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Group Principles



The Group Founder,
Shri Parmanand Deepchand Hinduja

Report Junction.com

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

Work to Give

Word is a Bond

Act Local; Think Global

Partnership for Growth

Advance Fearlessly

Letter to Shareholders

from the Executive Chairman

Dear Shareholders

One more eventful year in the life of your company has been completed. The year began on a note of strong optimism. The first half saw great expansion in the capital markets overall. Domestic and international environment was very buoyant. The second half saw a marked decline in sentiment as a number of factors came together to transform the business mood from euphoria to one of bearish sentiment.

First, the sub-prime crisis surfaced hitting financial institutions badly creating a negative impact on credit appetite. Close on its heels came the unprecedented increase in the cost of crude oil. Commodity prices saw unprecedented increase causing food riots in some parts of the world. India could not remain insulated from these global inflationary pressures. Inflation increased sharply, doubling & almost trebling in the last few months, Reserve Bank of India sought to bring inflation control. Interest rates increased, hitting investments. Coupled to this there was a fear of political instability at the Centre. The capital markets in India declined by around 35%.

I am glad to report that because of the prudent and cautious approach adopted by your company we were not negatively impacted by this downturn. As I had promised in my last year's report, the financial resources available with your company from the sale of our Telecom holding remain in tact and has been invested cautiously.

Despite the temporary recessionary trend, the overall outlook remains positive. The fundamentals of Indian economy continue to be strong, even though GDP growth may slowdown to around 7%. However, the present credit crunch and decline in valuations, present an opportunity for your company to invest in new opportunities at attractive valuations.

Fortunately our principal media subsidiary, Indusind Media and Communication Limited (IMCL), is in a business segment which continues to enjoy strong growth, bucking the negative trend in the rest of the sector. After being consolidated into a single media entity last year it has shown positive performance and continue to show good results in second year running.

Media Sector Outlook

The outlook for the media sector continues to be very positive. India remains the leading pay TV market in Asia with superior growth prospects indicating a huge upside for the future. But at the same time competition and increasing cost and slow implementation of regulations, present near term risks. Market analyst forecast the Indian TV market to grow from 78 million homes to 137 million homes by 2012 and 164 million homes by 2017 which represents a growth of 82 - 85%.

Cable subsidiary will have a share of 67% of all TV homes giving a very bright outlook for the future of IMCL whose core strength is in cable distribution.

By comparison, the DTH operators are jostling for market share in a small segment of the TV market. This is causing them to incur huge losses. The management is following new technology that has IPTV /VOIP to ensure that we do not miss the bus in the new emerging opportunities.

Letter to Shareholders from the Executive Chairman

On the Regulating front there have been several positive developments. They will further strengthen IMCL's position in the days to come. Some such are: TRAI's recommendations to allow cable companies to enter IPTV services; to allow cable TV MSOs; to increase FDI cap to 74% from the existing 49%; to allow ISPs to provide internet telephony (IMCL holds a national ISP licence which will allow it to provide internet telephony nationally); National Long Distance providers are now permitted to connect to ISPs through public internet etc.

There has been extensive consultations going on between TRAI, the Government and the cable industry through the MSO alliance in which IMCL played a leading role, for further liberalization to enable the MSO's to provide triple play (voice, video and data).

IMCL performance

IMCL expanded its cable network to new cities and towns in the North, West and South. It also speeded up digitalization of its network in those cities and towns which falls under the Government's digitalization program and to TRP towns.

It has put renewed thrust in expanding its Broadband/Internet business by reorganizing its marketing and technical operations. It plans to take advantage of the latest liberalization by the Government to enter the new opportunities such as IPTV, Headend in the sky (HITS) etc. Its ultimate goal is to become a triple play service provider in voice, video and data.

IMCL has the unique advantage of having extensive fibre optic networks in several cities like Delhi, Bangalore, Mumbai, Ahmedabad, Vadodara and has plan to expand to other cities. With this strong infrastructure that has been built, IMCL is positioned to provide a full suite of services to its customers and is ahead of competition in this regards.

Real Estate

During the year, your Company has entered into an option agreement with a Developer to develop the property at Bangalore Navaratna Agrahare in the BAIPPA Zone near the new Devanhali Airport. Your Company intends to encash the present land Bank to create business propositions with strategic partnerships and to undertake new projects by identifying good opportunities in this sector.

Finally, as I promised in my last year's report, your company will continue to look for new opportunities to incubate new businesses but will do so judiciously, after weighing all the risks factors. We will be able to announce plans for new initiatives in the near future. However, we need to proceed with caution during the present turbulent times. But we will ensure that we do not miss any good opportunities that may come along so that we maximize returns to our shareholders.

Thank you



Ashok P Hinduja

Executive Chairman

Mumbai, 25th August, 2008

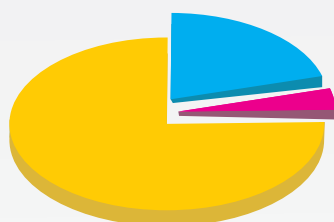
Financial Highlights

Consolidated

For the Year	Change Over Previous year	2008	2007*	2006	2005	2004
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
Operating Income	-29.62%	242.83	345.02	440.18	318.24	256.51
Total Income	-81.86%	264.21	1,456.22	474.27	613.84	285.75
Total Expenditure	-46.45%	171.12	319.56	417.44	302.33	195.03
Profit After Minority Interest	-93.18%	55.13	807.92	26.06	231.27	84.13
Share Capital	0.08%	20.56	20.54	40.90	40.90	40.90
Reserve & Surplus	6.34%	527.75	496.30	523.15	492.58	295.42
Net worth	6.09%	548.31	516.84	564.05	533.48	336.32
Loan Funds	148.80%	74.64	30.00	265.68	16.37	0.04
Net Fixed Assets	43.56%	101.57	70.75	345.27	188.97	171.13
Investments	-37.24%	160.12	255.11	531.80	448.37	152.18
Net Current Assets	49.16%	459.57	308.11	138.56	118.27	137.65
Earnings per Share (Rs.)	-89.79%	26.84	262.96	6.37	56.54	20.57
Dividend (%) #	-60.00%	100%	250%	75%	75%	75%
Dividend Amount	-79.92%	20.56	102.35	30.68	30.68	30.68
Book value per Share	6.09%	266.75	251.63	137.91	130.44	82.23

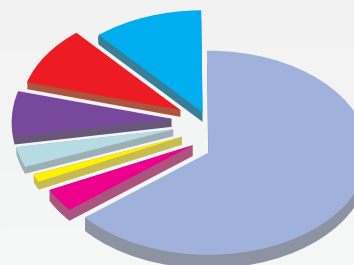
*[Demerger of
ITES & Hutch
stake sale]

Rupee Earned



Treasury	21%
Real Estate	4%
Media/Telecommunication	75%
Other	0%

Rupee Spend

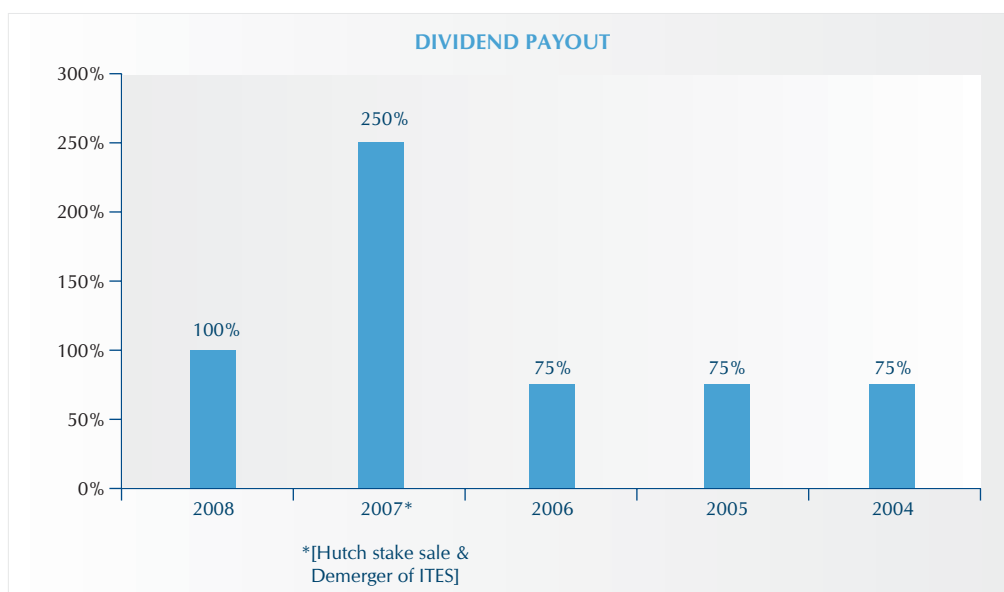


Total Expenditure	64%
Depreciation	4%
Interest & Other Finance Charges	1%
Minority Interest/Share in Associates	3%
Tax(Including defered tax)	7%
Dividened & Dividend tax	9%
Residual Surplus	12%

Financial Highlights

Standalone

For the Year	Change Over Previous year	2008	2007	2006	2005	2004
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
Total Income	-93.82%	66.55	1,077.04	255.95	167.27	162.49
Total Expenditure	-95.53%	7.05	157.83	202.46	87.73	80.76
PBIDTA	-93.53%	59.50	919.21	53.49	79.54	81.73
Profit after Tax	-93.96%	41.65	689.12	40.27	70.06	75.53
As at the end of the year						
Share Capital	0.08%	20.56	20.54	40.90	40.90	40.90
Reserve & Surplus	3.25%	570.61	552.65	449.92	444.62	409.55
Net worth	3.14%	591.17	573.19	490.82	485.52	450.45
Loan Funds	148.80%	74.64	30.00	258.26	-	-
Net Fixed Assets	97.65%	1.23	0.62	88.62	35.13	29.72
Investments	-28.55%	226.64	317.21	500.71	268.50	237.43
Net Current Assets	53.52%	437.55	285.01	157.78	181.06	182.40
Earnings per Share (Rs.)	-90.96%	20.28	224.29	9.85	17.13	18.47
Dividend (%) #	-60.00%	100%	250%	75%	75%	75%
Dividend Amount	-79.92%	20.56	102.35	30.68	30.68	30.68
Book value per Share (Rs.)	3.08%	288	279	120	119	110



General Information

Board of Directors

Mr. A.P. Hinduja, *Executive Chairman*
 Mr. R.P. Hinduja, *Co-Chairman*
 Mr. D.G. Hinduja
 Mr. H.C. Asher
 Mr. Anil Harish
 Mr. R. P. Chitale
 Mr. Prakash Shah
 Mr. Prabal Banerjee
 Ms. Vinoo S. Hinduja
(Alternate Director to Mr. R. P. Hinduja)
 Mr. Ravi Mansukhani
(Alternate Director to Mr. D. G. Hinduja)

Committee of the Board

Audit Committee

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

Committee of Directors

Mr. D. G. Hinduja, Chairman
 Mr. R. P. Hinduja

Investor Grievance Committee

Mr. H. C. Asher, Chairman (w.e.f 24.04.2008)
 Mr. Anil Harish, Chairman (upto 24.04.2008)
 Mr. R. P. Hinduja
 Mr. D.G. Hinduja
 Mr. Prakash Shah (w.e.f. 24.04.2008)

Manager and Company Secretary

Mr. Dilip Panjwani

Internal Audit & Systems

Mr. Amit More
 Manager-Internal Audit

Auditors

Price Waterhouse
 Chartered Accountants

Solicitors & Advocates

Crawford Bayley & Co.

Bankers

Axis Bank Limited
 IndusInd Bank Limited
 Standard Chartered Bank
 HDFC Bank Limited
 State Bank of India
 ICICI Bank Limited
 The Hongkong & Shanghai Banking
 Corporation Limited

Registered Office

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

Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.
 Satam Estate,
 Cardinal Gracious Road,
 Chakala, Andheri (East),
 Mumbai 400 099
 Tel.:- 91-22-6772 0300
 Fax:- 91-22-2837 5646

Directors' Report

Members

Your Directors are pleased to present their Report on the business and operations of your Company for the year ended 31st March 2008.

I. Financial Results

	Consolidated		(Rs. in lacs) Standalone	
For the year ended 31st March	2008	2007	2008	2007
Operating Income	24,282.68	34,500.57	6,029.39	19,129.42
Profit on sale of Investments (net)	617.51	1,08,907.58	617.51	88,333.09
Other Income	1,520.93	2,214.35	8.29	241.00
Total Income	26,421.12	1,45,622.50	6,655.19	1,07,703.51
Operating Expenses	16,847.97	31,110.83	705.09	15,782.51
Depreciation / Amortisation	1,083.62	8,369.95	15.88	755.84
Financial Expenses	263.89	845.10	210.48	826.54
Profit before tax	8,225.64	1,05,296.62	5,723.74	90,338.62
Provision for tax (incl. deferred tax)	1,897.80	21,354.42	1,559.06	21,426.37
Profit after tax	6,327.84	83,942.20	4,164.68	68,912.25
Share of Loss from Associates	(20.38)	(23.94)	—	—
Minority Interest	794.18	3,125.65	—	—
Profit After Minority Interest	5,513.28	80,792.61	4,164.68	68,912.25
Balance brought forward from Previous year	22,374.65	9,100.21	34,752.66	12,828.96
Transfer pursuant to scheme of Arrangement and Reconstruction	—	20,529.62	—	—
Profit Available for Appropriation	27,887.93	69,363.20	38,917.34	81,741.21
Dividend				
-Dividend including Tax	2,404.89	11,730.97	2,404.89	11,730.97
Transferred to General Reserve	416.47	35,257.58	416.47	35,257.58
Balance Profit Carried Forward	25,066.57	22,374.65	36,095.98	34,752.66
Earnings per share (Rs.)	26.84	262.96	20.28	224.29

Review of Financials

Your Company completed the first year post restructuring posting healthy results. On a Consolidated basis, the Company reported Total Income of Rs.26,421 lacs as compared to Rs.1,45,623 Lacs. Net Profit After Tax and Minority Interest is Rs. 5,513 lacs as compared to Rs. 80,793 Lacs. On a Standalone basis, Total Income stood at Rs. 6,655 lacs as Compared to Rs. 1,07,704 lacs in the previous year and the Company achieved Net Profit of Rs. 4,165 lacs as compared to Rs. 68,912 lacs. The results are not comparable with previous year in view of one time gain from Telecom Stake sale of Hutch and the demarging of IT/ITES business carried out in the previous year.

Dividend

The Board had declared an Interim Dividend of Rs. 10/- per Equity share equating to 100% Dividend on face value of Rs. 10/- per Equity share in April 2008.

In view of investment opportunities, your Directors now recommend to propose Interim Dividend as Final Dividend for the current year.

The total amount of Dividend paid free of tax during the year would be Rs. 20.56 crores (excluding dividend distribution tax).

II. Change of Name & Objects Clause

The Company has been renamed 'Hinduja Ventures Limited' effective from October 23, 2007. The New name reflects both the commitment of Promoter group and the value and wealth creation proposition that the Company offers by identifying and investing in growth opportunities.

In view of the growth opportunities available in Financial Services, Healthcare, Retail, Consultancy, Energy, Commodities primarily being Oil & Gas and Minerals, Logistics and Manufacturing, the Company has amended