

TOWARDS THE **NXT** LEVEL IN DIGITAL

# Contents

## OVERVIEW

- 02 Letter to Shareholders from the Executive Chairman
- 04 Financial Highlights
- 06 General Information

## REPORTS

- 07 Board's Report
- 18 Corporate Governance Report
- 35 Management Discussion and Analysis Report

## FINANCIAL STATEMENTS

- 68 Standalone
- 104 Consolidated

## HOLDING STRUCTURE / GEOGRAPHICAL SPREAD

- 150 HVL Holding Structure
- 151 IMCL Geographical Spread
- 152 GIL Geographical Spread



The Group Founder  
**Shri Parmanand Deepchand Hinduja**

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

**Work to Give**

**Word is a Bond**

**Act Local; Think Global**

**Partnership for Growth**

**Advance Fearlessly**



# Letter to Shareholders

## from the Executive Chairman

It gives me immense pleasure to communicate with you, our esteemed shareholder family, about the performance of your Company for the year and our journey going forward.

Your Company continues to strive to create value for our shareholders through a prudent management of the Treasury assets and ensuring business strategies of companies in which it has invested. We are focused towards creating long term shareholder value along with good steady dividends. As a responsible corporate citizen it continues to carry out its responsibility to the society at large by supporting projects which improve the living conditions of the underprivileged.

India continues to remain a high growth economy, giving tremendous opportunities to dynamic companies such as ours to diversify and grow. The fiscal year 2016-17 saw the economy consolidating the gains from steps taken by the Government to ensure macroeconomic stability. The year saw two major policy decisions -Demonetisation and introduction of Goods and Service Tax (GST). Both the steps involve major structural changes and are expected to deliver value in the long term. The smooth implementation of both initiatives is testimony to the Governments' planning and execution skills.

With respect to your Company's subsidiaries' operations, it remains focused on the Media and Entertainment Industry. I am happy to inform you that with the necessary approvals having been received from the National Company Law Tribunal (NCLT), the Headend- in- the- Sky ("HITS") business of Grant Investrade Limited, a wholly owned subsidiary of your Company has been merged with the Cable TV business of IndusInd Media & Communications Limited ("IMCL"), another subsidiary of your Company. This arrangement will enhance shareholders value by consolidating the Digital Media distribution businesses and will help to rationalise the group structure by optimizing the resources and integrating operational synergies both in revenue and costs. The combined entity will also be able to venture and grow in the newer areas and many upcoming linked digital technology value adds that would be relevant for this business and same set of customers.

With the successful leveraging of both the Cable and the HITS delivery platforms, IMCL today has:

- a presence in all the States and Union Territories of the Country, most districts and more than 1000 locations, addressing far flung cities, towns and villages where Cable TV has had no presence in the past;
- over 750 cities covered in all areas, right from Kargil in Kashmir in the North to Andaman and Nicobar in the deep south and right up to North East border areas of Arunachal and Meghalaya;
- a subscriber base of over 4 million;
- close to 97% of its customers on prepaid payment mode;
- introduced a Managed Services vertical to cater to such parties who want to use the HITS infrastructure;
- won an award from a cable trade national body for being the first Multi-System Operator (MSO) to have introduced prepaid payment system;
- been delivering up to 300 Standard and High Definition channels on In Digital and 525 channels on the HITS platform.

The Indian Media and Entertainment industry on the back of strong economic fundamentals and steady growth in domestic consumption coupled with growing contribution of rural markets across key segments was able to sustain a stable growth in 2016.

Several factors like growing rural demand, increase in digital access and the expected culmination of digitization process will contribute to the positive long-term outlook for the Media and Entertainment industry.

During the year, the total Consolidated income of the Company increased to ₹ 826 Crores as against ₹ 679.98 Crores during the previous year 2015-16 and the total Standalone income of the Company was at ₹ 203.39 Crores as against ₹ 332.48 Crores during the previous year 2015-16.

### Corporate Social Responsibility

#### Primary Health Care Centers

During the financial year 2014-15, the Company in consonance with its CSR objective to promote community healthcare, contributed to implement the CSR project of "Up-gradation of Primary Health Centre" at village Nandgaon, Taluka Jawhar, Palghar District Maharashtra with a view to improve quality, availability and efficiency of healthcare services in tribal areas.

# Letter to Shareholders

## from the Executive Chairman

During the financial year 2015-16, for providing access to basic healthcare facilitation to poor and under privileged people, the Company made contributions to Hinduja Foundation for its Primary Healthcare Project for Up-gradation of Primary Health Centers and Sub-Centers in Jawahar Taluka, Palghar District, Maharashtra.

The said contributions made by the Company was utilized by Hinduja Foundation during the year under review to develop *inter alia* the Primary Health Centres (PHCs), old and new toilet blocks, maternity wards so as to provide medical treatments to the population residing in the Jawahar Taluka, Maharashtra.

With this the Company's CSR objective to promote community healthcare by way of up-gradation of PHCs in Jawahar Taluka was satisfactorily attained.

During the financial year 2016-17, the Company has contributed ₹ 60 Lakhs to Hinduja Foundation towards Rural Development in Jawahar Taluka, Maharashtra for implementing a project on livelihood, sanitation and providing drinking water.

### Way forward

Increasing long term shareholders' value continues to be the prime objective and your Company will keep evaluating emerging opportunities to invest and grow.

I would like to place on record my sincere appreciation of your unstinted support to the Company. I would also like to thank the Directors, Management and Employees for the good performance registered. Also, my thanks to our Bankers, Auditors and Advisors for their help and guidance during the year to maintain the highest standards of corporate governance, a top priority for the group.

Yours sincerely,



**Ashok P. Hinduja**  
Executive Chairman

Date: August 23, 2017

# Financial Highlights

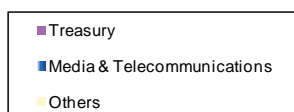
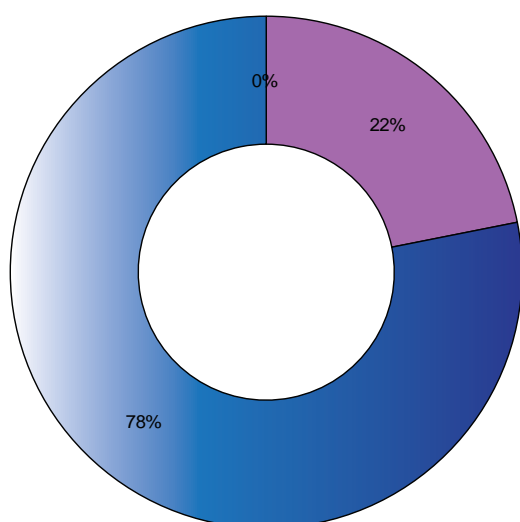
## Consolidated

[Amount ₹ in Crores]

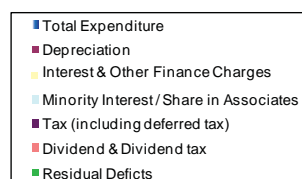
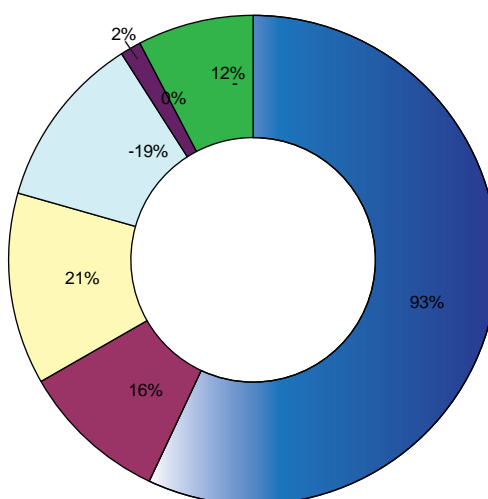
For the year	2017	2016	2015	2014	2013
Operating Income	784.91	670.81	754.88	766.60	696.88
Total Income	826.00	679.98	786.11	773.49	701.96
Total Expenditure excl. Depreciation	888.32	687.74	732.05	749.68	519.96
Profit After Minority Interest	(56.61)	(81.21)	18.26	0.20	80.22
<b>As at the end of the year</b>					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve and Surplus	429.08	639.46	742.84	762.41	798.28
Net Worth	449.64	660.02	763.40	782.97	818.84
Loan Funds	899.19	1,163.96	893.43	844.17	787.18
Net Fixed Assets	868.22	961.98	642.67	641.81	651.87
Investments	351.00	524.93	271.17	305.29	320.19
Earnings per Share (₹)	(27.54)	(39.51)	8.88	0.10	39.02
Dividend (%)	175%	175%	150%	150%	150%
Dividend Amount	35.97	35.97	30.83	30.84	30.84
Book value per Share (₹)	219	321	371	381	398

# Subject to approval by the shareholders in the ensuing Annual General Meeting of the Company

Rupee Earned (Consolidated)



Rupee Spend (Consolidated)



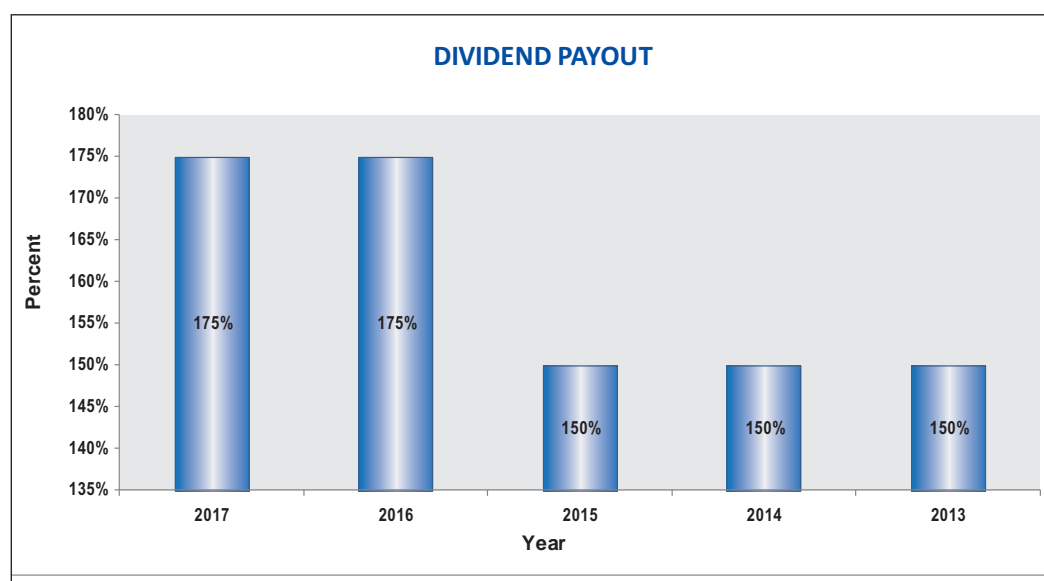
# Financial Highlights

## Standalone

[Amount ₹ in Crores]

For the year	2017	2016	2015	2014	2013
Total Income	203.39	332.48	110.45	106.54	94.52
Total Expenditure excl. Depreciation	73.85	207.05	15.67	16.50	8.51
PBIDTA	175.46	163.83	94.78	90.04	86.01
Profit After Tax	102.91	100.59	92.59	82.03	76.75
<b>As at the end of the year</b>					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve and Surplus	1,007.79	905.00	796.34	740.75	694.79
Net Worth	1,028.35	925.56	816.90	761.31	715.35
Net Fixed Assets	11.73	12.91	14.05	14.30	16.56
Investments	434.00	613.79	629.12	563.25	189.02
Earnings per Share (₹)	50.06	48.94	45.05	39.91	37.34
Dividend (%)	175%	175%	150%	150%	150%
Dividend Amount	35.97	35.97	30.83	30.83	30.83
Book value per Share (₹)	500	450	397	370	348

# Subject to approval by the shareholders in the ensuing Annual General Meeting of the Company



# General Information

## HINDUJA VENTURES LIMITED

CIN NO: L51900MH1985PLC036896

### Board of Directors

Mr. Ashok P. Hinduja, Executive Chairman  
Mr. Anil Harish  
Mr. Rajendra P. Chitale  
Mr. Prashant Asher  
Ms. Bhumika Batra  
Mr. Sudhanshu Tripathi  
Mr. Anthony D'Silva (up to January 30, 2017)  
Mr. Ashok Mansukhani, Whole-Time Director

### Committee of the Board

#### Audit Committee

Mr. Anil Harish, Chairman  
Mr. Rajendra P. Chitale  
Mr. Sudhanshu Tripathi

#### Nomination and Remuneration Committee

Mr. Anil Harish, Chairman  
Mr. Rajendra P. Chitale  
Mr. Prashant Asher  
Mr. Sudhanshu Tripathi (w.e.f. February 10, 2017)

#### Stakeholders Relationship Committee

Ms. Bhumika Batra, Chairperson  
Mr. Prashant Asher  
Mr. Ashok Mansukhani

#### Corporate Social Responsibility Committee

Mr. Anil Harish, Chairman  
Mr. Prashant Asher  
Mr. Ashok Mansukhani

### Company Secretary

Mr. Hasmukh Shah

### Internal Auditor

Mr. Mihir Parab

### Auditors

Deloitte Haskins & Sells LLP  
Chartered Accountants

### Solicitors and Advocates

Crawford Bayley & Co.

### Bankers

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

### Registered Office

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

### Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium, Tower B, Plot 31-32  
Gachibowli Financial District  
Hyderabad - 500 032  
Tel: (91 040) 67162222/ 67161525



# Board's Report

To the Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2017.

## FINANCIAL RESULTS

	(₹ in Crores)			
	Standalone		Consolidated	
For the year ended March 31	2017	2016	2017	2016
Total Income	<b>203.39</b>	332.48	<b>826.00</b>	679.98
Total Expenses	<b>75.05</b>	208.37	<b>1012.36</b>	776.26
(Loss) / Profit before tax	<b>128.34</b>	124.11	<b>(186.36)</b>	(96.28)
Exceptional/Extraordinary Income/(Expense) (Net)	—	—	—	43.69
(Loss) / Profit before tax	<b>128.34</b>	124.11	<b>(186.36)</b>	(52.59)
Provision for tax (incl. deferred tax)	<b>25.43</b>	23.52	<b>17.55</b>	37.60
(Loss) / Profit after tax	<b>102.91</b>	100.59	<b>(203.91)</b>	(90.19)
Minority Interest	—	—	<b>(147.30)</b>	(8.98)
(Loss)/ Profit after Minority Interest	<b>102.91</b>	100.59	<b>(56.61)</b>	(81.21)

## REVIEW OF OPERATIONS AND STATE OF AFFAIRS

The financial results are drawn after giving effect to the Scheme of Arrangement between Grant Investrade Limited ("GIL"), a wholly owned subsidiary of the Company and IndusInd Media & Communications Limited ("IMCL"), a subsidiary of the Company pursuant to which GIL demerged its Headend-in-the-Sky (HITS) business undertaking into IMCL w.e.f October 01, 2016, being the appointed date. The aforesaid Scheme was approved by National Company Law Tribunal vide its Order dated August 10, 2017.

On a Standalone basis, the total income for the financial year 2016-17 at ₹ 203.39 Crores was lower by 38.83% compared to last year (₹ 332.48 Crores in 2015-16). The total income of last year includes ₹ 170.93 Crores from high seas sale of Set Top Boxes. Earnings before interest, tax, depreciation and amortization (EBITDA) were ₹175.46 Crores registering a growth of 7.10% over EBITDA of ₹ 163.83 Crores in 2015-16. Profit after tax (PAT) increased by 2.31% to ₹ 102.91 Crores over PAT of ₹ 100.59 Crores in 2015-16.

On a Consolidated basis, the total income for the financial year 2016-17 at ₹ 826.00 Crores was higher by 21.47% over last year (₹ 679.98 Crores in 2015-16). Earnings before interest, tax, depreciation & amortization (EBITDA) and exceptional income / (expense) were ₹ 99.46 Crores as against ₹ 125.79 Crores in 2015-16. Net loss after tax and minority interest decreased to ₹ 56.61 Crores from ₹ 81.21 Crores in 2015-16.

## DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for approval of the Members, a dividend of ₹ 17.50 per equity share (previous year ₹ 17.50 per equity share) i.e. 175% of the face value of ₹ 10/- each for the financial year ended March 31, 2017. Dividend, as recommended, if approved by the Members, would involve a total cash outflow of ₹ 43.30 Crores including dividend distribution tax representing 42.07% of the current year earnings.

## TRANSFER TO RESERVES

Your Company proposes to retain the entire amount of ₹ 102.80 Crores in the profit and loss account during the financial year ended March 31, 2017.

## REVIEW OF INDIAN ECONOMY

The Indian economy continues to remain strong with significant growth opportunities especially in the infrastructure sector. The economy has continued to consolidate the gains from the steps taken to ensure macro economic stability. India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, because of strong consumer sentiment, according to international market research agency, Nielsen. The Government's continued thrust to "Make in India", encouraging start up enterprises, opening up the defence sector to private enterprise and such other pro-active measures is sure to create a positive impact on growth.

Moody's has affirmed India's Baa3 rating with a positive outlook stating that the reforms by the Government will enable the country to perform better compared to its peers over the medium term.

Inflation, being lower than the previous year, has enabled a lower interest regime to facilitate credit expansion. However, economic activity has been fueled more by Government spending as the private sector continues to fight shy of making huge investments for growth.

The year saw two major policy decisions which could have short term cost implications- demonetisation of certain high denomination currency; and the passing of the constitutional amendment introducing the Goods and Services Tax (GST).

With respect to demonetisation, the broad consensus view has been that it will create short term costs while paving the way for long term benefits. Noting that India is recovering from the temporary adverse effects of demonetisation, the World Bank has projected a strong 7.20% growth rate for India this year against 6.80% growth in 2016.

GST, the biggest tax reform in India founded on the notion of "One Nation, One Market, One Tax" will make India a single market subsuming numerous central and state taxes and ensuring harmony of tax rates across the country.

### TREASURY

#### Hinduja Leyland Finance Limited:

During the year under review, your Company made an investment of ₹ 13.18 Crores in Hinduja Leyland Finance Limited ("HLFL"), by subscribing to 16,68,802 equity shares of ₹ 10/- each offered to the Company on rights basis at a price of ₹ 79/- per share.

Post the year end, in the month of June, 2017, a further investment of ₹ 5.23 Crores was made in HLFL by subscribing to 5,56,267 equity shares of ₹ 10/- each offered to the Company at a price of ₹ 94/- per share.

After the above subscriptions, the Company holds an aggregate of 2,21,13,959 equity shares of HLFL thereby constituting 5.23% of the enhanced paid-up equity capital of HLFL.

#### IndusInd Bank Limited:

During the year under review, your Company disinvested an aggregate of 15,57,000 equity shares of ₹ 10/- each of IndusInd Bank Limited ("IBL").

After the above disinvestment, the Company holds 86,68,196 equity shares of ₹ 10/- each of IBL.

#### Hinduja Energy (India) Limited:

During the year under review, your Company disinvested 6,11,47,056 equity shares of ₹ 10/- each of Hinduja Energy (India) Limited.

#### IndusInd Media & Communications Limited:

- During the year under review, your Company:
  - Acquired 43,03,000 equity shares of ₹ 10/- each of IndusInd Media & Communications Limited ("IMCL") a subsidiary of the Company (constituting 5.82% of the paid-up equity capital of IMCL), at a price of ₹ 466/- per share from Grant Investrade Limited ("GIL"), a wholly owned subsidiary of the Company,
  - Acquired 7,03,60,000 10% Redeemable Cumulative Preference Shares of ₹ 10/- of IMCL (constituting 26.02% of the paid-up preference capital of IMCL) at par from GIL.
  - Disinvested 11,00,000 equity shares of IMCL
- IMCL in the month of March, 2017, came out with the issue of 36,953,438 equity shares on rights basis to the existing shareholders. The shares offered to the Company on rights basis by IMCL were renounced in favor of GIL by the Company.

Post rights issue of IMCL, the Company's shareholding in IMCL is at 40.28% of the enhanced paid-up equity capital of IMCL. However, the shareholding of the Company in IMCL together with that of GIL is at 68.21% of the enhanced paid-up equity capital of IMCL.

- In the month of March, 2017, 27,03,60,000 10% Redeemable Cumulative Preference Shares of ₹ 10/- each held by the Company in IMCL were redeemed by IMCL

#### Grant Investrade Limited:

During the year under review, 6,34,518 equity shares of ₹ 10/- each were issued to the Company by Grant Investrade Limited ("GIL"), a wholly owned subsidiary of the Company on conversion of 10,00,000 1% Participatory Redeemable Non-Cumulative Preference Shares ("PRNCPS") of ₹ 10/- each held by your Company in GIL.