizon Limited (w.e.f. June 30, 2006)

Media

9. IndusInd Media & Communications Limited
10. Grant Investrade Limited
11. USN Networks Private Limited (effective October 23, 2007)

Communications

12. HTMT Telecom Private Limited (effective October 1, 2007)
13. IndusInd Telecom Network Limited (upto August 17, 2006)

III Associates/ Joint Ventures

Media

1. United Mysore Network Private Limited
2. Planet E-Shop Holdings India Limited
3. Shop24Seven India Limited
4. USN Networks Private Limited (upto October 22, 2007)

Communications

5. Pacific Horizon Limited (upto June 30, 2006)

Others

6. Ashley Airways Limited (effective December 24, 2007)

IV Key Management Personnel

1. Mr. Dilip Panjwani (Manager)
2. Mr. Partha De Sarkar (Manager & Chief Operating Officer upto March 6, 2007)
3. Mr. K. Thiagarajan (Managing Director and CEO) (upto April 30, 2006)

V Enterprises where common control exists

1. Aasia Corporation
2. Aasia Management & Consultancy Private Limited
3. Hinduja Group India Limited
4. Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)
5. HTMT Global Solutions Limited (w.e.f. October 1, 2006)
6. Pacific Horizon Limited (w.e.f. October 1, 2006)

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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
During the Year						
Rendering of Services						
Source 1 HTMT Inc.	— [—]	— [861,769]	— [—]	— [—]	— [—]	— [861,769]
Others	— [—]	— [1,782]	— [—]	— [—]	— [20]	— [1,802]
Total	— [—]	— [863,551]	— [—]	— [—]	— [20]	— [863,571]
Interest Income						
IndusInd Media & Communications Limited	— [—]	9,231 [45,358]	— [—]	— [—]	— [—]	9,231 [45,358]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	— [—]	69,361 [11,819]	69,361 [11,819]
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	— [—]	1,818 [—]	1,818 [—]
Total	— [—]	9,231 [45,358]	— [—]	— [—]	71,179 [11,819]	80,410 [57,177]
Income from Real Estate						
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	— [—]	100,000 [—]	100,000 [—]
Total	— [—]	— [—]	— [—]	— [—]	100,000 [—]	100,000 [—]
Miscellaneous Income						
Customer Contact Centre Inc.	— [—]	— [412]	— [—]	— [—]	— [—]	— [412]
IndusInd Media & Communications Limited	— [—]	661 [208]	— [—]	— [—]	— [—]	661 [208]
Grant Investrade Limited	— [—]	60 [60]	— [—]	— [—]	— [—]	60 [60]
Total	— [—]	721 [680]	— [—]	— [—]	— [—]	721 [680]
Reimbursement of expenses from other companies						
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	— [—]	9,558 [17,055]	9,558 [17,055]
Source 1 HTMT Inc.	— [—]	— [110,460]	— [—]	— [—]	— [—]	— [110,460]
IndusInd Media & Communications Limited	— [—]	1,619 [—]	— [—]	— [—]	— [—]	1,619 [—]
HTMT Telecom Private Limited	— [—]	1,111 [—]	— [—]	— [—]	— [—]	1,111 [—]

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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
Grant Investrade Limited	– [–]	1 [–]	– [–]	– [–]	– [–]	1 [–]
Total	– [–]	2,731 [110,460]	– [–]	– [–]	9,558 [17,055]	12,289 [127,515]
Reimbursement of expenses to other Companies						
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	1,754 [–]	1,754 [–]
IndusInd Media & Communications Limited	– [–]	277 [–]	– [–]	– [–]	– [–]	277 [–]
Aasia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	1,258 [–]	1,258 [–]
Total	– [–]	277 [–]	– [–]	– [–]	3,012 [–]	3,289 [–]
Professional Fees Paid						
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	12,472 [44,660]	12,472 [44,660]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	– [40,124]	– [40,124]
Customer Contact Centre Inc.	– [–]	– [2,556]	– [–]	– [–]	– [–]	– [2,556]
Aasia Corporation	– [–]	– [–]	– [–]	– [–]	674 [–]	674 [–]
Total	– [–]	– [2,556]	– [–]	– [–]	13,146 [84,784]	13,146 [87,340]
Discounts and Commission Paid						
Source 1 HTMT Inc.	– [–]	– [7,504]	– [–]	– [–]	– [–]	– [7,504]
Total	– [–]	– [7,504]	– [–]	– [–]	– [–]	– [7,504]
Rent/Service Charges Paid						
Customer Contact Centre Inc.	– [–]	– [45,604]	– [–]	– [–]	– [–]	– [45,604]
IndusInd Media & Communications Limited	– [–]	719 [8,004]	– [–]	– [–]	– [–]	719 [8,004]
Aasia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	3,600 [3,600]	3,600 [3,600]
Total	– [–]	719 [53,608]	– [–]	– [–]	3,600 [3,600]	4,319 [57,208]
Sale of Assets						
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	2,658 [–]	2,658 [–]

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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
Total	– [–]	– [–]	– [–]	– [–]	2,658 [–]	2,658 [–]
Interest Expenses						
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	– [3,205]	– [3,205]
Total	– [–]	– [–]	– [–]	– [–]	– [3,205]	– [3,205]
Communication Charges						
IndusInd Media & Communications Limited	– [–]	– [523]	– [–]	– [–]	– [–]	– [523]
Total	– [–]	– [523]	– [–]	– [–]	– [–]	– [523]
Managerial/ Executive Remuneration						
Mr. Ashok P. Hinduja	14,322 [14,976]	– [–]	– [–]	– [–]	– [–]	14,322 [14,976]
Mr. Dilip Panjwani	– [–]	– [–]	– [–]	2,377 [142]	– [–]	2,377 [142]
Mr. Partha De Sarkar	– [–]	– [–]	– [–]	– [3,116]	– [–]	– [3,116]
Mr. K Thiagarajan	– [–]	– [–]	– [–]	– [1,427]	– [–]	– [1,427]
Total	14,322 [14,976]	– [–]	– [–]	2,377 [4,685]	– [–]	16,699 [19,661]
Sale of Investments						
Pacific Horizon Limited	– [–]	– [2,648,422]	– [–]	– [–]	– [–]	– [2,648,422]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	– [15,532]	– [15,532]
Total	– [–]	– [2,648,422]	– [–]	– [–]	– [15,532]	– [2,663,954]
Inter-corporate Deposits/ Loans given						
IndusInd Media & Communications Limited	– [–]	527,000 [–]	– [–]	– [–]	– [–]	527,000 [–]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	1,815,000 [660,000]	1,815,000 [660,000]
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	300,000 [–]	300,000 [–]
Aasia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	– [60,000]	– [60,000]

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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
Total	– [–]	527,000 [–]	– [–]	– [–]	2,115,000 [720,000]	2,642,000 [720,000]
Inter–Corporate Deposits / Loans taken						
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	– [1,560,000]	– [1,560,000]
Total	– [–]	– [–]	– [–]	– [–]	– [1,560,000]	– [1,560,000]
Year–end Balance						
Inter–Corporate Deposits receivable as at the year–end						
IndusInd Media & Communications Limited.	– [–]	322,000 [–]	– [–]	– [–]	– [–]	322,000 [–]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	977,500 [290,000]	977,500 [290,000]
HTMT Global Solutions Limited.	– [–]	– [–]	– [–]	– [–]	150,000 [–]	150,000 [–]
Total	– [–]	322,000 [–]	– [–]	– [–]	1,127,500 [290,000]	1,449,500 [290,000]
Receivable net of payable as at the year–end						
IndusInd Media & Communications Limited.	– [–]	2,547 [1,031]	– [–]	– [–]	– [–]	2,547 [1,031]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	– [–]	– [–]	– [–]	– [–]	144 [5,093]	144 [5,093]
Grant Investrade Limited	– [–]	15 [56]	– [–]	– [–]	– [–]	15 [56]
Shop24Seven India Limited	– [–]	– [–]	1,580 [–]	– [–]	– [–]	1,580 [–]
Total	– [–]	2,562 [1,087]	1,580 [–]	– [–]	144 [5,093]	4,286 [6,180]
Payable net of receivable as at the year end						
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [28,952]	– [28,952]
Aasia Corporation	– [–]	– [–]	– [–]	– [–]	1,258 [–]	1,258 [–]
Hinduja Group India Limited	– [–]	– [–]	– [–]	– [–]	448 [–]	448 [–]
Aasia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [–]	– [571]	– [571]
Total	– [–]	– [–]	– [–]	– [–]	1,706 [29,523]	1,706 [29,523]

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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						
HTMT Telecom Private Limited.	– [–]	90,000 [–]	– [–]	– [–]	– [–]	90,000 [–]
IndusInd Media & Communications Limited	– [–]	652,746 [652,681]	– [–]	– [–]	– [–]	652,746 [652,681]
Grant Investrade Limited	– [–]	21,190 [21,190]	– [–]	– [–]	– [–]	21,190 [21,190]
Ashley Airways Limited	– [–]	– [–]	7,800 [–]	– [–]	– [–]	7,800 [–]
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	– [2,500]	– [2,500]
Total	– [–]	763,936 [673,871]	7,800 [–]	– [–]	– [2,500]	771,736 [676,371]

Dividend Paid/ Payable to Parties referred to in I and V above - Rs. 270,617 (000's)
[Previous Year Rs. 744,061 (000's)].

Figures in brackets represent previous year figures.

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

(Rs. 000's)

Name of the subsidiary	Balance		Maximum Balance Outstanding	
	As at 31.03.2008	As at 31.03.2007	2007-2008	2006-2007
C-Cubed (Antilles) N.V.	–	–	–	131,012
IndusInd Media & Communications Limited.	322,000	–	322,000	999,734
Total	322,000	–	322,000	1,130,746

- Loans and Advances, in the nature of Loans to Subsidiaries as shown above are repayable on demand.
- There are no loans and advances in the nature of loans to associates.
- 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.

9. Managerial Remuneration

Employee Costs include remuneration of Executive Chairman & Manager:

(Rs. 000's)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Salary and Allowances	15,196	17,303
Contribution to Provident Fund	1,503	1,803
Perquisites	–	555
Total	16,699	19,661

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Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and Commission payable to the Directors

(Rs. 000's)

	2007-2008		2006-2007	
Profit before Taxation		572,374		9,033,862
Add:				
Managerial Remuneration	16,699		19,661	
Commission to Directors	–		2,000	
Director's Sitting Fees	1,080		1,115	
Loss on Sale / Scrapping of Assets	254		264	
		18,033		23,040
Less:				
Profit on sale of long term investments		61,751		8,833,309
Net Profit as per Section 198 of the Act		528,656		223,593
Commission to Non-executive Directors @ 1% of the net profit		5,287		2,236
Commission paid to Non-executive Directors		–		2,000

10. Quantitative Details

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

(Rs. 000's)

Traded Goods	Unit	Opening Stock	Purchases	Sales	Closing Stock
Equity Shares	Qty (Nos.)	175,395	135,983	247,781	63,597
		(175,395)	(Nil)	(Nil)	(175,395)
	Value	290	17,592	17,525	3,519
		(302)	(Nil)	(Nil)	(290)
Stock/ Index Futures	Qty (Nos.)	–	9,454,946	9,454,946	–
		(–)	(–)	(–)	(–)
	Value	–	6,391,288	6,406,330	–
		(–)	(–)	(–)	(–)
Real Estate	Value	105,394	979	Nil	106,373
		(105,394)	(Nil)	(Nil)	(105,394)

Figures in brackets represent previous year figures.

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

11. Value of Imports on C.I.F. basis

(Rs. 000's)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Capital Goods	–	1,651

12. a) Earnings in Foreign Exchange

(Rs. 000's)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
IT and IT enabled Services	–	1,201,172
Sale of Investments	–	2,619,682
Total Earnings in Foreign Exchange	–	3,820,854

Schedules

forming part of the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2008

b) Expenditure in Foreign Currency

(Rs. 000's)

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Foreign Travel (including allowances)	–	6,122
Discounts and Commission	–	7,394
Direct Cost	–	13,708
Expenditure incurred at overseas branches	–	598,978
Total Expenditure in Foreign Currency	–	626,202

13. Operating Leases

The details of operating leases (non cancellable) are as follows:

(Rs. 000's)

Particulars	Minimum Future Lease Rentals			Amount recognised during the year
	Due within one year	Due later than one year and not later than five years	Due after five years	
Office Premises	– [3,600]	– [9,000]	– [–]	– [51,562]

Figures in brackets represent previous year figures.

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. 69,136 (000's)] has been included in 'Rent' under Schedule 'R' to the Profit and Loss Account.

14. Dividend Remitted in Foreign Currency

(Rs. 000's)

	2007-2008	2006-2007
Amount Remitted	366	825
Dividend related to financial year	2006-07	2005-06 2006-07
Number of non resident shareholders	39	1
Number of shares	36,600	30,000

15. 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. Further, there are no outstanding dues payable to micro and small enterprises at the year end. 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 Auditors.

16. In previous year, the net assets aggregating Rs. 4,970,006 (000's) pertaining to IT/ITES business were transferred to and vested in HTMT Global Solutions Limited w.e.f. 1st October 2006 pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES approved by Honourable High Court of Judicature at Bombay and made effective on 7th March 2007. Also, in accordance with the Scheme, the issued, subscribed and paid up Equity Share Capital of the Company was reduced by reducing the face value of each share from Rs. 10/- fully paid up to Rs. 5/- fully paid up. The amount of reduction in Equity Share Capital Rs. 205,380 (000's) was credited to 'General Reserve'. Subsequently, every two Equity Shares of Rs. 5 each were consolidated into one Equity Share of Rs. 10/- each fully paid up.

During the year, in accordance with Scheme, the equity shares costing Rs. 2,500 (000's) held by the Company in HTMT Global Solutions Limited has been cancelled and accordingly, Rs. 2,500 (000's) has been debited to General Reserve.

Schedules

forming part of the Balance Sheet and the Profit and Loss Account
for the year ended 31st March, 2008

17. Disclosure in respect of the ordinary activities of continuing and discontinuing operations are as follows;

(Rs.000's)

Particulars	31-03-2008		31-03-2007	
	Continuing Operations	Discontinuing Operations*	Continuing Operations	Discontinuing Operations*
Total Assets	6,923,945	—	6,326,558	—
Total Liabilities	1,012,276	—	594,718	—
Income	665,519	—	9,219,385	1,550,966
Expenditure	93,145	—	441,185	1,295,304
Net cash Flow from/ (used in):				
a. Operating Activities	(379,811)	—	(2,959,477)	1,053,566
b. Investing Activities	956,323	—	9,772,827	(2,565,304)
c. Financing Activities	190,701	—	(4,848,825)	1,267,968

* Transferred to HTMT Global solutions Limited pursuant to Scheme of Arrangement and reconstruction as referred in Note 16 above.

18. The Company has classified the various benefits provided to employees as under: -

I Defined Contribution Plans

- a) Provident Fund
- b) State Defined Contribution Plans
 - i) Employers' Contribution to Employee's State Insurance
 - ii) Employers' Contribution to Employee's Pension Scheme 1995.

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

(Rs. 000's)

	2007-08	2006-07
Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995] *	2,220	17,585
Employers' Contribution to Employee's State Insurance *	10	3,891
Employers' Contribution to Other Employee's Benefit Scheme *	—	15,244

* Included in Contribution to provident and other funds (Refer Schedule 'Q')

II Defined Benefit Plan

Gratuity

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

	2007-08	2006-07
Discount Rate (per annum)	8%	8%
Rate of increase in Compensation levels	4%	4-7%
Rate of Return on Plan Assets	NA	8%

Schedules

forming part of the Balance Sheet and the Profit and Loss Account
for the year ended 31st March, 2008

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2007-08		2006-07	
	Funded	Non Funded	Funded	Non Funded
Opening Present Value of Obligation	—	1,486	10,823	21,108
Interest Cost	—	145	379	813
Current Service Cost	—	724	2,229	3,111
Liability Transfer in	—	991	—	—
Benefits Paid	—	(809)	(1,609)	(1,542)
Actuarial (gain) / loss on obligations	—	725	(4,126)	384
Transfer to HTMT Global Solutions Limited	—	—	(7,696)	(22,388)
Closing Present Value of Obligation	—	3,262	—	1,486

B) Changes in the Fair value of Plan Assets

(Rs. 000's)

	2007-08	2006-07
Opening Fair Value of Plan Assets	—	16,551
Expected Return on Plan Assets	—	662
Actuarial Gains and (Losses)	—	(731)
Contributions	—	578
Benefits Paid	—	(1,609)
Transfer to HTMT Global Solutions Limited	—	(15,451)
Closing Fair Value of Plan Assets	—	—

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

(Rs. 000's)

	2007-08	2006-07
Closing Present Value of funded Obligation	—	—
Fair Value of Plan Assets as at the end of the year	—	—
Funded Status	—	—
Closing Present Value of unfunded Obligation	(3,262)	(1,486)
Unrecognised Actuarial (gains) / losses	—	—
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	(3,262)	(1,486)

* Included in Provisions (Refer Schedule L)

Schedules

forming part of the Balance Sheet and the Profit and Loss Account
for the year ended 31st March, 2008

D) Amount recognised in the Balance Sheet

(Rs. 000's)

	2007-08	2006-07
Closing Present Value of Obligation	3,262	1,486
Fair Value of Plan Assets as at the end of the year	–	–
Liability recognised in the Balance Sheet*	3,262	1,486

* Included in Provisions (Refer Schedule L)

E) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2007-08	2006-07
Current Service Cost	724	5,340
Interest Cost	145	1,192
Expected Return on Plan Assets	–	(662)
Net actuarial (gain) / loss recognised in the period	725	(3,011)
Total Expenses recognised in the Profit and Loss Account*	1,594	2,859

* Included in Employee Costs (Refer Schedule Q)

19. 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 Company or Group as under:

Date of Grant	Grant	Total Options Granted	Exercise Price Per share	Fair Value Per share
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	No. of Options Grant I		No. of Options Grant II		No. of Options Grant III	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Outstanding at the beginning of the year	17,380	673,500	46,381	88,320	–	–
Granted during the year	–	–	–	–	–	12,000
Lapsed during the year	12,860	508,840	6,401	17,100	–	12,000
Exercised/ Alloted during the year	2,260	1,47,280	15,240	24,839	–	–
Outstanding at the end of the year	2,260	17,380	24,740	46,381	–	–
Exercisable at the end of the year	–	–	5,600	2,901	–	–
Weighted Average remaining life in years	1.65	2.65	1.84	2.84	2.07	3.07

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

Annexure 'A'

Investments (Long Term)

(Rs. 000's)

Sr. No.	Scrip	Face Value Per Share Rs.	As at 31.03.2008		As at 31.03.2007	
			Quantity Nos.	Amount	Quantity Nos.	Amount
I	INVESTMENT IN SUBSIDIARY COMPANIES (AT COST)					
(a)	UNQUOTED EQUITY SHARES					
1	Grant Investrade Limited	10	2,119,002	21,190	2,119,002	21,190
2	IndusInd Media & Communications Limited	10	40,571,200	502,746	40,571,200	502,681
3	HTMT Telecom Private Limited	10	9,000,000	90,000	—	—
	Total (A)			613,936		523,871
(b)	UNQUOTED PREFERENCE EQUITY SHARES					
1	IndusInd Media & Communications Limited	10	15,000,000	150,000	1,500,000	150,000
	Total (B)			150,000		150,000
	TOTAL INVESTMENTS IN SUBSIDIARIES (A+B)			763,936		673,871
II	OTHER UNQUOTED INVESTMENTS (AT COST)					
(a)	EQUITY SHARES					
1	International Food Services Packaging Limited	10	1,045,000	39,885	1,045,000	39,885
2	Tele Video Communications India Limited (Now HTMT Global Solutions Limited)	10	—	—	250,000	2,500
3	Ashley Airways Limited	10	780,000	7,800	—	—
(b)	MUTUAL FUNDS					
1	ABN-AMRO FTP Series 4 Quarterly Plan D Dividend on Maturity [NAV per unit -Rs.NIL (Previous Year Rs. 10.04)]	10	—	—	2,000,000	20,000
2	ABN-AMRO FTP Series 4 Quarterly Plan E Dividend on Maturity [NAV per unit -Rs.NIL (Previous Year Rs. 10.04)]	10	—	—	4,000,000	40,000
3	ABN-AMRO Long Term Floating Rate Fund Institutional Weekly Dividend [NAV per unit -Rs.NIL (Previous Year Rs. 10.01)]	10	—	—	5,571,229	55,712
4	ABN-AMRO FTPS5 13 Mths Inst. Dividend on Maturity [NAV per unit -Rs.NIL (Previous Year Rs. 10.02)]	10	30,852,300	308,523	30,000,000	300,000
5	DSP Merrill Lynch Liquid Plus -Institutional Plan -Daily Dividend [NAV per unit -Rs.NIL (Previous Year Rs.1000.20)]	1000	—	—	11,221	11,223
6	DSP Merrill Lynch Fixed Term Plan Series 1 H Dividend Institutional [NAV per unit -Rs.NIL (Previous Year Rs.1000.45)]	1000	—	—	40,318	40,318
7	DWS Money Plus Fund-Institutional Plan -Daily Dividend Option [NAV per unit -Rs.NIL (Previous Year Rs. 10.01)]	10	—	—	35,696,668	356,976
8	DWS Fixed Term Fund Series 27 Dividend Option [NAV per unit -Rs.NIL (Previous Year Rs. 10.03)]	10	—	—	15,000,000	150,000

Annexure 'A' (Cont'd.)

(Rs. 000's)

Sr. No.	Scrip	Face Value Per Share Rs.	As at 31.03.2008		As at 31.03.2007	
			Quantity Nos.	Amount	Quantity Nos.	Amount
9	ABN AMRO FTP Ser10 Plan F Inst. Quarterly Dividend [NAV per unit – Rs.10.02 (Previous Year Rs.NIL)]	10	30,000,000	300,000	–	–
10	DWS Fixed Term Fund Series 46 Inst Growth [NAV per unit – Rs.10.06 (Previous Year Rs.NIL)]	10	20,000,000	200,000	–	–
11	Kotak FMP 3M Series 10 – Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	4,000,000	40,000
12	Kotak FMP 3M Series 12 Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.00)]	10	–	–	20,000,000	200,000
13	Lotus India FMP – 3 Months – Series IV – Institutional Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.02)]	10	–	–	500,000	5,000
14	ICICI Prudential FMP Series 35– Three Months Plan C –Retail –Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	5,000,000	50,000
15	ICICI Prudential FMP Series 37– Three Months Plan A –Retail –Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.05)]	10	–	–	3,850,000	38,500
16	Reliance Liquidity Fund – Daily Dividend Reinvestment Option [NAV per unit –Rs.NIL (Previous Year Rs. 10.00)]	10	–	–	16,669,534	166,695
17	Reliance Fixed Horizon Fund II Quarterly Plan –Series IV–Institutional –Dividend Plan [NAV per unit –Rs.NIL (Previous Year Rs. 10.09)]	10	–	–	5,000,000	50,000
18	Reliance Fixed Horizon Fund II Quarterly Plan –Series V–Institutional –Dividend Plan [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	25,000,000	250,000
19	Reliance Fixed Horizon Fund II Quarterly Plan –Series VI–Institutional –Dividend Plan [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	30,000,000	300,000
20	SBI Debt Fund Series 60 Days (February 07) Growth [NAV per unit –Rs.NIL (Previous Year Rs. 10.11)]	10	–	–	1,500,000	15,000
21	SBI Debt Fund Series 60 Days (March 07) Dividend [NAV per unit –Rs.NIL (Previous Year Rs. 10.07)]	10	–	–	500,000	5,000
22	TATA Fixed Horizon Fund Series –8 Scheme D IP Periodic [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	1,014,893	10,150
23	TATA Fixed Horizon Fund Series –8 Scheme F Periodic Div –Inst Plan [NAV per unit –Rs.NIL (Previous Year Rs. 10.01)]	10	–	–	5,045,226	50,453
24	TATA Fixed Horizon Fund Series –9 Scheme F Periodic Div –Inst Plan [NAV per unit –Rs.NIL (Previous Year Rs. 10.03)]	10	–	–	20,000,000	200,000

Annexure 'A' (Cont'd.)

(Rs. 000's)

Sr. No.	Scrip	Face Value Per Share Rs.	As at 31.03.2008		As at 31.03.2007	
			Quantity Nos.	Amount	Quantity Nos.	Amount
25	UTI Money Market Fund – Growth Plan [NAV per unit –Rs.22.64 (Previous Year Rs.21.03)]	10	15,409	104	15,409	104
26	UTI Fixed Maturity Plan Quarterly Series QFMP/0107/ I–Dividend Plan –Re–investment [NAV per unit –Rs.NIL (Previous Year Rs. 10.17)]	10	–	–	3,549,253	35,493
27	UTI Fixed Maturity Plan Quarterly Series QFMP/0207/1 I–Dividend Plan –Re–investment [NAV per unit –Rs.NIL (Previous Year Rs. 10.07)]	10	–	–	4,023,946	40,239
28	UTI Fixed Maturity Plan Quarterly Series QFMP/0307/1–Dividend Plan –Re–investment [NAV per unit –Rs.NIL (Previous Year Rs. 10.06)]	10	–	–	5,022,868	50,229
	Total (C)			856,312		2,523,477
	TOTAL VALUE OF UNQUOTED INVESTMENTS (A+B+C)			1,620,248		3,197,348
	III QUOTED (TRADED) INVESTMENTS					
	(a) EQUITY SHARES					
1	Gulf Oil Corporation Limited	2	2,875	78	575	78
2	IndusInd Bank Limited	10	5,777,391	623,568	100,000	3,096
3	Ashok Leyland Limited	1	1,450,000	51,755	–	–
4	Satyam Computers Limited	2	–	–	6,000	3,308
5	Sterlite Optical Limited	5	–	–	530	306
	Total (D)			675,401		6,788
	(b) FULLY CONVERTIBLE DEBENTURES					
1	VCK Capital Market Services Limited		5,300	146	5,300	146
	Total (E)			146		146
	TOTAL VALUE OF QUOTED INVESTMENTS (D+E)			675,547		6,934
	AGGREGATE COST OF INVESTMENTS (A+B+C+D+E)			2,295,795		3,204,282
	Less : Diminution in Value of Long Term Investments			29,434		32,142
	TOTAL INVESTMENTS			2,266,361		3,172,140

Aggregate cost of Quoted Investments is Rs. 675,547 (Previous Year Rs. 6,934).

Market Value Rs. 544,966 (Previous Year Rs. 7,644).

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 31.03.2008		As at 31.03.2007	
			Quantity Nos.	Amount	Quantity Nos.	Amount
I	QUOTED SHARES					
1	Carol Info Services Limited	10	20,000	1,156	—	—
2	Godrej Industries Limited	10	500	194	—	—
3	Kanoria Dyechem Limited	10	—	—	96,300	616
4	Orkay Industries Limited	10	—	—	195	2
5	Rural Electrification Limited	10	21,897	2,299	—	—
6	Surlux Diagnostics Limited	10	—	—	40,000	316
7	Surana Strips Limited	10	—	—	2,400	49
8	Utility Engineers (India) Limited	10	—	—	15,300	79
9	VCK Capital Market Services Limited	10	21,200	212	21,200	212
	AGGREGATE COST OF QUOTED SHARES (A)		63,597	3,861	175,395	1,274
	AGGREGATE MARKET VALUE OF QUOTED SHARES (B)			3,519		290
	(A) OR (B) WHICHEVER IS LOWER			3,519		290

Annexure 'C'

Hinduja Ventures Limited (formerly known as Hinduja TMT Limited) Investment Purchased and Sold during the year

(Rs. 000's)

Name of the Scrips	Purchases				Sales			
	March 31, 2008		March 31, 2007		March 31, 2008		March 31, 2007	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Mutual Funds								
ABN AMRO Floating Rate Fund – Inst. Plan– Daily Dividend	–	–	100,736,594	1,007,366	–	–	100,736,594	1,007,366
ABN AMRO Mutual Funds Cash Fund–Inst. Plan– Daily Dividend	5,004,105	50,041	67,306,289	673,063	5,004,105	50,041	67,306,289	673,063
ABN AMRO FTP Ser 4 Quarterly Plan Div on Maturity	–	–	2,000,000	20,000	2,000,000	20,000	–	–
ABN AMRO FTP Ser 4 Quarterly Plan –E, Dividend on Maturity	–	–	4,000,000	40,000	4,000,000	40,000	–	–
ABN AMRO Long Term Floating Rate Fund Instl Weekly Div	–	–	10,064,310	100,643	5,571,229	55,712	4,493,081	44,931
ABN AMRO FTPS5–13M Inst Dividend on Maturity	30,852,300	308,523	30,000,000	300,000	30,000,000	308,400	–	–
ABN AMRO Money Plus Inst Daily Dividend	5,036,022	50,360	–	–	5,036,022	50,360	–	–
ABN AMRO FTP –Series 7– Quaterly Plan A–Maturity Div	5,000,000	50,000	–	–	5,000,000	50,000	–	–
ABN AMRO FTP –Series 7– Quaterly Plan B–Maturity Div	10,212,357	102,124	–	–	10,212,357	102,124	–	–
ABN AMRO FTP –Series 7– Quaterly Plan C–Maturity Div	2,043,870	20,439	–	–	2,043,870	20,439	–	–
ABN AMRO Flexible FTP Plan– Series B–QTLY Div	5,000,000	50,000	–	–	5,000,000	50,000	–	–
ABN AMRO FTP –Series 10– Quaterly Plan F–Maturity Div	30,000,000	300,000	–	–	–	–	–	–
Birla FMP Series–2 Quaterly Dividend	–	–	4,237,711	42,504	–	–	4,237,711	42,504
Birla Cash Plus Inst Daily Dividend	26,468,523	265,215	–	–	26,468,523	265,215	–	–
Birla–FTP–Qtly–Series 13– Dividend	8,003,152	80,032	–	–	8,003,152	80,032	–	–
Chola Liquid Institutional Dividend Reinvestment (daily)	–	–	249,760	2,505	–	–	249,760	2,505
DWS Money Plus Regular Plan – Weekly Dividend	–	–	100,876,472	1,011,789	–	–	100,876,472	1,011,791
DBS Chola Liquid Institutional Daily Dividend Reinvestment Plan	–	–	1,048,996	10,521	–	–	1,048,996	10,521
DSP Merrill Lynch Liquid Plus Daily Dividend	–	–	50,041	50,051	–	–	50,041	50,051
DWS Insta Cash Plus Fund–Inst Plan –Daily Dividend	56,966,811	570,758	67,944,689	680,806	56,966,811	570,757	67,944,689	680,806
DSP Merrill Lynch–Liquid Plus– Inst Plan–Daily Dividend	11,292	11,294	51,213	51,223	22,513	22,518	39,992	40,000
DWS Money Plus Fund–Institutional Plan–Daily Div Option	28,097,998	281,261	110,805,484	1,108,070	63,794,666	638,227	75,108,816	751,088
DSP Merrill Lynch– Fixed Term Plan–Series 1H –Div Instl	454	454	40,318	40,318	40,772	40,772	–	–
DWS Fixed Term Fund– Series 27–Dividend Option	–	–	15,000,000	150,000	15,000,000	150,000	–	–
DSPML–FTP Series –1K– Dividend Institutional	11,473	11,473	–	–	11,473	11,473	–	–
DWS Fixed Term Fund –Series 31 –Dividend Option	13,000,000	130,000	–	–	13,000,000	130,000	–	–
DBS Chola FMP– Series 7, Plan B–Daily Dividend	4,500,000	45,000	–	–	4,500,000	45,000	–	–
DWS Credit Opportunity Cash Fund	27,959,303	280,031	–	–	27,959,303	281,891	–	–
DWS Short Maturity Fund–Dividend Option	14,546,459	149,974	–	–	14,546,459	149,682	–	–
DWS Money Plus Advantage Fund –Institutional Plan	5,081,658	50,820	–	–	5,081,658	50,969	–	–

Annexure 'C' (Cont'd.)

(Rs. 000's)

Name of the Scrips	Purchases				Sales			
	March 31, 2008		March 31, 2007		March 31, 2008		March 31, 2007	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
DWS Fixed Term Fund-Series 46-Inst. Growth	20,000,000	200,000	-	-	-	-	-	-
HSBC Cash Fund- Inst. Plan- Daily Dividend	-	-	50,434,360	504,848	-	-	50,434,360	504,848
ING Vysya Liquid Fund Inst. Daily dividend	-	-	5,529,607	55,351	-	-	5,529,607	55,351
Kotak Flexi Debt Daily Dividend	2,397,707	24,049	4,019,831	40,319	2,397,707	24,049	4,019,831	40,319
Kotak FMP-3Month Series 10-Daily Dividend	-	-	4,000,000	40,000	4,000,000	40,000	-	-
Kotak FMP-3Month Series 12-Daily Dividend	-	-	20,000,000	200,000	20,000,000	200,000	-	-
Kotak FMP-3Month Series 17-Daily Dividend	4,000,000	40,000	-	-	4,000,000	40,000	-	-
Kotak -Liquid Institutional Premium Daily Dividend	16,357,959	200,058	-	-	16,357,959	200,058	-	-
LIC Mutual Fund - Liquid Fund- Dividend Plan	-	-	46,779,418	513,638	-	-	46,779,418	513,638
LIC Mutual Fund - FRF- STP- Dividend Plan	-	-	1,485,318	15,076	-	-	1,485,318	15,076
Lotus India Fixed Maturity Plan - 3month Series IV	11,682	117	500,000	5,000	511,682	5,117	-	-
Lotus India -Liquid Inst-Daily Dividend	1,751,119	17,511	-	-	1,751,119	17,511	-	-
Lotus India -STP -Weekly Dividend	1,755,480	17,555	-	-	1,755,480	17,555	-	-
Lotus India FMP-3months Series-VI-Inst. Dividend	1,786,637	17,866	-	-	1,786,637	17,866	-	-
Lotus India FMP-3months Series-XI-Inst. Dividend	508,415	5,084	-	-	508,415	5,084	-	-
Principal CMF - Liquid Opt. Institutional Plan	3,999,815	39,998	-	-	3,999,815	39,998	-	-
Prudential ICICI Inst Liquid -Daily Dividend Super Instl	13,042,207	130,422	120,210,842	1,202,108	13,042,207	130,422	120,210,842	1,202,108
Prudential ICICI FMP Series 35-3 Month Plan C Retail Dividend	-	-	5,000,000	50,000	5,000,000	50,000	-	-
Prudential ICICI FMP Series 37-3 Month Plan A Retail Dividend	-	-	3,850,000	38,500	3,850,000	38,500	-	-
Principal FRP Fund FMP-Institutional Option-Daily Dividend	4,023,439	40,234	-	-	4,023,439	40,234	-	-
Reliance Floating Fund-Daily Dividend Reinvestment	30,528,542	307,422	-	-	30,528,542	307,422	-	-
RLF Treasury Plan-Institutional-Option Daily Dividend	9,814,123	150,058	-	-	9,814,123	150,058	-	-
Reliance Liquid Fund - Cash Plan-Daily Dividend Option	-	-	93,359,503	1,040,025	-	-	93,359,503	1,040,025
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	50,917,803	509,178	156,882,267	1,568,823	67,587,337	675,873	140,212,733	1,402,127
Reliance Fixed Horizon Fund-II Mths Plan	-	-	40,000,000	400,000	-	-	40,000,000	400,000
Reliance Fixed Horizon Fund II-Qtly Plan-Series IV-Inst.-Div Plan	-	-	5,000,000	50,000	5,000,000	50,000	-	-
Reliance Fixed Horizon Fund II-Qtly Plan-Series V-Inst.-Div Plan	-	-	25,000,000	250,000	25,000,000	250,000	-	-
Reliance Fixed Horizon Fund II-Qtly Plan-Series VI-Inst.-Div Plan	-	-	30,000,000	300,000	30,000,000	300,000	-	-
Reliance Qtly Institutional Fund -Ser II-Institutional Dividend Plan	5,108,013	51,080	-	-	5,108,013	51,080	-	-
Reliance Qtly Institutional Fund -Ser III-Institutional Dividend Plan	25,000,000	250,000	-	-	25,000,000	250,000	-	-

Annexure 'C' (Cont'd.)

(Rs. 000's)

Name of the Scrips	Purchases				Sales			
	March 31, 2008		March 31, 2007		March 31, 2008		March 31, 2007	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Reliance Monthly Institutional Fund –Ser I– Institutional Dividend Plan	18,485,951	185,044	–	–	18,485,951	185,044	–	–
Reliance Interval Qlty Plan–Instl. Dividend	29,995,201	299,952	–	–	29,995,201	299,952	–	–
SBI– Magnum Institutional Income	–	–	3,029,846	30,389	–	–	3,029,846	30,389
SBI–Magnum Instl–Dividend Option	1,208,922	20,249	4,284,698	45,490	1,208,922	20,249	4,284,698	45,490
SBI Debt Fund–Series 60Plan (Feb 07) Growth	–	–	1,500,000	15,000	1,500,000	15,240	–	–
SBI Debt Fund–Series 60Plan (March 07) Dividend	–	–	500,000	5,000	500,000	5,000	–	–
SBI Debt Fund–Series 60Plan (April 07) Dividend	1,523,280	15,233	–	–	1,523,280	15,233	–	–
TATA Short Term Bond	8,641,456	96,525	–	–	8,641,456	96,525	–	–
TATA Fixed Horizon Fund–Series 8– Scheme D IP Periodic	2,780	28	1,014,893	10,149	1,017,673	10,177	–	–
TATA Fixed Horizon Fund–Series 8– Scheme F IP periodic–Inst. Plan	48,522	485	5,045,226	50,453	5,093,748	50,937	–	–
TATA Liquid Super High Investment Fund– Daily Dividend	107,945	120,307	17,984	20,044	107,945	120,307	17,984	20,044
TATA Fixed Horizon Fund–Scheme F– Periodic Div–Inst. Plan	–	–	20,000,000	200,000	20,000,000	200,000	–	–
TATA Dynamic Bond	9,839,110	101,339	–	–	9,839,110	101,343	–	–
TATA Fixed Horizon Fund –Series 9– Schedule C –I.P–Dividend	6,000,000	60,000	–	–	6,000,000	60,000	–	–
TATA Floater Fund –Daily Dividend	40,073,795	402,341	–	–	40,073,795	402,341	–	–
UTI Liquid Cash –Instl–Daily Dividend	335,948	342,482	497,275	506,947	335,948	342,482	497,275	506,947
UTI Fixed Maturity Plan Quarterly Series– QFMP/0107/I–Div Plan–Reinvestment	16,407	164	3,549,253	35,493	3,565,660	35,657	–	–
UTI Fixed Maturity Plan Quarterly Series– QFMP/0207/I–Div Plan–Reinvestment	63,118	631	4,023,946	40,239	4,087,064	40,871	–	–
UTI Fixed Maturity Plan Quarterly Series – QFMP/0307/I–Div Plan–Reinvestment	87,263	873	5,022,868	50,229	5,110,131	51,101	–	–
UTI Money Market Fund	210,107	3,710	3,528,334	61,958	210,107	3,711	3,528,334	61,958
UTI Fixed Maturity–QFMP/0407/I–Div	9,185,121	91,851	–	–	9,185,121	91,851	–	–
UTI Fixed Maturity–QFMP/0407/II–Div	4,590,763	45,908	–	–	4,590,763	45,908	–	–
UTI Liquid Plus Fund–Daily Dividend	165,407	165,407	–	–	165,407	165,407	–	–
UTI Fixed Maturity–QFMP/0607/I–Div	4,071,613	40,716	–	–	4,071,613	40,716	–	–
UTI Fixed Maturity–HFMP/0607/I–Div	5,000,000	50,000	–	–	5,000,000	50,000	–	–
UTI–Fixed Income Quarterly Interval Plan/Series I	3,053,430	30,534	–	–	3,053,430	30,534	–	–
UTI–FMP–QLR–SR–QFMP 0607/II– Dividend Reinvestment	1,016,025	10,160	–	–	1,016,025	10,160	–	–
UTI FMPL Qlty QFMP 0907/I– Dividend Payout	9,002,150	90,022	–	–	9,002,150	90,021	–	–
PCMF– L.O. Inst Premium Plan – Div Reinst Plan Daily – Dividend – Direct	–	–	43,596,948	436,000	–	–	15,498,915	155,000
PCMF– L.O. Inst Premium Plan – Div Reinst Plan Daily – Dividend Reinvestment	–	–	178,012	1,780	–	–	–	–
PCMF– L.O. Inst Plan – Div Reinst Plan Daily – Dividend Reinvestment	–	–	258	3	–	–	–	–
Total Investments in Mutual Funds	621,523,032	6,982,392	1,222,252,564	13,071,720	783,665,888	8,665,208	950,981,105	10,307,946

Annexure 'C' (Cont'd.)

(Rs. 000's)

Name of the Scrips	Purchases				Sales			
	March 31, 2008		March 31, 2007		March 31, 2008		March 31, 2007	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Equity Shares								
Gulf Oil Corporation Limited	2,875	78	–	–	575	78	–	–
HTMT Telecom Private Limited	9,000,000	90,000	–	–	–	–	–	–
IndusInd Bank Limited	6,677,391	694,936	–	–	1,000,000	125,845	–	–
Sterlite Optical Limited	–	–	–	–	530	1	–	–
Satyam Computers Limited	–	–	–	–	6,000	6	–	–
Ashok Leyland Limited (Re.1/- Paid up)	1,450,000	51,756	–	–	–	–	–	–
Ashley Airways Limited	780,000	7,800	–	–	–	–	–	–
Autopins India Limited	–	–	–	–	–	–	820,260	820
DSJ Finance Limited	–	–	–	–	–	–	29,870	16
DSQ Software Limited	–	–	–	–	–	–	40,000	20
India Gelatine Limited	–	–	–	–	–	–	9,350	200
I P Rings Limited	–	–	–	–	–	–	14,000	1,232
Kopran Drugs Limited	–	–	–	–	–	–	81,050	974
Mahendra Polycot Limited	–	–	–	–	–	–	24,500	12
Monotona Exports Limited	–	–	–	–	–	–	55,200	2,931
Mukand Engineers limited	–	–	–	–	–	–	52,620	1,276
Odyssey Technologies Limited	–	–	–	–	–	–	58,600	601
Ramkrishna Mills	–	–	–	–	–	–	5,200	109
Reed Relays Limited	–	–	–	–	–	–	15,000	15
Snaderson Industries Limited	–	–	–	–	–	–	95,500	48
S I Property Limited	–	–	–	–	–	–	91,400	46
Software Solutions Limited	–	–	–	–	–	–	20,000	3,600
Shri M. M. Softtech Limited	–	–	–	–	–	–	5,000	2
Tirupati Fibers Limited	–	–	–	–	–	–	131,050	67
Visual Soft Limited	–	–	–	–	–	–	10,521	741
Excel Industries Limited	–	–	–	–	–	–	6,700	269
Sterlite Optical Limited	–	–	–	–	–	–	10,027	1,662
Satyam Computer Services Limited	–	–	–	–	–	–	2,000	892
Pacific Horizon Limited	–	–	16,257,114	1,555,643	–	–	–	–
IndusInd Telecom Networks Limited	–	–	–	–	–	–	119,687,058	11,456,700
Source One Communications Inc.	–	–	–	–	–	–	1,000	104,210
C- Cubed (Antilles) N. V.	–	–	–	–	–	–	6,000	61,200
Total Investment in Equity Shares	17,910,266	844,570	16,257,114	1,555,643	1,007,105	125,930	121,271,906	11,637,643
Total		7,826,962		14,627,363		8,791,138		21,945,589

Annexure 'D'

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

I Registration Details

Registration No. State Code.
Balance Sheet Date

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

Public Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>

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

Total Liabilities <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/>	Total Assets <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/>
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Sources of Funds

Paid-Up Capital <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="5"/>	Reserves and Surplus <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/>
Secured Loans <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/>	

Application of Funds

Net Fixed Assets <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="5"/>	Investments <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="1"/>
Net Current Assets <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="6"/>	Miscellaneous Expenditure <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="4"/>
Accumulated Losses <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Deferred Tax Asset <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/>

IV Performance of Company (Amount in Rs. Thousands)

Total Income <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="9"/>	Total Expenditure <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="5"/>
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(Please tick appropriate box + for Profit, - for Loss)

+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="4"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="8"/>

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

+ - Earning per Share in Rs.	Dividend Rate %
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="8"/>	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/>

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

Item Code No. (ITC Code) <input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="P"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/>	Product Description <input type="text" value="T"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="A"/> <input type="text" value="S"/> <input type="text" value="U"/> <input type="text" value="R"/> <input type="text" value="Y"/> <input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="D"/> <input type="text" value="I"/> <input type="text" value="A"/> <input type="text" value=" &"/> <input type="text" value="C"/> <input type="text" value="O"/> <input type="text" value="M"/> <input type="text" value="M"/> <input type="text" value="U"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="T"/> <input type="text" value="I"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="S"/> <input type="text" value="R"/> <input type="text" value="E"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="S"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="T"/> <input type="text" value="E"/>
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For and on behalf of the Board

Anil Harish
Director

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 25th August, 2008

Auditors' Report

To the Members of Hinduja Ventures Limited (formerly Hinduja TMT Limited)

1. We have audited the attached Balance Sheet of Hinduja Ventures Limited, (formerly Hinduja TMT Limited) ("the Company") as at March 31, 2008, and the related Profit and Loss Account and the 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, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act (hereafter, the 'Order'), 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, 2008 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2008 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, 2008;
 - (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.

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 25th August, 2008

For and on behalf of
Price Waterhouse
Chartered Accountants

Annexure to the Auditors' Report

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Hinduja Ventures Limited (formerly Hinduja TMT Limited) on the financial statements for the year ended March 31, 2008)

- (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 has not been disposed of by the Company during the year.
- (ii) (a) The inventory (including real estate) have been physically verified/ confirmed with the statement of holdings provided by National Securities Depository Limited (NSDL) 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 of statement of holdings by NSDL, as compared to book records were not material.
- (iii) (a) The Company has granted unsecured loans to six 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. 2,367,000 (000's) and Rs. 1,484,500 (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. Accordingly, clause iii (f) and iii (g) of Paragraph 4 of the Order are not applicable to the Company for the current year.
- (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 goods and 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, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (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 contracts or arrangements entered into the register in pursuance of Section 301 of the Act 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.
- (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 custom duty, service tax, excise duty, wealth tax, sales tax and cess as at March 31, 2008 which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2008 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 Year 2000-2001, 2001-2002, 2002-2003 and 2003-2004	77,249	Income-Tax Appellate Tribunal
	Matters in Appeal for the Assessment Year 2004-2005	19,125	Commissioner of Income Tax (Appeals)

- (x) The Company has no accumulated losses as at March 31, 2008 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 bank as at Balance Sheet date. Further, there were no dues payable to financial institution or debenture holders as at Balance Sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, 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 terms and conditions of the guarantee given by the Company for loans taken by subsidiary from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) The Company has not obtained any term loans during the current year.
- (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.

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 25th August, 2008

For and on behalf of
Price Waterhouse
Chartered Accountants

Section 212 Statement

Statement As Per 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 Equity Shares held by the 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 & Communications Limited (IMCL)*	Hinduja Ventures Limited	63.01%	10/-	40,571,200	137,440	(945,729)
HTMT Telecom Private Limited	Hinduja Ventures Limited	89.01%	10/-	9,000,000	1,353	—
Grant Investrade Limited	Hinduja Ventures Limited	51%	10/-	2,119,002	(24)	(361)
USN Networks Private Limited	IndusInd Media & Communications Limited	74.00%	100/-	3,698	(3,293)	—

* Hinduja Ventures Limited directly holds 59.88% of IMCL and Grant Investrade Limited holds 6.13% of IMCL's paid up equity share capital.

For and on behalf of the Board

Anil Harish
Director

Place : Mumbai

Dated : 25th August, 2008

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Consolidated Balance Sheet

as at 31st March, 2008

	Schedule	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	205,555	205,380
Reserves and Surplus	B	5,277,490	4,962,976
		5,483,045	5,168,356
Minority Interest		946,243	861,078
Loan Funds			
Secured Loan	C	746,391	300,049
Deferred Tax Liability (Net) (Refer Note 6 on Schedule 'U')		38,559	13,261
TOTAL		7,214,238	6,342,744
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	1,354,340	1,235,772
Less: Depreciation		666,436	546,910
Net Block		687,904	688,862
Capital Work-in-Progress		327,774	18,634
		1,015,678	707,496
Investments	E	1,601,182	2,551,102
Current Assets, Loans and Advances			
Stock-in-Trade	F	421,636	247,003
Sundry Debtors	G	463,156	129,062
Cash and Bank Balances	H	2,990,738	2,236,264
Other Current Assets	I	153,098	95,771
Loans and Advances	J	1,520,509	1,284,074
		5,549,137	3,992,174
Less: Current Liabilities and Provisions			
Current Liabilities	K	687,698	660,541
Provisions	L	265,695	250,513
		953,393	911,054
Net Current Assets		4,595,744	3,081,120
Miscellaneous Expenditure	M	1,634	3,026
TOTAL		7,214,238	6,342,744
Notes to Consolidated Financial Statements	U		

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.

Partha Ghosh
Partner
Membership No. F - 55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : 25th August, 2008

For and on behalf of the Board

Anil Harish
Director

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 25th August, 2008

Consolidated Profit and Loss Account

for the year ended 31st March, 2008

	Schedule	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
INCOME			
Operating Income	N	1,956,452	3,181,080
Interest and Dividend Income	O	471,816	268,977
Gain on Sale of Long term investments (Net)		61,751	10,890,758
Other Income	P	152,093	221,435
TOTAL		2,642,112	14,562,250
EXPENDITURE			
Operating Expenses and Direct Cost	Q	1,055,575	1,096,134
Employee Costs	R	196,775	1,038,805
Administrative and Other Expenses	S	432,447	976,144
Financial Expenses	T	26,389	84,510
Depreciation/ Amortisation		108,362	216,349
Goodwill Written-off		–	620,646
TOTAL		1,819,548	4,032,588
Profit Before Tax*		822,564	10,529,662
Less : Tax Expense (Refer Notes 1 (j) and 6 on Schedule 'U')			
- Current Tax (net of write-back of excess provision of earlier years Rs. 2,511 (Previous Year: Rs. Nil))*		160,099	2,078,947
- Deferred Tax		25,298	51,047
- Fringe Benefit Tax		4,383	5,448
Profit after Tax		632,784	8,394,220
Add : Share of Loss from Associates		(2,038)	(2,394)
Less : Minority Interest		79,418	312,565
Profit after Minority Interest		551,328	8,079,261
Add: Balance brought forward from Previous Year		2,237,465	910,021
Less: Transfer pursuant to Scheme of Arrangement and Reconstruction		–	2,052,962
PROFIT AVAILABLE FOR APPROPRIATION		2,788,793	6,936,320
Dividend			
- Interim		205,555	818,078
- Final (Proposed)		–	205,380
- Dividend Tax		34,934	149,639
Transfer to General Reserve		41,647	3,525,758
Balance carried to Balance Sheet		2,506,657	2,237,465
Earnings Per Share			
- Basic (Rupees)		26.84	262.96
- Diluted (Rupees)		26.82	262.86

(Refer Note 7 on Schedule 'U')

* Net of Loss before tax from Discontinuing operations Rs. Nil (Previous Year: Rs. 336,385). Tax expense relating to discontinuing operations aggregates to Rs. Nil (Previous Year: Rs. 69,298) (Refer Note 11 on Schedule 'U')

Notes to Consolidated Financial Statements

U

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.

Partha Ghosh
Partner
Membership No. F - 55913
For and on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board

Anil Harish A.P. Hinduja
Director Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 25th August, 2008

Place : Mumbai
Date : 25th August, 2008

Consolidated Cash Flow Statement

for the year ended 31st March, 2008

(Rs. 000's)

	<u>2007-08</u>	<u>2006-07</u>
A Cash Flow from Operating Activities :		
Net Profit before tax	822,564	10,529,662
Adjustments for :		
Preliminary and Share Issue Expenses written off	1,392	1,092
Depreciation	108,362	216,349
Amortisation of Film Rights	6,400	—
Goodwill Written-off	—	620,646
Jobs in Progress written off	—	12,104
Interest and Dividend Income (other than treasury activities)	(13,829)	(91,350)
Provision for Doubtful debts/ Advances	42,143	9,267
Bad Debts Written Off	-	2,823
Liabilities/ Provisions no longer payable written-back	(14)	(22,422)
Loss on Sale/ Scrapping of Assets	2,306	436
Gain on Sale of Long term investments (Net)	(61,751)	(10,890,758)
Interest Expenses	26,389	84,510
Investments written-off (Net)	900	—
Provision for Gratuity and Leave Encashment	15,219	(27,792)
	<u>127,517</u>	<u>(10,085,095)</u>
Operating profit before working capital changes	950,081	444,567
Adjustments for :		
Sundry Debtors	(376,856)	(89,198)
Stock-in-Trade	(181,003)	48,774
Current Liabilities	15,594	1,629,034
Other Receivables	(272,605)	(1,043,303)
	<u>(814,870)</u>	<u>545,307</u>
Operating profit after working capital changes	135,211	989,874
Direct Taxes Paid	(180,662)	(2,002,255)
Net Cash from Operating Activities (A)	<u>(45,451)</u>	<u>(1,012,381)</u>
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(409,828)	(247,016)
Assets acquired/ Goodwill on acquisition of Subsidiaries/ Joint Ventures	(2,780)	(3,655,547)
Sale of Fixed Assets	4,885	184,788
Proceeds on Sale of a subsidiary	—	18,856,809
Investments Made	(7,786,962)	(13,121,919)
Investments Sold	8,791,317	10,463,973
Interest and Dividend Income (other than treasury activities)	17,423	91,350
	<u>614,055</u>	<u>12,572,438</u>
Net cash from Investing Activities (B)	<u>614,055</u>	<u>12,572,438</u>

Consolidated Cash Flow Statement

for the year ended 31st March, 2008

(Rs. 000's)

	<u>2007-08</u>	<u>2006-07</u>
C Cash Flow from Financing Activities :		
Proceeds from fresh issue of equity shares (including rights issue)	175	1,721
Share Premium Received	6,175	60,883
Proceeds/ (Payments) of long term borrowings (net)	446,242	(2,356,784)
Interest Paid	(26,389)	(84,510)
Dividend Paid (including tax thereon)	<u>(240,992)</u>	<u>(1,278,235)</u>
	<u>185,211</u>	<u>(3,656,925)</u>
Net Cash from Financing Activities (C)	<u>185,211</u>	<u>(3,656,925)</u>
Net increase/ (decrease) in Cash and Cash equivalents (A + B + C)	753,815	7,903,132
Cash and Cash equivalents as at the beginning of the year	2,236,264	558,623
Cash and Cash Equivalents transferred pursuant to Scheme of Arrangement and Reconstruction	—	(6,225,491)
Cash and Cash Equivalents taken over pursuant to acquisition of a subsidiary	659	—
Cash and Cash equivalents as at the end of the year	<u>2,990,738</u>	<u>2,236,264</u>
Cash and Cash Equivalents comprise :		
Cash on Hand	2,899	2,779
Cheques on Hand	5,550	732
Balance with Banks	<u>2,982,289</u>	<u>2,232,753</u>
	<u>2,990,738</u>	<u>2,236,264</u>

Notes

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
- In terms of the Scheme of Arrangement and Reconstruction (Refer Note 10 on Schedule 'U'), the net assets aggregating Rs. 7,037,738 (000's) are transferred to HTMT Global Solutions Limited. The demerger being a non cash transaction, the same has been appropriately considered in the above Cash Flow Statement.
- In view of the matter stated in Note 10 on Schedule 'U' to the accounts, the figures of the current Year are not directly comparable with those of the previous year.

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

Partha Ghosh
Partner
Membership No. F - 55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : 25th August, 2008

For and on behalf of the Board

Anil Harish
Director

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager & Company Secretary

Place : Mumbai
Date : 25th August, 2008

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'A'		
Share Capital		
Authorised		
70,000,000 (Previous Year - 70,000,000) Equity Shares of Rs.10 each	700,000	700,000
	<u>700,000</u>	<u>700,000</u>
Issued, Subscribed and Paid-up		
20,555,503 (Previous Year - 41,076,006) Equity Shares of Rs. 10 each, fully paid-up (Refer Notes 1 and 2 below)	205,555	410,760
Less : Reduction in Share Capital pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 10 on Schedule 'U')	—	205,380
	<u>205,555</u>	<u>205,380</u>
	<u>205,555</u>	<u>205,380</u>

Notes :

1. Of the above, 8,965,157* (Previous Year - 17,930,315) 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 - 86,059) Equity Shares of Rs. 10 each has been allotted to employees under Employee Stock Option Scheme (Refer Note 13 on Schedule 'U')

*The number of equity shares after considering the reduction in share capital.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'B'		
Reserves & Surplus		
Securities Premium		
As per last Balance Sheet	103,088	1,490,104
Add : Received on account of Employee Stock Option Scheme	6,175	60,883
Less: Adjustment carried out by a subsidiary	—	431,756
Less : Adjustment pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 10 on Schedule 'U')	—	1,016,143
	<u>109,263</u>	<u>103,088</u>
General Reserve		
As per last Balance Sheet	1,982,427	2,192,228
Add : Reduction in Share Capital pursuant to the Scheme of Arrangement and Reconstruction	—	205,380
Add : Transferred From Profit and Loss Account	41,647	3,525,758
Add : Adjustment on adoption of Accounting Standard 15 (Revised) (Net of Deferred Tax)	—	12,924
Less : Adjustment pursuant to the Scheme of Arrangement and Reconstruction (Refer Note 10 on Schedule 'U')	2,500	3,953,863
	<u>2,021,574</u>	<u>1,982,427</u>
Capital Reserve		
As per last Balance Sheet	632,112	627,656
Add : Dilution of Stake in Subsidiary	—	4,456
	<u>632,112</u>	<u>632,112</u>
Statutory Reserve Fund		
As per last Balance Sheet	7,884	7,884
Cumulative Translation Adjustment		
As per last Balance Sheet	—	3,597
Add: Exchange Gain/ (Loss) on Consolidation for the year	—	11,173
Less: Adjustment pursuant to the Scheme of Arrangement and Reconstruction	—	14,770
	<u>—</u>	<u>—</u>
Profit and Loss Account	<u>2,506,657</u>	<u>2,237,465</u>
	<u>5,277,490</u>	<u>4,962,976</u>
SCHEDULE 'C'		
Secured Loan		
Bank Overdraft	746,391	300,000
[Secured by equivalent amount of deposit as margin money]		
[Due within a year Rs. 746,391 (Previous Year Rs. 300,000)]		
Car Finance (Secured by first and exclusive charge on the cars financed)	—	49
	<u>746,391</u>	<u>300,049</u>

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

(Rs. 000's)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION						NET BLOCK			
	As at 01.04.2007	Additions on acquisition (Refer Note 1 below)	Additions/ Adjustments during the year	Cost transferred consequent to scheme of Arrangement and Reconstruction on Demerger (Refer Note 2 below)	Deletions during the year	As at 31.3.2008	Upto 1.4.2007	Additions on acquisition (Refer Note 1 below)	For the Year	Depreciation transferred consequent to scheme of Arrangement and Reconstruction on Demerger (Refer Note 2 below)	On Deletions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Intangible Assets														
Goodwill - on consolidation - others	—	—	10,626	—	—	10,626	—	—	—	—	—	—	10,626	—
Computer Software	3,556	—	—	—	—	3,556	2,347	50	577	—	—	50	632	1,209
Network Rights	—	—	7,851	—	—	7,851	—	—	188	—	—	188	7,663	—
Tangible Assets														
Leasehold Land	249	—	—	—	—	249	—	—	—	—	—	—	249	249
Building	176,688	—	4,218	—	—	180,906	69,825	—	5,960	—	—	75,785	105,121	106,863
Plant and Machinery	928,822	18,712	69,827	—	3,939	1,013,422	402,059	15,560	92,016	—	1,721	507,914	505,508	526,763
Computers	25,122	—	4,221	—	—	29,343	17,578	—	2,371	—	—	19,949	9,394	7,544
Office Equipments and Furniture and Fixtures	85,135	395	1,515	—	3,228	83,817	48,616	266	5,230	—	1,046	53,066	30,751	36,519
Vehicles	16,200	4	13,056	—	4,740	24,520	6,485	4	2,020	—	1,949	6,560	17,960	9,715
Total	1,235,772	19,161	111,314	—	11,907	1,354,340	546,910	15,880	108,362	—	4,716	666,436	687,904	688,862
Previous Year	5,455,579	—	2,561,173	1,635,684	5,145,296	1,235,772	2,176,023	—	216,349	648,400	1,197,062	546,910	327,774	18,634
Capital Work-in-Progress (including capital advances)														
Net Total													1,015,678	707,496

Notes:

1. Represents gross block and accumulated depreciation of a subsidiary on the date of acquisition.
2. Cost and Accumulated depreciation transferred pursuant to the Scheme of Arrangement and Reconstruction referred to in Note 10 on Schedule 'U'.
3. Plant and Machinery includes assets viz. optical fibre cable ducts given on operating lease; (cost of which is not ascertainable).

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'E'		
Investments - (At Cost)		
Equity and Preference Shares in Associates (Unquoted) (Including Goodwill of Rs. Nil (Previous Year - Rs. 3,369))	72,385	66,265
Add : Share of Brought Forward Accumulated Losses from Associates	(16,865)	(12,433)
Less: Adjustment on conversion of Associate into Subsidiary	1,680	—
Add : Share of Loss from Associates for the year	<u>(2,038)</u>	<u>(2,394)</u>
	55,162	51,438
Equity Shares, Debentures, Mutual Fund Units and National Saving Certificates		
- Quoted	675,699	7,086
- Unquoted	<u>899,755</u>	<u>2,524,720</u>
	1,575,454	2,531,806
	1,630,616	2,583,244
Less: Provision for Diminution in Value of Investments	29,434	32,142
	<u>1,601,182</u>	<u>2,551,102</u>
SCHEDULE 'F'		
Stock-in-Trade		
Shares	3,519	290
Real Estate*	106,373	105,394
Film-Rights	75,403	77,583
Network Cables and Equipments	236,044	63,300
Cassettes and Teleserials	297	436
	<u>421,636</u>	<u>247,003</u>
* pending registration in the name of Company		
SCHEDULE 'G'		
Sundry Debtors (Unsecured)		
Considered Good		
- Over Six Months	—	38,606
- Other Debts	463,156	90,456
	(A) 463,156	129,062
Considered Doubtful		
- Over Six Months	228,097	74,280
- Other Debts	79,923	192,064
	(B) 308,020	266,344
	(A)+(B) 771,176	395,406
Less: Provision for Doubtful Debts	308,020	266,344
	<u>463,156</u>	<u>129,062</u>

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

	As at 31.03.2008	(Rs. 000's) As at 31.03.2007
SCHEDULE 'H'		
Cash and Bank Balances		
Cash on Hand	2,899	2,779
Cheques on Hand	5,550	732
Bank Balances with Scheduled Banks in :		
- Current Accounts	36,813	20,794
- Margin Money Accounts#	779,391	420,000
- Deposit Accounts*	2,158,888	1,784,054
- Unclaimed Dividend Accounts	7,194	7,902
Bank Balances with Non-Scheduled Banks in :		
- Current Accounts	3	3
	<u>2,990,738</u>	<u>2,236,264</u>
<p>#- Under Lien with Banks towards Bank Guarantee, Letter of Credit and Term Loan/Cash Credit Facility issued by them.</p> <p>*- Of the above, Rs. Nil (Previous Year Rs. 93) are against Bank Guarantee.</p>		
SCHEDULE 'I'		
Other Current Assets		
Interest Accrued on		
- Inter-Corporate Deposits and Others	145,804	95,771
Dividend Receivable on Mutual funds	7,294	-
	<u>153,098</u>	<u>95,771</u>
SCHEDULE 'J'		
Loans And Advances		
(Unsecured)		
Advances Recoverable in Cash or in Kind or for value to be received		
- Considered Good	164,582	165,386
- Considered Doubtful	21,212	20,745
	<u>185,794</u>	<u>186,131</u>
Less : Provision for Doubtful Advances	21,212	20,745
	<u>164,582</u>	<u>165,386</u>
Advance Tax and Tax Deducted at Source (Net of Provisions)	118,527	102,588
Inter-Corporate Deposits	1,237,400	1,016,100
	<u>1,520,509</u>	<u>1,284,074</u>

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008

	As at <u>31.03.2008</u>	(Rs. 000's) As at <u>31.03.2007</u>
SCHEDULE 'K'		
Current Liabilities		
Sundry Creditors	248,207	360,544
Subscription Billed in Advance	74,187	20,626
Advance from Customers	7,379	17,723
Temporary Bank Overdraft	4,712	—
Unclaimed Dividend*	7,194	7,902
Trade Deposits	78,832	54,502
Other Liabilities	<u>267,187</u>	<u>199,244</u>
	<u><u>687,698</u></u>	<u><u>660,541</u></u>
*There are no amounts as at year-end which are due to be credited to Investor Education and Protection Fund.		
SCHEDULE 'L'		
Provisions		
Gratuity	6,446	2,619
Leave Encashment	14,749	3,357
Wealth Tax	4,011	4,253
Dividend	205,555	205,380
Dividend Tax	<u>34,934</u>	<u>34,904</u>
	<u><u>265,695</u></u>	<u><u>250,513</u></u>
SCHEDULE 'M'		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary and Share Issue Expenses	1,634	3,026
	<u><u>1,634</u></u>	<u><u>3,026</u></u>

Schedules

forming part of the Consolidated Profit and Loss Account
for the year ended 31st March, 2008

	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
SCHEDULE 'N'		
Operating Income		
IT and IT Enabled Services	—	1,541,447
Income from Real Estate (Refer Note 16 on Schedule 'U')	100,000	—
Cable Television Transmission	1,663,903	1,340,256
Income from Trading of Securities and equity index/ stock futures	16,190	—
Sale of Modems/ Set Top Boxes	36,098	27,861
Rental - Set Top boxes	41,589	1,754
Advertisement	66,368	118,192
Royalty Income	22,354	24,864
Income from Sale of Films Rights and Film Financing	4,248	8,326
Commitment fee	—	118,380
Commission Income	5,702	—
	<u>1,956,452</u>	<u>3,181,080</u>
SCHEDULE 'O'		
Interest and Dividend Income (from treasury activities)		
Interest		
- On Inter-Corporate Deposits	143,604	47,138
- On Deposits with Bank	232,353	94,021
- On Others	2	4
Dividend	95,857	127,814
	<u>471,816</u>	<u>268,977</u>
SCHEDULE 'P'		
Other Income		
Exchange Gain (Net)	10,539	18,943
Interest		
- On Deposits with Bank	10,030	103
- On Others	2,840	91,113
Dividend	959	134
Lease Rental and Maintenance Income - Fibre Optic	34,013	31,165
Service Charges	30,865	11,046
Bad Debts Recovered	43,017	—
Liabilities/ Provisions no longer payable written-back	14	22,422
License Fees	12,536	10,350
Miscellaneous Income	7,280	36,159
	<u>152,093</u>	<u>221,435</u>
SCHEDULE 'Q'		
Operating Expenses and Direct Costs		
Subscription - Pay Channels	939,798	975,023
Direct Cost, Product charges and Connectivity Cost (net)	22,894	97,354
Consumables	71,417	16,170
Royalty and Equipment Hiring Charges	21,169	6,762
Other Operating Expenses	297	825
	<u>1,055,575</u>	<u>1,096,134</u>

Schedules

forming part of the Consolidated Profit and Loss Account
for the year ended 31st March, 2008

	Year ended 31.03.2008	(Rs. 000's) Year ended 31.03.2007
SCHEDULE 'R'		
Employee Costs (Net of Re-imbursement)		
Salary and Other Benefits	171,045	960,161
Contribution to Employees' Provident and Other Funds	19,044	42,029
Staff Welfare Expenses	6,686	36,615
	<u>196,775</u>	<u>1,038,805</u>
SCHEDULE 'S'		
Administrative and Other Expenses		
Rent	24,209	85,566
Repairs and Maintenance		
- Building	436	1,063
- Plant and Machinery	14,125	28,802
- Others	13,273	29,944
Power and Fuel	21,667	64,023
Insurance	5,112	8,750
Rates, Taxes and Duties	39,346	38,284
Advertisement/ Business Promotion/ Marketing	13,887	15,991
Communication	12,278	25,837
Travelling, Conveyance and Car Hire	30,851	67,410
Legal and Professional	77,048	407,530
Freight and Octroi	4,275	14,932
Training and Recruitment	348	24,111
Printing and Stationery	5,474	10,878
Call Centre Charges	11,537	1,797
Commission	80,725	72,911
Auditors' Remuneration	2,202	3,212
Donation	1,107	12
Directors sitting fees	1,085	1,115
Preliminary and Share Issue Expenses written off	1,392	1,092
Loss on Sale/ Scrapping of Assets	2,306	436
Software Expenses	5,882	5,097
Jobs in Progress written off	-	12,104
Bad Debts Written Off	-	2,823
Provision for Doubtful debts/ Advances	42,143	9,267
Amortisation of Film rights	6,400	-
Investments written-off	3,608	-
Less: Withdrawn from provision for diminution in value of long term investments	2,708	900
Miscellaneous Expenses	14,439	43,158
	<u>432,447</u>	<u>976,144</u>
SCHEDULE 'T'		
Financial Expenses		
Interest on:		
- Term Loans	-	61,140
- Cash Credit/ Overdraft and Other Facilities	26,389	23,370
	<u>26,389</u>	<u>84,510</u>

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

SCHEDULE – U

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

a) Accounting Convention

These Accounts have been prepared under historical cost convention on accrual basis and comply in all material aspects with all applicable accounting principles in India, the accounting standards notified u/s 211(3C) of the Companies Act, 1956 of India ('the Act') and the relevant provisions of the Act.

b) Principles of Consolidation

The Consolidated Financial Statements relate to Hinduja Ventures Limited ('HVL') (Formerly known as Hinduja TMT Limited) and its direct and indirect subsidiaries (collectively referred to as 'the Group'). The consolidated financial statements have been prepared on the following basis:

- The financial statements of HVL and its direct and indirect 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 HVL of its investment in the direct and indirect subsidiaries is recognised in the financial statements as Goodwill. The excess of HVL's portion of equity and reserves of the direct and indirect 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'.

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.

Value of Building is stated at the value arrived on revaluation carried out as at 31st March 1994.

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

d) Depreciation/ Amortisation/ Impairment

Intangible Assets

Customised/ Bought out Computer Software is amortised over the period of six years.

Network rights are amortised over the period of ten years.

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

Tangible Assets

Depreciation on assets is provided on Straight Line Method on pro-rata basis at the rates prescribed under Schedule XIV to the Act, except for leasehold improvements, which are depreciated over the period of the lease.

Impairment of Assets

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

e) Valuation of Stock-in-trade

Shares and Inventory consisting of cables, head-end equipments and other network items like set top boxes, modems etc are valued at lower of cost and net realisable value. The cost is computed by the "First In First Out" Method.

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

Real Estate is valued at lower of cost and net realisable value.

Cost of telecast right of films acquired for telecast on its own channel is amortised in the year of exploitation.

Cost of films acquired for sale is amortised on a straight-line basis over a period of sixty months.

Stocks of cassettes have been valued at lower of cost and net realisable value. Slow moving and obsolete stock is written off or provided for.

f) Valuation of Investments

Long term investments are stated at cost and provision is made for diminution other than temporary, in value of investments. Current investments are valued at lower of cost or market value/ net asset value.

g) Revenue Recognition

i) Cable Television Revenues consisting of subscriptions and carriage fees are recognised on the basis of bills raised on direct franchisee subscribers and agreements entered with parties, respectively.

ii) Sale of modems/ set top boxes is recognised on installation of modems/ set top boxes at subscriber's location and subscription from internet operations is recognised on pro-rata basis over the period in which such services are rendered.

iii) Advertisement Revenues are accounted on the basis of actual telecast.

iv) Profits/ Losses from share trading/ investment activities (including gain/ (loss) on sale of stake in subsidiaries) are recognised on the basis of trade dates/ contracts/ agreements entered with parties.

v) Interest income is accounted on accrual basis and dividend income is accounted on right to receipt basis.

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

vii) Equity Index/ Stock - Futures

1. Equity Index/ Stock Futures are marked-to-market on a daily basis. Debit or credit balance, if any, disclosed under Loans and advances or current liabilities, respectively, in the "Mark-to-Market Margin - Index/ Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of Index/ Stock Futures till the balance sheet date.

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

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

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

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

h) Foreign Currency Transactions

Transactions 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 & Loss Account. Non-monetary foreign currency items are carried at cost.

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

Premium on forward exchange contract is amortised over the period of contract.

In respect of transactions related to foreign branches of I. T. Division in previous year, all revenue and expenses transactions were reported at average rate. Monetary assets and liabilities were translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities were translated at the rate prevailing on the date of the transaction. Net gain/ loss on foreign currency translation in respect of transactions of all foreign branches, which were integral to the Group, were recognised in the Profit and Loss Account.

i) Retirement Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Group has Defined Contribution plan namely Provident Fund, which is recognised by the income tax authorities and administered through trustees.

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 & Communications Limited, the gratuity scheme is funded through Group Gratuity Policy with Life Insurance Corporation of India ('LIC'). For the balance employees 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. The actuarial valuation is carried out using projected unit credit method.

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

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.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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 cost

Borrowing costs attributable to the acquisition of qualifying assets are capitalised as part of the cost of those assets.

2. Capital Commitments and Contingent Liabilities

a) Estimated amount of contracts (net of capital advances) remaining to be executed on capital account – Rs. 33,411 (Rs. 000's) [(Previous Year – Rs. 116,982) (Rs. 000's)]

b) Contingent liabilities in respect of:

(Rs. 000's)

Sr. No.	Particulars	As at March 31, 2008	As at March 31, 2007
i.	Bank Guarantees given on behalf of the Group	102,828	102,828
ii.	Letter of Comfort given by HVL for Channel Financing Facility to Axis Bank Limited on behalf of a subsidiary company	–	50,000
iii.	Guarantees/ Counter Guarantees given to Custom Authorities	34,705	34,705
iv.	Demand for Custom Duty on subsidiary company against which it has filed appeal	80,586	80,586
v.	Claims against the group not acknowledged as debts - Entertainment Tax - Telecasting of films, copyrights etc. - Others (to the extent ascertainable)	52,088 Not ascertainable 158	52,088 Not ascertainable 3,238
vi.	Security provided by HVL to IndusInd Bank Limited by way of lien on fixed deposits of HVL for Letter of Credit issued by IndusInd Bank Limited on behalf of subsidiary company	23,000	110,000
vii.	Demands raised by income tax authorities on HVL against which it is in dispute	174,943	112,185
viii.	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
ix.	Arrears of dividend on preference shares issued by a subsidiary	711,840	622,860

Note: – With respect to the above, the Group does not expect any outflow.

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

3. The direct and indirect subsidiaries considered in the consolidated financial statements for the year ended 31st March, 2008 with HVL's share in voting power in these companies are:

Sr. No.	Name of the Company	Held by	Parent's Shareholding (%)	HVL's Share in Voting Power (%)
A	DIRECT SUBSIDIARIES			
1	IndusInd Media & Communications Limited (IMCL)		63.01	63.01
2	Grant Investrade Limited (GIL)		51.00	51.00
3	HTMT Telecom Private Limited (w.e.f. 1 st October 2007)		89.91	89.91
B	INDIRECT SUBSIDIARIES			
1	USN Networks Private Limited (w.e.f. 23 rd October 2007)	IMCL	74.00	74.00

4. The associates considered in the consolidated financial statements with HVL's shareholding in these companies are:

Sr. No.	Name of the Company	Held through	Shareholding (%)	HVL's Effective stake (%)
1	United Mysore Network Private Limited	IMCL	48.00	30.24
2	USN Networks Private Limited (up to 22 nd October 2007)	IMCL	48.00	30.24
3	Planet E Shop Holdings Private Limited (PES-H)	IMCL	48.00	30.24
4	Ashley Airways Limited	HVL	26.00	26.00

5. Operating Leases

The details of operating leases are as follows:

(Rs. 000's)

Particulars	Minimum Future Lease Rentals			Amount recognised during the year
	Due within one year	Due later than one year and not later than five years	Due after five years	
Office Premises	— [3,600]	— [9,000]	— [—]	— [51,562]

Figures in brackets represent previous year figures.

The operating lease arrangement relating to office premise extend upto a maximum of five years from the respective date 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 an amount of Rs. 24,209 (000's) [Previous Year Rs. 34,004 (000's)] has been recognised in 'Rent' under Schedule 'S' to the Profit and Loss Account.

6. Break-Up of Deferred Tax (Liability)/ Asset

(Rs. 000's)

	As at March 31, 2008	As at March 31, 2007
<i>Deferred Tax Liability</i>		
Depreciation on Fixed Assets	20,908	29,229
Amortisation of Film Rights	20,641	20,925
Amalgamation expenses	—	882
Unamortised Preliminary/ Miscellaneous Expenses	568	362
Total Deferred Tax Liability	42,117	51,398

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

<i>Deferred Tax Asset</i>		
Net Operating Loss carry forwards	–	23,281
Liabilities to be deducted for Tax purposes when paid	2,369	1,742
Provisions for Doubtful Debts	1,189	9,766
Unabsorbed Depreciation	–	3,348
Total Deferred Tax Asset	3,558	38,137
Net Deferred Tax (Liability)/ Asset	(38,559)	(13,261)

7. Earnings per Equity Share (Basic and Diluted)

(Rs. 000's)

	2007–08	2007–08	2006–07
Profit After Tax		551,328	8,079,261
Weighted average number of equity shares for Earnings per Share Computation			
A. For Basic Earnings per share (Nos.)		20,539,793	30,724,278
B. For Diluted Earnings per share (Nos.)			
No of shares for Basic EPS as per A	20,539,793		30,724,278
Add: Weighted Average outstanding employee stock option deemed to be issued for no consideration	19,286		11,602
No. of shares for Diluted Earnings per share		20,559,079	30,735,880
Nominal Value of an equity share (Rs.)		10.00	10.00
Earnings per share (Basic) (Rs.)		26.84	262.96
Earnings per share (Diluted) (Rs.)		26.82	262.86

8. Segment Information

Segmental information for the year ended 31st March 2008 has been provided so that the users of these accounts can appreciate the diverse nature of the business carried out by Hinduja Ventures Limited, and its subsidiaries as a Group.

Various Business Segments as identified by the Management based on the nature of products and 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, are as under:

- I. **Convergence Activities** – This segment is further classified into two sub-segments as under:
 - a. **Information Technology (IT)**, which consists of IT as well as IT Enabled Services (including Business Process outsourcing). During the previous year, IT and ITES business has been demerged pursuant to the Scheme of Arrangement and Reconstruction between the Company and HTMT Global Solutions Limited and their respective shareholders and creditors (Refer Note 10 below).
 - b. **Media & Communications**, which consists of various Media/ Communications, related activities spearheaded by the Corporate Group. This segment includes all activities relating to cable television, broadband Internet, local television programming, movie channel and movie based programming.
- II. **Real Estate** – The Company has Real Estate activities in the form of property development. The Company has entered into an option agreement for development of its existing property at Bangalore. 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 quoted shares and securities.

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

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

Business Segments

(Rs. 000's)

Sr	Particulars	I.T.		Media & Communications		Real Estate		Treasury		Total	
		2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
1.	Segment Revenues	—	1,664,994	1,992,247	1,739,060	100,000	—	549,757	249,148	2,642,004	3,653,202
	Add: Other Income (unallocated)	—	—	—	—	—	—	—	—	108	—
	Profit on Sale of Investment in Subsidiaries (Net)	—	—	—	—	—	—	—	—	—	10,909,048
										2,642,112	14,562,250
2.	Segment Results	—	(325,654)	253,940	139,658	88,157	—	495,608	237,895	837,705	51,899
	Add: Other Income (Unallocated)	—	—	—	—	—	—	—	—	108	—
	Profit on Sale of Investment in Subsidiaries (Net)	—	—	—	—	—	—	—	—	—	10,909,048
	Less: Interest Expense	—	—	—	—	—	—	—	—	—	83,857
	Unallocated Corporate Expenses	—	—	—	—	—	—	—	—	15,249	347,428
	Total Profit before Tax	—	—	—	—	—	—	—	—	822,564	10,529,662
3.	Capital Employed										
	Segment Assets	—	—	2,368,115	1,616,382	106,404	105,394	5,632,621	5,472,948	8,107,140	7,194,724
	Add: Unallocated Corporate Assets	—	—	—	—	—	—	—	—	60,491	59,074
	Total Assets	—	—	—	—	—	—	—	—	8,167,631	7,253,798
	Segment Liability	—	—	733,967	629,646	2,483	—	749,287	305,100	1,485,737	934,746
	Add: Unallocated Corporate Liability	—	—	—	—	—	—	—	—	252,606	289,618
	Total Liability	—	—	—	—	—	—	—	—	1,738,343	1,224,364
	Segment Capital Employed	—	—	1,634,148	986,736	103,921	105,394	4,883,334	5,167,848	6,621,403	6,259,978
	Add: Unallocated Capital Employed	—	—	—	—	—	—	—	—	(192,115)	(230,544)
	Total Capital Employed	—	—	—	—	—	—	—	—	6,429,288	6,029,434
4.	Capital Expenditure	—	295,570	399,383	165,547	—	—	10,333	152	409,716	461,269
5.	Depreciation / Amortisation	—	103,255	106,774	111,815	—	—	1,588	1,279	108,362	216,349
6.	Significant Non Cash Expenditure	—	21,371	47,259	4,972	—	—	900	—	48,159	25,353
	Add: Unallocated Non Cash Expenditure	—	—	—	—	—	—	—	—	254	264
										48,413	25,617

- 1) There are no Inter Segment Revenues.
- 2) Media –Telecom has been renamed Media & Communications with effect from the Current Year as it better reflects the activities that form part of the segment. Except the renaming, there is no change in the activities included in the segment.
- 3) Capital expenditure does not include asset of the subsidiary acquired during the year.
- 4) Previous Year's figures have been regrouped/ rearranged, wherever considered necessary.

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

Geographical Segments

(Rs. 000's)

Particulars	India		Outside India		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Sales Revenue	2,642,112	13,299,658	—	1,262,592	2,642,112	14,562,250
Carrying Amount of Assets	8,167,631	7,253,798	—	—	8,167,631	7,253,798
Capital Expenditure	409,716	393,830	—	67,439	409,716	461,269

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

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Associates/ Joint Ventures

Media

1. United Mysore Network Private Limited
2. Planet E—Shop Holdings India Limited
3. Shop24Seven India Limited
4. USN Networks Private Limited (upto October 22, 2007)

Communications

5. Pacific Horizon Limited (upto 30th June, 2006)

Others

6. Ashley Airways Limited (effective December 24, 2007)

III. Key Management Personnel

1. Mr. K. Thiagarajan (Managing Director and CEO) (upto April 30, 2006)
2. Mr. Partha De Sarkar (Manager and Chief Operating Officer upto March 6, 2007)
3. Mr. Dilip Panjwani (Manager)

IV. Enterprises where common control exists

1. Aasia Corporation
2. Aasia Management & Consultancy Private Limited
3. Hinduja Group India Limited
4. Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)
5. HTMT Global Solutions Limited (w.e.f. October 1, 2006)
6. Pacific Horizon Limited (w.e.f. October 1, 2006)

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 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	Total
During the Year					
Rendering of Services					
Hinduja Group India Limited	— [—]	— [—]	— [—]	— [20]	— [20]
USN Networks Private Limited	— [—]	547 [1,094]	— [—]	— [—]	547 [1,094]
Total	— [—]	547 [1,094]	— [—]	— [20]	547 [1,114]
Interest Income					
Asia Management & Consultancy Private Limited	— [—]	— [—]	— [—]	820 [7,177]	820 [7,177]
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	69,361 [11,819]	69,361 [11,819]
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	1,818 [—]	1,818 [—]
United Mysore Network Private Limited	— [—]	570 [481]	— [—]	— [—]	570 [481]
USN Networks Private Limited	— [—]	44 [59]	— [—]	— [—]	44 [59]
Shop24Seven India Limited	— [—]	425 [2,643]	— [—]	— [—]	425 [2,643]
Total	— [—]	1,039 [3,183]	— [—]	71,999 [18,996]	73,038 [22,179]
Income from Real Estate					
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	100,000 [—]	100,000 [—]
Total	— [—]	— [—]	— [—]	100,000 [—]	100,000 [—]
Leasing Income					
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	365 [—]	365 [—]
Total	— [—]	— [—]	— [—]	365 [—]	365 [—]
Infrastructure Charges					
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	28,235 [—]	28,235 [—]
Shop24Seven India Limited	— [—]	682 [682]	— [—]	— [—]	682 [682]
Total	— [—]	682 [682]	— [—]	28,235 [—]	28,917 [682]

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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	Total
Sale of Assets					
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	2,658 [–]	2,658 [–]
Asia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [168]	– [168]
Total	– [–]	– [–]	– [–]	2,658 [168]	2,658 [168]
Internet Income					
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	977 [–]	977 [–]
Asia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	638 [626]	638 [626]
Shop24Seven India Limited	– [–]	96 [54]	– [–]	– [–]	96 [54]
Total	– [–]	96 [54]	– [–]	1,615 [626]	1,711 [680]
Cable Television Transmission					
Shop24Seven India Limited	– [–]	213 [1,130]	– [–]	– [–]	213 [1,130]
Total	– [–]	213 [1,130]	– [–]	– [–]	213 [1,130]
Reimbursement of Expenses from other companies					
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	11,156 [17,055]	11,156 [17,055]
Shop24Seven India Limited	– [–]	1,515 [212]	– [–]	– [–]	1,515 [212]
Total	– [–]	1,515 [212]	– [–]	11,156 [17,055]	12,671 [17,267]
Reimbursement of Expenses to other companies					
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	1,754 [–]	1,754 [–]
Hinduja Group India Limited	– [–]	– [–]	– [–]	635 [–]	635 [–]
Asia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	1,258 [–]	1,258 [–]
Shop24Seven India Limited	– [–]	– [187]	– [–]	– [–]	– [187]
Total	– [–]	– [187]	– [–]	3,647 [–]	3,647 [187]
Call Centre Charges					
Shop24Seven India Limited	– [–]	11,500 [–]	– [–]	– [–]	11,500 [–]
Total	– [–]	11,500 [–]	– [–]	– [–]	11,500 [–]

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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	Total
Professional Fees Paid					
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	— [40,124]	— [40,124]
Hinduja Group India Limited	— [—]	— [—]	— [—]	12,472 [44,800]	12,472 [44,800]
Aasia Management & Consultancy Private Limited	— [—]	— [—]	— [—]	— [151]	— [151]
Aasia Corporation	— [—]	— [—]	— [—]	674 [—]	674 [—]
Shop24 Seven India Limited	— [—]	53 [—]	— [—]	— [—]	53 [—]
Total	— [—]	53 [—]	— [—]	13,146 [85,075]	13,199 [85,075]
Rent/Service Charges Paid					
Aasia Corporation	— [—]	— [—]	— [—]	— [3,600]	— [3,600]
Aasia Management & Consultancy Private Limited	— [—]	— [—]	— [—]	5,040 [1,320]	5,040 [1,320]
Total	— [—]	— [—]	— [—]	5,040 [4,920]	5,040 [4,920]
Interest Expense					
Hinduja Realty Ventures Limited (Formerly Aasia Properties Development Limited)	— [—]	— [—]	— [—]	— [3,205]	— [3,205]
Total	— [—]	— [—]	— [—]	— [3,205]	— [3,205]
Advertisement and Business Promotion Expenses					
Shop24Seven India Limited	— [—]	2,799 [135]	— [—]	— [—]	2,799 [135]
Total	— [—]	2,799 [135]	— [—]	— [—]	2,799 [135]
Purchase of Assets					
Shop24Seven India Limited	— [—]	— [7]	— [—]	— [—]	— [7]
Total	— [—]	— [7]	— [—]	— [—]	— [7]
Other Expenses					
Shop24Seven India Limited	— [—]	471 [—]	— [—]	— [—]	471 [—]
Total	— [—]	471 [—]	— [—]	— [—]	471 [—]

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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	Total
Managerial / Executive Remuneration					
Mr. Partha De Sarkar	– [–]	– [–]	– [3,116]	– [–]	– [3,116]
Mr. A. P. Hinduja	14,322 [14,976]	– [–]	– [–]	– [–]	14,322 [14,976]
Mr. K. Thiagarajan	– [–]	– [–]	– [1,427]	– [–]	– [1,427]
Mr. Dilip Panjwani	– [–]	– [–]	2,377 [142]	– [–]	2,377 [142]
Total	14,322 [14,976]	– [–]	2,377 [4,685]	– [–]	16,699 [19,661]
Sale of Investments					
Hinduja Realty Ventures Limited (Formerly Asia Properties Development Limited)	– [–]	– [–]	– [–]	– [15,532]	– [15,532]
Total	– [–]	– [–]	– [–]	– [15,532]	– [15,532]
Inter–Corporate Deposits/ Loans Given					
Hinduja Realty Ventures Limited (Formerly Asia Properties Development Limited)	– [–]	– [–]	– [–]	1,815,000 [660,000]	1,815,000 [660,000]
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	300,000 [–]	300,000 [–]
Asia Management & Consultancy Private Limited	– [–]	– [–]	– [–]	– [60,000]	– [60,000]
Total	– [–]	– [–]	– [–]	2,115,000 [720,000]	2,115,000 [720,000]
Inter–Corporate Deposits/ Loans Taken					
Hinduja Realty Ventures Limited (Formerly Asia Properties Development Limited)	– [–]	– [–]	– [–]	– [1,560,000]	– [1,560,000]
Shop24Seven India Limited	– [–]	9,000 [–]	– [–]	– [–]	9,000 [–]
Total	– [–]	9,000 [–]	– [–]	– [1,560,000]	9,000 [1,560,000]
Year–end Balance					
Inter–Corporate Deposits receivable at the year end					
Hinduja Realty Ventures Limited (Formerly Asia Properties Development Limited)	– [–]	– [–]	– [–]	977,500 [290,000]	977,500 [290,000]
HTMT Global Solutions Limited	– [–]	– [–]	– [–]	150,000 [–]	150,000 [–]
Total	– [–]	– [–]	– [–]	1,127,500 [290,000]	1,127,500 [290,000]

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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	Total
Receivable net of payable at the year end					
Hinduja Realty Ventures Limited (Formerly Asia Properties Developments Limited)	— [—]	— [—]	— [—]	144 [5,093]	144 [5,093]
Asia Management & Consultancy Private Limited	— [—]	— [—]	— [—]	294 [93,406]	294 [93,406]
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	19,989 [—]	19,989 [—]
Shop24Seven India Limited	— [—]	17,665 [14,118]	— [—]	— [—]	17,665 [14,118]
United Mysore Network Private Limited	— [—]	4,997 [45]	— [—]	— [—]	4,997 [45]
Total	— [—]	22,662 [14,163]	— [—]	20,427 [98,499]	43,089 [112,662]
Payable net of receivable at the year end					
HTMT Global Solutions Limited	— [—]	— [—]	— [—]	— [28,952]	— [28,952]
Hinduja Group India Limited	— [—]	— [—]	— [—]	1,083 [—]	1,083 [—]
Asia Management & Consultancy Private Limited	— [—]	— [—]	— [—]	2,631 [—]	2,631 [—]
Total	— [—]	— [—]	— [—]	3,714 [28,952]	3,714 [28,952]
Investments					
USN Networks Private Limited	— [—]	— [1,680]	— [—]	— [—]	— [1,680]
Planet—E—Shop Holding India Private Limited	— [—]	59,600 [59,600]	— [—]	— [—]	59,600 [59,600]
Shop24Seven India Limited	— [—]	600 [600]	— [—]	— [—]	600 [600]
Ashley Airways Limited	— [—]	7,800 [—]	— [—]	— [—]	7,800 [—]
United Mysore Network Private Limited	— [—]	4,985 [4,985]	— [—]	— [—]	4,985 [4,985]
Total	— [—]	72,985 [66,885]	— [—]	— [—]	72,985 [66,885]

Dividend Paid/Payable to Parties referred to in I and IV above – Rs. 270,617 (Rs. 000's) [Previous Year Rs. 744,061 (Rs. 000's)]

Figures in brackets represent previous year figures.

10. In previous year, the net assets aggregating Rs. 7,037,738 (000's) in consolidated financial statements pertaining to IT/ITES business (including IT Subsidiaries) were transferred to and vested in HTMT Global Solutions Limited w.e.f. 1st October 2006 pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ ITES approved by Honourable High Court of Judicature at Bombay and made effective on 7th March 2007. Also, in accordance with Scheme, the issued, subscribed and paid up Equity Share Capital of the Company was reduced by reducing the face value of each share from Rs. 10/— fully paid up to Rs. 5/— fully paid up. The amount of

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

reduction in Equity Share Capital Rs. 205,380 (000's) was credited to 'General Reserve'. Subsequently, every two Equity Shares of Rs. 5 each were consolidated into one Equity Share of Rs. 10/- each fully paid up.

During the year, in accordance with Scheme, the equity shares costing Rs. 2,500 (000's) held by the Company in HTMT Global Solutions Limited has been cancelled and accordingly, Rs. 2,500 (000's) has been debited to General Reserve.

11. Disclosure in respect of the ordinary activities of continuing and discontinuing operations are as follows;

(Rs. 000's)

Particulars	31-03-2008		31-03-2007	
	Continuing Operations	Discontinuing Operations*	Continuing Operations	Discontinuing Operations
Total Assets	8,167,631	—	7,253,798	—
Total Liabilities	1,738,343	—	1,224,364	—
Income	2,642,112	—	12,897,255	1,664,995
Expenditure	1,846,340	—	2,031,208	2,001,380
Net cash Flow from/ (used in):				
a. Operating Activities ^b	(45,451)	—	(2,273,356)	1,260,975
b. Investing Activities	614,055	—	7,899,231	4,673,207
c. Financing Activities	185,211	—	(3,646,194)	(10,731)

* Transferred to HTMT Global Solutions Limited pursuant to Scheme of Arrangement and reconstruction as referred in Note 10 above.

12. The Company has classified the various benefits provided to employees as under: —

I Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
 - i. Employers' Contribution to Employee's State Insurance
 - ii. Employers' Contribution to Employee's Pension Scheme 1995.

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

(Rs. 000's)

	2007-08	2006-07
— Employers' Contribution to Provident Fund [Includes EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995]*	10,663	17,585
— Employers' Contribution to Employee's State Insurance *	2,337	3,891
— Employers' Contribution to Other Employee's Benefit Scheme *	—	15,244

* Included in Contribution to provident and other funds (Refer Schedule 'R')

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

II Defined Benefit Plan

Gratuity

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

	2007-08	2006-07
Discount Rate (per annum)	8%	8%
Rate of increase in Compensation Levels	4-5%	4-7%
Rate of Return on Plan Assets	8%	8%

A) Changes in the Present Value of Obligation

(Rs. 000's)

	2007-08		2006-07	
	Funded	Non Funded	Funded	Non Funded
Opening Present Value of Obligation	9,266	1,486	17,639	21,108
Interest Cost	840	145	379	813
Current Service Cost	1,480	724	4,679	3,111
Liability Transfer in	—	991	—	—
Benefits Paid	(487)	(809)	(1,609)	(1,542)
Actuarial (gain) / loss on obligations	(603)	725	(4,126)	384
Transfer to HTMT Global Solutions Limited	—	—	(7,696)	(22,388)
Closing Present Value of Obligation	10,496	3,262	9,266	1,486

B) Changes in the Fair value of Plan Assets

(Rs. 000's)

	2007-08	2006-07
Opening Fair Value of Plan Assets	8,133	18,578
Expected Return on Plan Assets	823	662
Actuarial Gains and Losses	(3,557)	(731)
Contributions	2,400	6,684
Benefits Paid	(487)	(1,609)
Transfer to HTMT Global Solutions Limited	—	(15,451)
Closing Fair Value of Plan Assets	7,312	8,133

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

(Rs. 000's)

	2007-08		2006-07	
	Funded	Non Funded	Funded	Non Funded
Closing Present Value of funded Obligation	10,496	—	9,266	—
Fair Value of Plan Assets as at the end of the year	7,312	—	8,133	—
Funded Status	7,312	—	8,133	—
Closing Present Value of unfunded Obligation	(3,184)	(3,262)	(1,133)	(1,486)
Unfunded Net Asset / (Liability) Recognised in Balance Sheet**	(3,184)	(3,262)	(1,133)	(1,486)

** Included in Provisions (Refer Schedule 'L')

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

D) Amount recognised in the Balance Sheet

(Rs. 000's)

	2007-08		2006-07	
	Funded	Non Funded	Funded	Non Funded
Closing Present Value of Obligation	(10,496)	(3,262)	(9,266)	(1,486)
Fair Value of Plan Assets as at the end of the year	7,312	–	8,133	–
Liability recognised in the Balance Sheet***	(3,184)	(3,262)	(1,133)	(1,486)

*** Included in Provisions (Refer Schedule 'L')

E) Expenses recognised in the Profit and Loss Account

(Rs. 000's)

	2007-08	2006-07
Current Service Cost	2,204	7,790
Interest Cost	985	1,192
Expected Return on Plan Assets	(823)	(662)
Net actuarial (gain) / loss recognised in the period	3,678	(3,011)
Total Expenses recognised in the Profit and Loss Account \$	6,044	5,309

\$ Included in Employee Costs (Refer Schedule 'R')

13. 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 employees of the Company or Group as under:

Date of Grant	Grant	Total Options Granted	Exercise Price Per share	Fair Value Per share
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.

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forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

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

Particulars	No. of Options Grant I		No. of Options Grant II		No. of Options Grant III	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Outstanding at the beginning of the year	17,380	673,500	46,381	88,320	—	—
Granted during the year	—	—	—	—	—	12,000
Lapsed during the year	12,860	508,840	6,401	17,100	—	12,000
Exercised/ Alloted during the year	2,260	147,280	15,240	24,839	—	—
Outstanding at the end of the year	2260	17,380	24,740	46,381	—	—
Exercisable at the end of the year	—	—	5,600	2,901	—	—
Weighted Average remaining life in years	1.65	2.65	1.84	2.84	2.07	3.07

The fair value 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 higher by Rs. 9,312 (000's), Profit After Tax would have been lower by Rs. 9,312 (000's) and the basic and diluted earning per share would have been lower by Rs. 0.46.

14. During the year, HVL acquired 89.91% stake in HTMT Telecom Private Limited w.e.f. 1st October, 2007 and IMCL, a subsidiary of HVL acquired additional 26% stake in USN Networks Private Limited w.e.f. 23rd October, 2007 totalling to 74% stake. The effect of acquisition of stake in above companies during the year on the Consolidated Financial Statements are as under:

(Rs. 000's)

Name of the Company	Goodwill on Consolidation	Effect on Group Profit after Minority Interest	Net Effect on Group Net Assets as on March 31, 2008
HTMT Telecom Private Limited	Nil	1,353	101,603
USN Networks Private Limited	10,626	(3,293)	(6,921)

15. As at the balance Sheet date, foreign currency payable that are not hedged by any derivative instrument or otherwise is USD 88 (000's) [Previous Year USD 1,043 (000's)] equivalent to Rs. 3,521 (000's) [Previous Year 45,448 (000's)]
16. During the year, the name of the company has been changed from Hinduja TMT limited to Hinduja Ventures Limited effective 23rd October 2007.
17. The Company has granted an option to exercise development rights vide agreement dated 29th June, 2007 to a developer in respect of the Company's aforementioned land situated in Bangalore at a non-refundable consideration of Rs. 100,000 (Rs. 000's). Accordingly, the amount of Rs. 100,000 (Rs. 000's) is recognised as income from real estate business during the year.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year then ended.

18. Subsequent to the year–end, the Company’s subsidiary, IndusInd Media & Communications Limited, has acquired 51% stake in the Gold Star Noida Network Private Limited, Seven Star Information Technology Private Limited and Bhima Riddhi Infotainment Private Limited on April 1, 2008 and accordingly, these companies have become subsidiaries of the Company.
19. The Company has made an application to Stock Exchanges for registration with Securities and Exchange Board of India (SEBI) as a sub–broker. The sub–broker registration certificate from SEBI is awaited. In the opinion of management and based on the legal opinion obtained, the Company is not considered as Non–Banking Financial Company as per the guidelines issued by Reserve Bank of India.
20. In view of the matter stated in Note 10 above, the figures of Profit and Loss Account for the current year are not comparable with those of the previous year.
21. Previous Year’s figures have been regrouped/ rearranged, wherever considered necessary.

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

Partha Ghosh
Partner
Membership No. F - 55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date : 25th August, 2008

For and on behalf of the Board

Anil Harish
Director

A.P. Hinduja
Executive Chairman

Dilip Panjwani
Manager and Company Secretary

Place : Mumbai
Date : 25th August, 2008

Auditors' Report

To The Board of Directors of Hinduja Ventures Limited on the Consolidated Financial Statements of Hinduja Ventures Limited and its Subsidiaries

1. We have audited the attached Consolidated Balance Sheet of Hinduja Ventures Limited, (formerly Hinduja TMT Limited) and its subsidiaries (the Group) as at March 31, 2008, 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 financial statements are the responsibility of the Management of Hinduja Ventures Limited. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 subsidiaries whose financial statements reflect total assets aggregating Rs. 4,564,883 (000's) as at March 31, 2008 and total revenues aggregating Rs. 1,995,908 (000's) and cash outflow amounting to Rs. 17,653 (000's) for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. We did not audit the financial statements of associates whose financial statement reflect loss after tax aggregating of Rs. 4,162 (000's) (net) for the year ended March 31, 2008. These financial statements have been audited by other auditor whose audit report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these associates is based solely on the report of the other auditors.
5. We have relied on the unaudited financial statements of an associate whose financial statement reflect profit after tax of Rs. 14 (000's) for the year ended March 31, 2008 as considered in the consolidated financial statement. These unaudited financial statements as approved by the Board of Directors have been furnished to us by the Management and in our opinion insofar as it relates to the amounts included in respect of the associate is based solely on such approved unaudited financial statements.
6. 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 and Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of the report of other auditor on separate financial statements and the financial statements approved by the Board of Directors as explained in paragraph 5 above, in our opinion and to the best of our information and explanations given to us, the 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, 2008;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Partha Ghosh
Partner
Membership No. F - 55913

Place: Mumbai
Date : 25th August, 2008

For and on behalf of
Price Waterhouse
Chartered Accountants