



A new era of
digitalisation and innovations



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IMCL 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
Act Local; Think Global
Advance Fearlessly
Word is a Bond
Partnership for Growth

CHAIRMAN'S MESSAGE



Dear Shareholders,

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

A significant part of your Company's investments is in the media sector through its investment in IndusInd Media & Communications Limited (IMCL), a subsidiary of your Company. IMCL is the only integrated digital platform operator (DPO) with delivery via digital cable, satellite ("HITS").

As this segment has seen a significant positive structural transformation, I would like to give you my thoughts on the immense opportunity in the media sector and how your Company intends growing in this segment and creating value for the Company and its shareholders.

Media and Entertainment Sector

As far as the Media & Entertainment sector in India is concerned in 2018, it reached a size of INR 1.67 trillion, witnessing a growth of 13.4% over 2017. As per the FICCI-EY Report for 2019, the sector is expected to cross INR 2.35 trillion by 2021 at a Compound Annual Growth Rate ("CAGR") of 12%. In the distribution sector, Cable TV still dominates the distribution of TV channels in the country through MSOs and LCOs which increased from ₹ 91,810 Crores in 2013 to ₹ 1,67,500 Crores in 2018, a growth of 82.44%.

New Tariff Order

The Telecom Regulatory Authority of India (TRAI) notified a New Tariff Order (NTO) which is a new Regulatory Framework for the Pay TV industry in India which became effective from February 1, 2019 after a round of litigation right up to the Supreme Court.

The NTO heralds a new era for the TV Channel Distribution Industry and brings in the much-needed transparency and equitable distribution of economic benefits in the Industry by:

- Bringing in a MRP regime wherein broadcaster television channels are priced the same across all formats of distribution platforms (viz. digital cable, direct to home, Headend-in-the-Sky or IPTV) – unlike in the past, where there could be different prices offered to different platforms;
- Facilitating consumers to pay for only the channels they subscribe to, as against a forced fixed charge for all channels without any choice;
- Mandating a minimum assured distribution fee to the distribution platforms like IMCL from the Broadcasters;
- The NTO brings in a new regime that largely benefits Digital Platform Operators (or DPOs) like IMCL to retain an operating margin as against the previous model wherein IMCL was effectively subsidizing the broadcaster costs to the consumers.

IMCL Leader in NTO Implementation

The successful implementation of the New Tariff Order by IMCL while simultaneously ensuring that there is least disruption to customer service has been very well recognized by the industry and all its stakeholders. In appreciation of this, IMCL has won two prestigious awards at the annual BCS Ratna Awards- "Best NTO Implementation by a DPO" and "Best LCO and Consumer management services." TRAI the Regulator has

CHAIRMAN'S MESSAGE

also acknowledged the seminal role played by IMCL in successfully transitioning to the new consumer friendly regime.

Stellar turnaround in IMCL performance

During the year gone by in 2018-19, the NXT Digital and IN Digital - distribution platforms of IMCL have taken giant strides not only in terms of the subscriber base but also in terms of its subscription revenue. While the subscription revenue grew by 11%, there was an increase in the subscriber base by 10% over FY 2018.

IMCL along with its subsidiary companies have an active subscriber base of 5.1 million. This is expected to grow substantially in the coming years. With all these positive developments, IMCL is expected to return a positive Profit after Tax in the years ahead.

Impact of new Indian Accounting Standards (IND AS)

Your Company has been facing challenges in the regulatory environment due to mandatory resort to IND AS. While operationally on a standalone basis your Company has not made any losses, the loss reported this year is due to the (new) method of accounting prescribed under the new Indian Accounting Standards (IND AS) whereby all the unrealized gains arising out of the 'mark to market' gain adjustments carried out on Financial Assets held by your Company as on the date of transition to IND AS have been added to "Reserves".

The subsequent 'mark to market' adjustments have necessarily been made to the Profit & Loss Account and not to the Reserves.

Your Company continues to have a strong net worth, which as on March 31, 2019 was ₹ **1968.58 Crores**.

Future Outlook

Increasing long term shareholder value continues to be a prime objective and your Company will keep evaluating assorted opportunities to invest and grow.

Since the last 24 years, owing to regulatory headwinds, your Company did not get an opportunity to give commensurate value to the shareholders on the media investment.

Now, with the successful implementation of the New Tariff Order, the Company is confident of significantly improved performance in the media business segment, which is substantiated by the operating results of the quarter ending March 31, 2019 and will be maintained in future quarters.

The Board of Directors of your Company at its meeting held on August 12, 2019 have accorded in principle approval for reorganization of the Media and Communications undertaking of IndusInd Media & Communications Limited ("IMCL") into Hinduja Ventures Limited subject to all statutory/regulatory approvals and approval of the esteemed shareholders.

Expansion of the business by leveraging technology and partnerships will be a key focus of the media business.

On completion of reorganisation, HVL will transit from a holding Company to an operating Media Company, resulting in substantial value unlocking.

In view of the above, your Company's name will be suitably changed to reflect the focus on the Media business.

There will be an emphasis on debt reduction by dilution of its non-media investments with the aim of the Company becoming debt free in the near future.

CHAIRMAN'S MESSAGE

Corporate Social Responsibility

The Hinduja Foundation is the implementing agency for Rural Development Projects and programs mandated by the Company as part of its CSR projects under Section 135 of the Companies Act 2013. Hinduja Foundation's Sustainable Rural Development Project in Jawahar Taluka, District Palghar of North West Maharashtra was awarded 'Project of the Year 2017-18' at the 'India CSR Summit 2018' in New Delhi on September 24, 2018.

The awards were presented by Shri Anant Kumar Hegde, Minister of State for Skill Development and Entrepreneurship, Government of India and by Dr. Satya Pal Singh, Minister of State for Human Resource Development and Minister of State for Water Resources, River Development and Ganga Rejuvenation, Government of India, Ambassador Prakash Shah, Honorary President, Hinduja Foundation was present at the occasion and he addressed the Summit.

The CSR initiative has improved the quality of life through income generation and by transforming the villages with enhanced healthcare facilities, livelihood interventions, water resource management, purposeful educational upliftment, empowerment of women and development of the village infrastructure. Over 6,000 tribal households with 30,000 people will benefit from this program and nearly 4,000 school children are gaining enhanced educational inputs.

For the financial year 2018-19, your Company has further contributed ₹ 2.04 Crores to Hinduja Foundation towards its Rural Development and Rural Educational Programme in Jawahar Taluka, Palghar District, Maharashtra.

Conclusion

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 go out 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
Chairman

Date: August 12, 2019

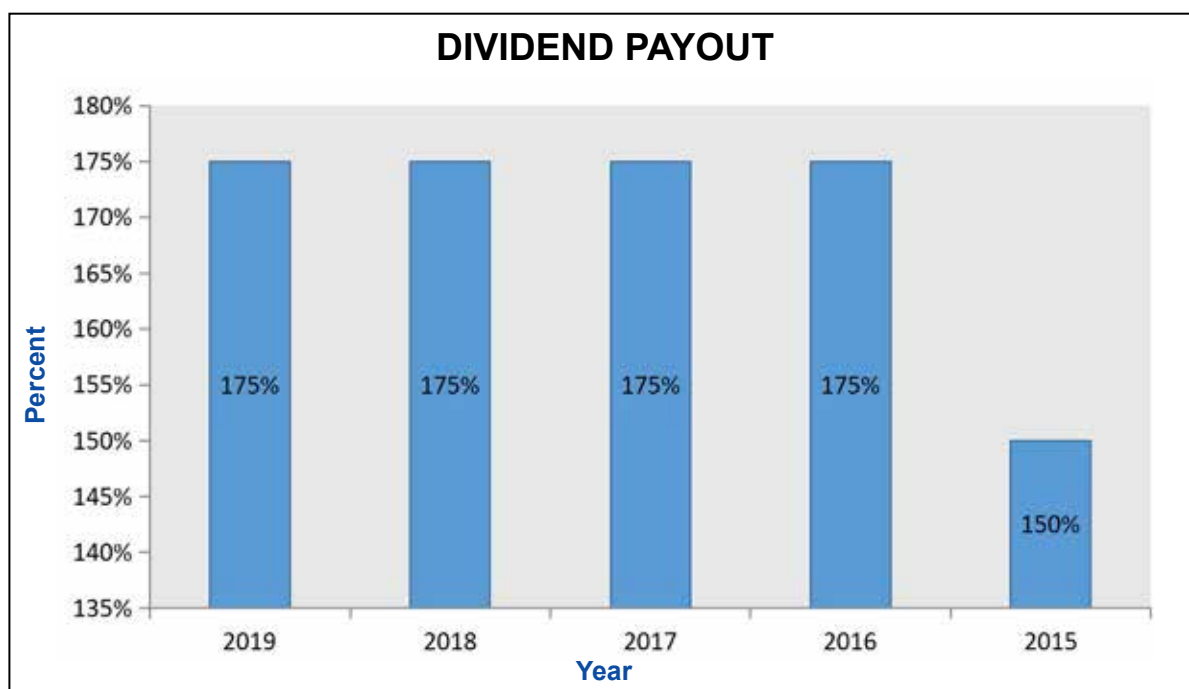
Financial Highlights

Consolidated

[Amount ₹ in Crores]

For the year	2019	2018
Total income	710.58	864.06
Share capital	20.56	20.56
Other equity (including non-controlling interests)	535.62	841.73
Equity	556.18	862.29
Net fixed assets	741.49	825.18
Investments	1,226.39	1,825.17
Dividend (%) #	175%	175%
Dividend amount #	35.97	35.97

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* : Non-Executive Chairman
Mr. Anil Harish : Independent Director
Mr. Rajendra P. Chitale : Independent Director
Mr. Prashant Asher : Independent Director
Ms. Bhumika Batra : Independent Director
Mr. Sudhanshu Tripathi : Non-Executive Director
Mr. Ashok Mansukhani# : Managing Director

Committees 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

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

Statutory 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
12th Road, Andheri (East)
Mumbai - 400 093.
Tel.: (91 22) 6691 0945

Registrar and Share Transfer Agent

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

* Mr. Ashok P. Hinduja was redesignated as Non-Executive Chairman w.e.f. October 01, 2018.

Mr. Ashok Mansukhani was redesignated as Managing Director w.e.f. April 30, 2018.

Board's Report

To the Members,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report and Company's Audited Financial Statements for the financial year ended March 31, 2019.

(₹ in Crores)

Particulars	Standalone	2018	Consolidated	2018
	2019		2019	
Revenue from operations	45.44	252.88	690.48	839.84
Other Income	1.55	0.68	20.10	24.22
Total Expenses	118.63	86.76	1110.29	1089.77
Profit / (Loss) before tax and exceptional items	(71.64)	166.80	(399.71)	(225.71)
Exceptional Items	-	-	35.83	-
Profit / (Loss) before Tax	(71.64)	166.80	(363.88)	(225.71)
Provision for tax (net)	(24.44)	69.75	(20.76)	5.31
Net Profit / (Loss) after Tax	(47.20)	97.05	(343.12)	(231.02)

REVIEW OF OPERATIONS

The Company has during the year migrated to the accounting guidelines prescribed under the new Indian Accounting Standards (IND AS). Hence the previous year's comparative figures provided above will not match with the figures provided in the previous year's Board's Report.

On a consolidated basis, the total income for the financial year ended March 31, 2019, stood at ₹ 710.58 Crores as against a total income of ₹ 864.06 Crores for the financial year ended March 31, 2018.

The decline is mainly due to the mark to market adjustments carried out under INDAS with respect to the listed securities held by the Company as stock in trade.

For the year ending March 31, 2019, the Company reported a consolidated after-tax loss of ₹ 343.12 Crores arising mainly due to IND AS mark to market adjustments as against a consolidated after-tax loss of ₹ 231.02 Crores for the year ending March 31, 2018.

On a standalone basis, the total income for the financial year ended March 31, 2019, stood at ₹ 46.99 Crores as against a total income of ₹ 253.56 Crores for the financial year ended March 31, 2018.

For the year ending March 31, 2019, the Company reported a standalone loss after tax of ₹ 47.20 Crores for the year ended March 31, 2019 arising mainly due to IND AS mark to market adjustments as against a profit after tax of ₹ 97.05 Crores for the year ended March 31, 2018.

While operationally on a standalone basis your Company has not made any losses, the reported loss is due to the method of accounting prescribed under the new Indian Accounting Standards (IND AS) whereby all the unrealized gains arising out of the mark to market gain adjustments carried out on Financial Assets held by your Company as on the date of transition to IND AS have been added to "Reserves", the subsequent mark to market adjustments having necessarily been made to the Profit & Loss Account and not to Reserves.

Pursuant to adoption of IND AS, the mark to market gains in respect of equity shares held by your Company in IndusInd Bank Limited were reflected in the Balance Sheet as on March 31, 2018. The price at which the mark to market adjustment was carried out in the Balance Sheet on March 31, 2018 was ₹ 1796.75 per share.

The corresponding market price of IndusInd Bank Limited shares as on March 31, 2019 was ₹ 1782.10 per share. This reduction in value in respect of shares held as "Stock in trade" is reflected in the Profit & Loss Account for the current year and in respect of shares held as "Investments" is reflected in "Other Comprehensive Income" in the Reserves of the Balance Sheet for the current year.

The average cost of acquisition of shares of IndusInd Bank Limited held as stock in trade is ₹ 864.34 and that of shares held as Investments is ₹ 170.79. Thus, the prices at which the mark to market adjustments have been carried out are substantially higher than the cost of acquisition of these shares.

The Company's net worth as on March 31, 2019, on a standalone basis stood at a very healthy amount of ₹ 1,968.58 Crores.

DIVIDEND

Continuing your Company's philosophy of rewarding shareholders, 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, 2019.

Dividend, as recommended, if approved by the Members would involve a cash outflow of ₹ 43.37 Crores including dividend distribution tax.

REVIEW OF INDIAN ECONOMY

The first Niti Ayog meeting held after the new Government was formed recently has set a challenging target of making India a 5 trillion-dollar economy by 2024.

To achieve this ambitious target, the Annual Economic Survey has laid out a blueprint based on emphasizing growth, at an annual real growth rate of 8% in GDP. This growth model is to be driven by "a virtuous cycle of savings, investments and exports catalyzed and supported by a favorable demographic phase."

For this, private investment will be the key driver that drives demand, creates capacity, increases labor productivity, introduces new technology, allows creative destruction and generates jobs.

TREASURY & INVESTMENTS

Portfolio review:

Hinduja Leyland Finance Limited (HLFL):

During the year under review your Company:

- subscribed to 4,54,806 equity shares of ₹ 10 each offered on rights basis by HLFL at a premium of ₹ 143 per share aggregating to ₹ 6,95,85,318 (Rupees Six Crores Ninety-Five Lakhs Eighty-Five Thousand Three Hundred Eighteen Only); and
- disinvested an aggregate of 1,00,00,000 equity shares of HLFL at a price of ₹ 153.56 per share aggregating to ₹ 153,56,00,000 (Rupees One Hundred Fifty-Three Crores and Fifty-Six Lakhs Only).

Post the above movements in shareholding, your Company holds an aggregate of 1,62,70,244 equity shares of HLFL thereby constituting 3.46% of the enhanced paid-up equity capital of HLFL.

IndusInd Bank Limited (IBL):

During the year under review, your Company has divested an aggregate 26,36,615 equity shares of ₹ 10 each of IBL. Post the above divestment, the Company holds 45,31,581 equity shares of ₹ 10 each of IBL.

While the market price of the shares of IBL have been under some pressure, the cost of acquisition of this portfolio is far lesser than the current market prices and hence the portfolio stands protected from the volatile market environment.

SUBSIDIARY:

IndusInd Media & Communications Limited (IMCL):

Dawn of a new era for the Cable TV channel distribution industry:

The year under review saw a major structural change in the TV Channel distribution industry:

- The Telecom Regulatory Authority of India (TRAI) notified a New Tariff Order (NTO) which is a new regulatory framework for the pay TV industry in India and became effective from February 1, 2019.
- The NTO heralds a new era for the TV Channel Distribution Industry.
- The NTO brings in the much-needed transparency and equitable distribution of economic benefits in the Industry by:
 - Bringing in a MRP regime wherein broadcaster television channels are priced the same across all formats of distribution platforms (viz. digital cable, direct to home, Headend-in-the-Sky (HITS) or IPTV) – unlike in the past, where there could be different prices offered to different platforms;
 - Facilitating consumers to pay for only the channels they subscribe to, as against a forced fixed charge for all channels;
 - Mandating a minimum distribution fee being assured to the distribution platforms from the broadcasters;
 - The NTO brings in a new regime that benefits Digital Platform Operators (or DPOs) like IMCL to retain an operating margin as against the previous model – wherein IMCL was effectively subsidizing the broadcaster costs to the consumers.