Hinduja Ventures

Inspiring Growth

Contents

THE COMPANY

01 Group Principles

02 Letter to Shareholders from the Executive Chairman

04 Hinduja Ventures Financial Highlights

06 General Information

REPORTS

07 Directors' Report

14 Corporate Governance Report

25 Management Discussion & Analysis Report

FINANCIAL STATEMENTS

28 Standalone

62 Consolidated

107 HVL Holding Structure

108 IMCL Geographical Spread

Group Principles

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

I am delighted and privileged to communicate with our esteemed shareholder family for the year in retrospect and our journey going forward. Year 2014 has reserved its place in our Country's history books as the year of definitive change and transition. The election ushered in a new leadership with a mission to reboot the economy, deliver stability and efficient governance and proved vibrancy of Indian democracy, much essential for economic development. Priorities have been scripted as a 10 point agenda that includes being people oriented, building confidence in the bureaucracy, increasing investment, particularly in infrastructure, and implementing policy in a time bound manner.

Within this environment of hope and enthusiasm your company has held on to the theme of capital preservation. Your Company continued to hold its investments in the following sectors viz., Media, Power, Banking, Non-Banking Finance Company and Real Estate.

Overview and sectorial performance of investments:

Media

Your Company believes that it is well poised to take advantage of the major changes taking place in the cable and broadcasting industry. The lead position held by the Company's subsidiary in the cable industry, coupled with the HITS (Headend in The Sky) project that the media business of the Company is embarking on, will in the years to come ensure that your Company emerges as the 'best in class' content delivery platform that would reach a diverse pan-India TV audience.

IndusInd Media & Communications Limited (IMCL)

During the year, your Company's principal subsidiary i.e. IMCL has successfully managed digitalization in the Phase I and II. IMCL has converted over 2.5 million analogue homes into digital homes. IMCL is present in over 36 cities in India including metros and major cities.

The industry is now shifting focus to areas of value added services, collection processes, etc It has been now focussing on providing customer delight through provision of value added services, customer choice in viewership through packaging and bundling, ease in payments etc. On the operational side, introduction of pre-paid, online payment and similar mechanisms will eventually deliver higher ARPU and improve collection efficiencies.

Grant Investrade Limited (Grant)

The Company is also undertaking content delivery through an alternate technology with launch of HITS. Grant Investrade Limited, a wholly owned subsidiary of the Company has been granted permision by Ministry of Information and Broadcasting (MIB) to launch HITS. This would enable Grant Investrade Limited to reach through the entire geography of India. HITS would principally offer Infrastructure services of retransmission and backend services to hundreds of Local Cable Operators (LCOs) without disturbing their current status. HITS will be a cost effective platform for many LCOs. HITS project is expected to go live by the fourth quarter of this fiscal and have a full year's operation in FY 16.

Letter to Shareholders
from the Executive Chairman

Corporate Social Responsibility

Mobile Medical Units

This year also, your Company has generously funded the Hinduja Foundation in implementing its mobile health care project targeting the rural poor in the tribal areas of Thane district. The project focuses on providing access to basic health care facilities for tribal people.This marks the continuation of our efforts to help the society at large in a tangible manner specially the underprivileged sections of the Society.

Way forward

Your Company remains committed to creating shareholder value through selective and judicious approach. The green-field coal based 1040 MW (2 x 520 MW) Thermal Power Project in Visakhapatnam is at the advanced stage of construction. Both Unit-I and Unit-II of the project have achieved Boiler Light-Up milestone and is expected to get commissioned this year. Power generated from the project shall be sold to state distribution companies at regulated tariff with assured returns, translating into value accretion for its investors. It continues to hold a 10% economic interest in the Project Company. Similarly, the other investments made in Non Banking Finance Company and Banking space have continued to grow year-on-year adding value to investor wealth.

The Company would pursue attaining a leadership position in content delivery no sooner the transition phase is complete and stability in business case improves. The Company would seek alternative modes of delivery through HITS platform to bring about disruptive change, the way business is done today. Combination of these strategies would bring its desired results and the Company would use its decades of experience to bring smooth transition through effective use of strategy and technology. With the advent of digital addressability, the Company would also seek to monetise its Media Investments by listing them to bring value creation for its shareholders.

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
Executive Chairman

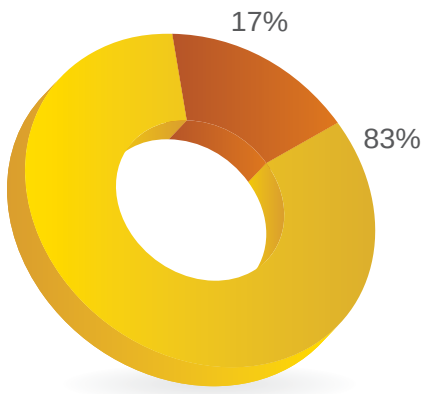
Mumbai, 29th May, 2014

Financial Highlights
Consolidated

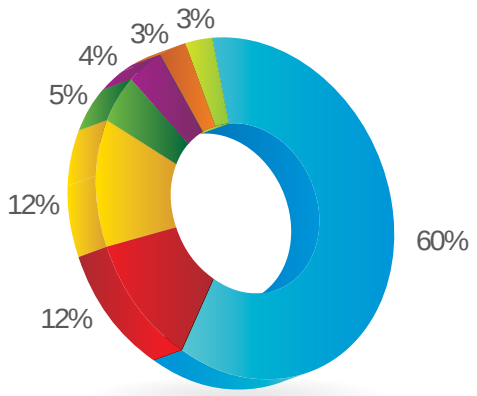
[Amount ₹ in Crores]

For the year	2014	2013	2012	2011	2010
Operating Income	766.60	696.88	538.49	433.58	351.50
Total Income	773.49	701.96	563.05	475.29	401.71
Total Expenditure	749.68	519.96	357.85	310.55	294.48
Profit After Minority Interest	0.20	80.22	100.46	86.57	60.58
As at the end of the year					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve and Surplus	762.41	798.28	713.83	649.20	597.46
Net Worth	782.97	818.84	734.39	669.76	618.02
Loan Funds	844.17	787.18	127.77	102.44	11.57
Net Fixed Assets	641.81	651.87	304.56	265.62	240.49
Investments	305.29	320.19	225.96	272.67	252.50
Earnings per Share (₹)	0.10	39.03	48.87	42.12	29.47
Dividend (%)	150%	150%	150%	125%	100%
Dividend Amount	30.83	30.83	30.83	25.69	20.56
Book value per Share (₹)	381	398	357	326	301

Rupee Earned (Consolidated)



Rupee Spend (Consolidated)



Rupee Earned (Consolidated)

- Investments & Treasury
- Media & Telecommunications

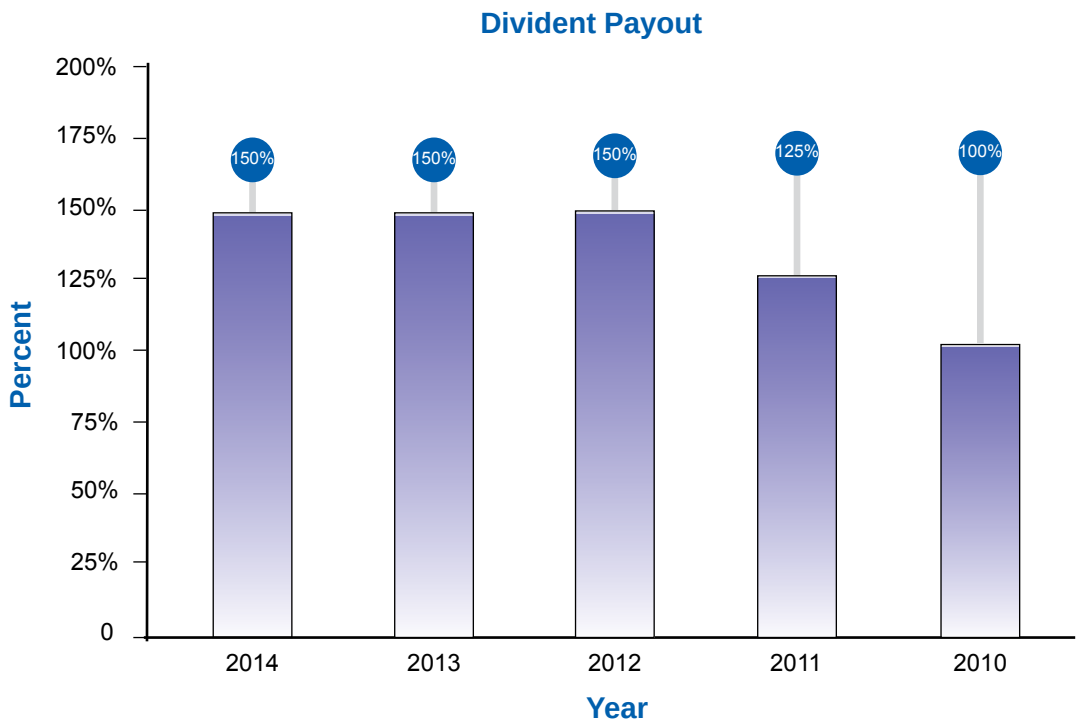
Rupee Spend (Consolidated)

- Total Expenditure
- Depreciation
- Interest & Other Finance Charges
- Minority Interest/Share in Associates
- Tax (Including Deferred Tax)
- Dividend & Dividene Tax
- Residual Surplus

Financial Highlights
Standalone

[Amount ₹ in Crores]

For the year	2014	2013	2012	2011	2010
Total Income	106.54	94.52	90.11	83.48	80.49
Total Expenditure	16.50	8.51	13.87	13.64	33.10
PBIDTA	90.04	86.01	76.24	69.84	47.39
Profit After Tax	82.03	76.75	65.02	57.61	39.09
As at the end of the year					
Share Capital	20.56	20.56	20.56	20.56	20.56
Reserve and Surplus	740.75	694.79	654.12	624.93	594.69
Net Worth	761.31	715.35	674.68	645.49	615.25
Net Fixed Assets	14.30	16.56	19.01	21.37	22.45
Investments	563.25	189.02	256.91	302.94	315.63
Earnings per Share (₹)	39.91	37.34	31.63	28.03	19.01
Dividend (%)	150%	150%	150%	125%	100%
Dividend Amount	30.83	30.83	30.83	25.69	20.56
Book value per Share (₹)	370	348	328	314	299



General Information

HINDUJA VENTURES LIMITED

CIN NO: L51900MH1985PLC036896

Board of Directors

Mr. Ashok P. Hinduja, Executive Chairman

Mr. R. P. Hinduja, Co-Chairman

Ms. Vinoo Hinduja

Mr. H.C. Asher (upto 5th June, 2014)

Mr. Anil Harish

Mr. R. P. Chitale

Mr. Prakash Shah

Mr. Ashok Mansukhani, Whole-Time Director

Mr. Ravi Mansukhani, Alternate to Ms. Vinoo Hinduja

Committee of the Board

Audit Committee

Mr. Anil Harish, Chairman

Mr. R. P. Hinduja

Mr. R. P. Chitale

Mr. H. C. Asher (upto 5th June, 2014)

Mr. Prakash Shah (Appointed w.e.f. 26th February, 2014)

Remuneration Committee (Nomination & Remuneration Committee)

Mr. H. C. Asher, Chairman (upto 5th June, 2014)

Mr. Anil Harish

Mr. Prakash Shah

Investor Grievances Committee (Stakeholders Relationship Committee)

Mr. H. C. Asher, Chairman (upto 5th June, 2014)

Mr. R. P. Hinduja

Mr. Prakash Shah

Company Secretary

Mr. Amit Vyas

Internal Auditor

Mr. Datta Gawade

DGM - Internal Audit

Auditors

Deloitte Haskins & Sells LLP

Chartered Accountants

Solicitors & Advocates

Crawford Bayley & Co.

Bankers

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

Fax.: (91 22) 6691 0988

Registrar & Share Transfer Agent

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,

2nd Floor, Near Sakinaka Telephone Exchange,

Andheri-Kurla Road, Sakinaka, Andheri (East),

Mumbai-400 072.

Tel.: (91 22) 6772 0300

Fax.: (91 22) 2850 8927 / 2859 1568

Hinduja Ventures
Inspiring Growth

HINDUJA VENTURES LIMITED

(CIN: L51900MH1985PLC036896)
Regd. Office: In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai-400 093.
Phone No. 022-66910945 Fax: 022-66910988 email id : investorgrievances@hindujaventures.com;
website: www.hindujaventures.com

NOTICE

NOTICE is hereby given that the Twenty-Nineth Annual General Meeting of the Members of **HINDUJA VENTURES LIMITED** will be held on Monday, September 22, 2014 at 11:00 A.M. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares for the year ended March 31, 2014.

3. To appoint a Director in place of Mr. Ramkrishan P. Hinduja (DIN: 00278711), who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No 117366W/W-100018) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors and the Auditors of the Company."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of ₹ 50,000/- plus service tax as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, payable to M/s. ABK & Associates, Cost Accountants (Firm Registration No : 000036) for conducting the Cost Audit of the Company for the financial year ending March 31, 2015, be and is hereby approved and ratified."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Anil Harish (DIN: 00001685), a non-executive Director of the Company who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive) and not liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule

IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Rajendra P. Chitale (DIN: 00015986), a non-executive Director of the Company who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive) and not liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Prakash Shah (DIN: 00120671), a non-executive Director of the Company who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive) and not liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the resolution passed by the shareholders at its meeting held on August 9, 2012 and in accordance with the provisions of Section 197, 203 read with Part II of Schedule V of Companies Act, 2013 ("Act") and other applicable provisions, if any, of the "Act", including any statutory modification or re-enactment thereof for the time being in force, Mr. Ashok Mansukhani (DIN: 00143001), Whole-time Director of the Company, be paid remuneration by way of salary, perquisites and allowances aggregating upto a maximum amount of ₹ 80,00,000/- (Rupees Eighty Lacs Only) for the period from April 1, 2014 to March 31, 2015, with a liberty to Nomination and Remuneration Committee to decide on the quantum of remuneration payable under each head, viz., salary, allowances and perquisites as may be agreed mutually between the Board of Directors and Mr. Ashok Mansukhani.

   RESOLVED FURTHER THAT within the limits of remuneration to be paid to Mr. Ashok Mansukhani as approved pursuant to the foregoing, the Chairman of the Remuneration Committee be and is hereby authorized to vary at any time the components of remuneration of Mr Ashok Mansukhani, periodicity of payments and the terms thereof.

   RESOLVED FURTHER THAT in the event of absence or inadequacy of profits during April 1, 2014 to March 31, 2015, Mr. Ashok Mansukhani shall, subject to the provisions of Schedule V and other applicable provisions, if any, of the Act, be entitled to the remuneration as approved pursuant to this Resolution, as minimum remuneration.

   RESOLVED FURTHER THAT Nomination and Remuneration Committee /Board be and are hereby authorized to increase Mr. Ashok Mansukhani's remuneration from time to time subject to the provision of Schedule V to the Act read with Section 197, 203 and other applicable provisions, if any of the Act.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deed, matters and things as may be considered necessary, expedient or desirable to give effect to this Resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

    "RESOLVED THAT in supersession of the Ordinary Resolution passed by the members at the 20th Annual General Meeting held on September 27, 2005 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the

Company to borrow from time to time such sum or sums of money as it may deem fit for the purpose of business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which moneys may be so borrowed by the Board of Directors shall not exceed the sum of ₹ 1,000 crores (Rupees One Thousand Crore only) at any one time."

By order of the Board of Directors
For HINDUJA VENTURES LIMITED

Amit Vyas
Company Secretary

Place : Mumbai
Date : 12th August, 2014

Registered Office:
In Centre, 49/50,
M.I.D.C., 12th Road,
Andheri (East),
Mumbai - 400 093.

NOTES:

I. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 pertaining to the business under Item nos. 5 to 10 set out above and the relevant details of in respect of Item No. 3 and 6 to 8 above, pursuant to the Clause 49 of the Listing Agreement with Stock Exchanges, are furnished respectively as Annexure I and II to the Notice.

II. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A Person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.

III. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members a facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

(i) Open email and open PDF file viz; "HVL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com.

(iii) Click on "Shareholder-Login"

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click "Login".

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: "Active Voting Cycles".

(vii) Select "EVEN" of Hinduja Ventures Limited.

(viii) Now you are ready for e-voting as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rupal@vcshah.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :

(i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM :

(EVEN) E-Voting Event Number	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. A (ii) to Sl. No. A(xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com.

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on Monday, September 15, 2014 (9:00 a.m) and ends on Wednesday, September 17, 2014 (6:00 p.m). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 22, 2014.

VII. Ms. Rupal D. Jhaveri, Practicing Company Secretary (Membership No. F5441 and C.P. No. 4225) has been appointed has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.hindujaventures.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE.

IV. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 15, 2014 to Monday, September 22, 2014 (both days inclusive).

V. Dividend as recommended by the Directors, if declared, at the Annual General Meeting, will be paid on or after September 29, 2014 to the members whose names appear in the Company's Register of Members as on September 22, 2014 (in respect of shares held in physical form) and to those "deemed members" whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours of September 12, 2014 (in respect of shares held in electronic form).

VI. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary of the Company

at least seven days before the date of the Meeting, so that the information required may be made available at the Meeting.

VII. Members are requested to bring their attendance slip and copy of the Annual Report to the Meeting.

VIII. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better service:

(i) any change in their address/mandate/bank details.

(ii) Particulars of their bank account, for printing on the dividend warrants (to help prevent fraudulent encashment), in case the same have not been sent earlier, and

(iii) Share certificates (held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

IX. Members holding shares electronic form are advised that address/bank details as furnished to the Company by the respective depositories, viz. NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform their respective Depository Participant (DP) of any change in address, bank details, etc

X. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as provided under Section 109A of the Companies Act, 2013 are requested to submit the details to the Company's Registrar and Share Transfer Agent.

XI. Members who have not encashed the dividend warrant for the financial year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 are requested to write forthwith to the Company's Registrar and Share Transfer Agent giving necessary details.

XII. Members holding shares in physical form may approach any Depository Participant (DP) to open a Demat Account and avail the payment of dividend electronically and reduce possibility of losing or misplacing the Dividend Warrant.

XIII. Members are requested to quote their Folio numbers/ DP ID and Client ID numbers in all correspondence with the Company and the Company's Registrar and Share Transfer Agent.

XIV. Pursuant to the SEBI circular No. MIRSD/ DPS III / Cir-01 /07 dated January 22, 2007 the Company has designated an exclusive email id investorgrievances@hindujaventures.com on which the investors would be able to register their complaints, if any.

XV. Members holding shares in electronic form are requested to update their e-mail address to ensure proper and timely communications.

Annexure I to the Notice

As required by Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under Item No. 5 to 10 of the accompanying Notice dated August 12, 2014:

Item No. 5:

The Board, based on recommendation of the Audit Committee, approved the appointment of M/s. ABK & Associates, Cost Accountants (Firm Registration No. 000036) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year ending March 31, 2015 at a remuneration of ₹ 50,000/- plus service tax as applicable and reimbursement of reasonable expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Act and Rules framed thereunder, remuneration payable to M/s. ABK & Associates, Cost Auditors as stated above, requires ratification by the Members.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 to the Notice.

Item No. 6:

Mr. Anil Harish was appointed as an Independent Director with effect from November 8, 1995. As per Section 149 (10) and (11) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and as per explanation to sub Section (10) and (11) of Section 149 of the Act, any tenure of an Independent Director on the date of commencement of Act shall not be counted as a terms under those Sub Sections. As per revised Clause 49 II (B) (3) of Listing Agreement pursuant to SEBI circular dated April 17, 2014 (effective from October 1, 2014) a person who has served as an Independent Director for five years or more in a Company as on October 1, 2014 shall be eligible for appointment on completion of present terms for one more term of up to five years only. Mr. Anil Harish's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Mr. Anil Harish being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive). A notice has been received from a member proposing Mr. Anil Harish as a candidate for the office of Independant Director of the Company. In terms of provision of Section 149(13) of the Act, Mr. Anil Harish shall not be liable to retire by rotation.

The Company has received declaration from Mr. Anil Harish that he meets the criteria of independence as prescribed under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Anil Harish fulfils the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Anil Harish as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day (Monday to Friday), upto the day previous to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anil Harish as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Harish as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Anil Harish, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 to the Notice.

Item No. 7:

Mr. Rajendra P. Chitale was appointed as an Independent Director with effect from May 5, 2003. As per Section 149 (10) and (11) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and as per explanation to Sub Section (10) and (11) of Section 149 of the Act, any tenure of an Independent Director on the date of commencement of Act shall not be counted as a terms under those Sub Sections. As per revised Clause 49 II (B) (3) of Listing Agreement pursuant to SEBI circular dated April 17, 2014 (effective from October 1, 2014) a person who has served as an Independent Director

for five years or more in a Company as on October 1, 2014 shall be eligible for appointment on completion of present terms for one more term of up to five years only. Mr. Rajendra P. Chitale's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Mr. Rajendra P. Chitale being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive). A notice has been received from a member proposing Mr. Rajendra P. Chitale as a candidate for the office of Director of the Company. In terms of provision of Section 149(13) of the Act, Mr. Rajendra P. Chitale shall not be liable to retire by rotation.

The Company has received declaration from Mr. Rajendra P. Chitale that he meets the criteria of independence as prescribed under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Rajendra P. Chitale fulfils the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rajendra P. Chitale as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day (Monday to Friday), upto the day previous to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajendra P. Chitale as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajendra P. Chitale as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajendra P. Chitale, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 to the Notice.

Item No. 8:

Mr. Prakash Shah was appointed as an Independent Director with effect from June 11, 2007. As per Section 149 (10) and (11) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and as per explanation to Sub Section (10) and (11) of Section 149 of the Act, any tenure of an Independent Director on the date of commencement of Act shall not be counted as a terms under those Sub Sections. As per revised Clause 49 II (B) (3) of Listing Agreement pursuant to SEBI circular dated April 17, 2014 (effective from October 1, 2014) a person who has served as an Independent Director for five years or more in a Company as on October 1, 2014 shall be eligible for appointment on completion of present terms for one more term of up to five years only. Mr. Prakash Shah period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Mr. Prakash Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from the date of this Annual General Meeting i.e September 22, 2014 to September 21, 2019 (both days inclusive). A notice has been received from a member proposing Mr. Prakash Shah as a candidate for the office of Director of the Company. In terms of provision of Section 149(13) of the Act, Mr. Prakash Shah shall not be liable to retire by rotation.

The Company has received declaration from Mr. Prakash Shah that he meets the criteria of independence as prescribed under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Prakash Shah fulfils the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Prakash Shah as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day (Monday to Friday), upto the day previous to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Prakash Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Prakash Shah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Prakash Shah, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 to the Notice.

Item No. 9:

The Shareholders of the Company at the Annual General Meeting held on August 9, 2012, have unanimously appointed Mr. Ashok Mansukhani as Whole-time Director

of the Company for a period of three years i.e., from April 30, 2012 and approved the payment of remuneration not exceeding ₹ 80,00,000/- (Rupees Eighty Lacs Only) per annum on cost to Company basis plus Company maintained car, fuel and driver facility to him for the said period.

In terms of Companies Act, 2013 ("the Act") and in the event the Company's profits for the financial year 2014-15 (as calculated in terms of Section 198 of the Act) are inadequate or fall short of the amount eligible for payment of approved remuneration, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V provided the members approval by way of a special resolution has been passed for payment of remuneration.

In terms of Section II of Part II of Schedule V of the Act, where in any financial year during the currency of tenure of a managerial person, a Company has no profits or its profits are inadequate, it may, without Central Government approval, pay remuneration to the managerial person not exceeding the higher of the limits under (A) and (B) below:

(A):

Sr. No.	Effective Capital of the Company is	Limit of yearly remuneration payable shall not exceed (₹)
1	Negative or less than ₹ 5 crores	30 Lakhs
2	₹ 5 crores and above but less than ₹ 100 crores	42 Lakhs
3	₹ 100 crores and above but less than ₹ 250 crores	60 Lakhs
5	₹ 250 crores and above	60 Lakhs + 0.01% of the effective capital exceeding ₹ 250 crores

The Schedule provides that the above limits shall be double if the resolution is passed by the shareholders as special resolution.

(B) In the case of a managerial person who was not a security holder holding securities of the company of nominal value of rupees five lakh or more or an employee or a director of the company or not related to any director or promoter at any time during the two years prior to his appointment as a managerial person, 2.5% of the current relevant profit.

The effective capital of the Company computed under section 197 is ₹ 19,805.54 Lakhs as on March 31, 2014. The Company can pay remuneration to Mr. Mansukhani upto ₹120.00 Lakhs if shareholders approval is obtained by way of special resolution. Mr. Mansukhani is proposed to be paid remuneration by way of salary, perquisites and allowances aggregating upto an amount of ₹ 80,00,000/- (Rupees Eighty Lacs Only) for the period from April 1, 2014 to March 31, 2015 as stated in the Resolution.

Considering the role, responsibilities, the office and the important contributions made by Mr. Ashok Mansukhani over the last few years in varied capacities for the growth of the Company and its subsidiaries, the Nomination and Remuneration Committee and the Board of Directors unanimously approved payment of minimum remuneration for the period from April 1, 2014 to March 31, 2015 as ₹ 80,00,000/- (Rupees Eighty Lacs Only) (the said minimum remuneration) as detailed in the resolution within the limit specified in part II of Schedule V of the Act.

In the light of the provisions of Section 197, 203 & Scheduled V of the Act it is proposed to pass the resolution as a Special Resolution.

Nature of concern/interest: (as per Section 102 of the Act):

PERSONAL NATURE OF INTEREST IN THE TRANSACTIONS:

Except Mr. Ashok Mansukhani, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 to the Notice.

Statement containing required information as per Part II of Section II of Schedule V of the Act

1. GENERAL INFORMATION:

(i) Nature of Industry:

Hinduja Ventures Limited ("HVL") operations and investment span over three segments namely Media, Real Estate and Treasury. The Company's principal business investment is in Media & Communications via its valuable stake in IndusInd Media & Communications Limited ("IMCL"). HVL owns 47.2 acres land in Bengaluru directly and 4.75 acres in Hyderabad through its wholly owned subsidiary IDL

Speciality Chemicals Limited ("IDL") being its Real Estate segment. Treasury is represented by its investments and cash. The Treasury segment preserves its capital for reinvestments and new businesses.

(ii) Date of commencement of commercial production:

Not Applicable

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

(iv) Financial performance based on given indicators:

(₹ in Lacs)

Particulars	2011-12	2012-13	2013-14
Sales (Gross)	9,011.01	9,452.42	10,653.86
Profit Before Tax	7,374.84	8,351.39	8,752.93
Profit after tax	6,502.57	7,674.58	8,202.97
Networth	67,467.70	71,534.94	76,130.57
Dividend on Equity %	150%	150%	150%

v) Export performance and net foreign exchange collaborations:

During the Financial Year 2013-14, there is no Export performance and no Foreign Exchange Collaborations.

(vi) Foreign investments or collaborators, if any:

There is no foreign investment or collaborations.

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details:

Mr. Ashok Mansukhani is a postgraduate from Delhi University who completed his Masters in English Literature from Kirori Mal College, Delhi University and his LLB from K C Law College, Bombay University. After a distinguished career in Central Government as an Indian Revenue Service Officer for 22 years, he joined the Hinduja Group in 1996 and has handled various senior responsibilities in the Group.

(b) Past Remuneration:

Remuneration paid was ₹ 67.64 Lacs per annum for the financial year 2013-14 on cost to company basis and also Company maintained car, fuel and driver facility (calculated as per current cost to the Company rules followed in the Company).

(c) Recognition or Awards:

None

(d) Job Profile and his Suitability:

Mr. Mansukhani serves on the Boards of many of the subsidiaries and associates of Hinduja Ventures Limited and is an active participant in the Audit Committees of these companies. He is also member in various Committees of these Companies. Within HVL, he functions as Whole Time Director and is responsible for the overall functioning of HVL.

Mr. Mansukhani is also President of the Multi System Operator Alliance (MSO Alliance) representing all leading MSOs in the country. He is a member of the Entertainment Committee of FICCI and CII and regularly takes part in international and national media conferences. He brings many years of well-rounded administrative, practical and business knowledge of Indian media to the industry. He prides in remaining abreast of emerging technological trends and helps in evolving and ensuring implementation of evolving business strategies for the media companies of the Hinduja group. He also offers taxation support to Group companies.

(e) Remuneration Proposed:

The remuneration proposed is detailed in the resolution. The said remuneration is also approved by the Nomination and Remuneration Committee and the Board of Directors of the Company.

(f) Comparative remuneration with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration is way below the prevailing remuneration in the industry of similar size for similarly placed persons.

(g) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personal, if any.

Mr. Ashok Mansukhani has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a Whole-time Director. As on date, he holds 500 ESOP shares held by him in the Company in his personal capacity.

III. OTHER INFORMATION:

(a) Reasons of loss or inadequate profits:

The Company has investments in media/ real estate and power. The media sector is undergoing major transformation in its march towards Digitalization. HVL has also helped its subsidiary Grant Investrade Limited to obtain a "Headend in the Sky" permission which project will be operational by March 2015 and is expected to be cash positive in a quick time span as it is India's first prepaid cable distribution model. HVL does not have any losses and is a profit making Company. HVL profits have in recent time normally come out of Treasury Gains.

In view of the specific computational methodology prescribed under section 197 and Schedule V of the Act, HVL profits may fall short of required amount eligible for payment of Remuneration.

Various measures to enhance HVL profits in future years including restructuring/merger and amalgamation of group companies and/ or subsidiaries are being explored by the management and will be implemented after requisite Board and regulatory approvals.

(b) Steps taken or proposed to be taken for improvement:

The Board of the Company may take suitable decisions from time to time to improve the performance of the Company, which will result in increased profits of the Company. Entry into Real Estate with monetization of its existing stock at Bangaluru besides consolidation of Media assets under HVL are being actively taken to improve the operational efficiency of the Company.

(c) Expected increase in productivity and profits in measurable terms:

Since, HVL is currently operating through its subsidiaries for its various businesses including its investments in Power and Finance sector, the increase in productivity and profits as computed under section 197 and schedule V of the Act may not beapplicable in measurable terms.

IV. DISCLOSURES:

The Disclosures requirement as required under Section II of Schedule V will be disclosed in the Board Report under the heading "Corporate Governance" for the present financial year.

Item No. 10:

The members of the Company at its Annual General Meeting held on September 27, 2005 had authorized the Board by passing ordinary resolution under Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) to borrow from time to time such sum or sums of money as it may deem fit for the purpose of the business of the Company upto a sum of ₹ 1000 crore (Rupees One Thousand Crore only) .

As per Section 180 (1)(c) of the Act which corresponds to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall exercise the power to borrow money only with the consent of the Company by way of special resolution.

Accordingly, consent of the shareholders is sought by way of Special Resolution to authorize the Directors/ Officers of the Company to borrow money, upto an amount not exceeding ₹ 1,000 crore (Rupees One Thousand Crore only) for business purposes.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 to the Notice.

By order of the Board of Directors
For HINDUJA VENTURES LIMITED

Amit Vyas
Company Secretary

Place : Mumbai
Date : 12th August, 2014

Registered Office:
In Centre, 49/50,
M.I.D.C., 12th Road,
Andheri (East),
Mumbai - 400 093.

Annexure II to the Notice

Particulars relating to Directors seeking re-appointment furnished pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges:

Item No. 3:

Mr. Ramkrishan P. Hinduja

Ramkrishan P. Hinduja, is a graduate of the Wharton School of Business, University of Pennsylvania. For over 20 years he has been part of the Hinduja Group with in a variety of roles ranging from incubating start-ups, executing and integrating acquisitions and managing turnarounds across over two dozen companies spanning diverse industries from a successful downstream oil distribution business, a leading merchant bank, a GSM Telecom business that grew to become one of the two leading telecom companies in India, a leading Cable MSO Business, and Business Process Management companies which now employ approximately 30,000 people.

Starting his career as an analyst and then an auditor from Geneva, Switzerland, he is now based in New York and, aside from his board and committee positions across diverse industry portfolios ranging from financial services, oil & specialty chemicals, power & energy as well as health care within companies of the Hinduja Group as well as non-profit organizations, Mr. Ramkrishan P. Hinduja's current responsibilities with in the Group are divided into a geographical position as Regional Chairman for the Americas as well as a sectoral role Heading the Technology Media & Telecom portfolio for the Group.

Directorship in other Companies:

Hinduja Global Solutions Limited, Gulf Oil Corporation Limited, Hinduja National Power Corporation Limited and Hinduja Healthcare Limited.

Membership of Board Committee:

Hinduja Global Solutions Limited, Member - Audit Committee, Hinduja Ventures Limited, Member - Audit Committee and Invester Grivence Committee, Hinduja Healthcare Limited, Member - Audit Committee.

Mr. Ramkrishan P. Hinduja does not hold any shares in the Company.

Item No. 6:

Mr. Anil Harish

Mr. Anil Harish has completed B.A., LL.B., and LL.M. (USA). An Advocate, Mr. Anil Harish is a partner of D.M. Harish & Co., a well-known firm of advocates and possesses over thirty-five years experience in legal practice, specializing in Corporate Law, Income-tax, FEMA and property matters. Mr. Anil Harish is director of several companies. Mr. Anil Harish is member of the Advisory Board of All India Business Council, was Executive Vice President of the Society of Indian Law firms (SILF), and was member of the Managing Committee of Indian Merchants Chambers, ITAT Bar Association, and Chamber of Income Tax Consultants, and has written several articles for various publications.

Directorship in other Companies:

Valecha Engineering Limited, Ashok Leyland Limited, Future Retail Limited, Advani Hotels & Resorts (India) Limited, Ador Welding Limited, Hotel Leelaventure Limited, Mukta Arts Limited, Unitech Limited, Hinduja Global Solution Limited, Hinduja Leyland Finance Limited, Mahindra Lifespace Developers Limited, Future Consumer Enterprise Limited and Oberoi Realty Limited.

Membership of Board Committee:

Hinduja Ventures Limited, Chairman-Audit Committee, Hinduja Global Solutions Limited, Chairman - Audit Committee, Ador Welding Limited, Chairman-Audit Committee, Ashok Leyland Limited, Chairman - Audit Committee, Hotel Leelaventure Limited, Member - Audit Committee, Unitech Limited, Member - Audit Committee, Valecha Engineering Limited, Member-Audit Committee, Mahindra Lifespace Developers Limited, Member - Audit Committee, Oberoi Reality Limited, Member - Audit Committee and Future Consumer Enterprise Limited, Member - Audit Committee.

Mr. Anil Harish does not hold any shares in the Company.

Item No. 7:

Mr. Rajendra P. Chitale

Mr. Rajendra P. Chitale, a law graduate and an eminent Chartered Accountant, is the Managing Partner of M/s. Chitale & Associates, a leading boutique international structuring, tax and legal advisory firm. He was a member of the Insurance Advisory Committee of the Insurance and Regulatory Authority of India and has served as a member of the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the

Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Limited, National Securities Clearing Corporation Limited, and SBI Capital Markets Limited.

Directorship in other Companies:

Hinduja Global Solutions Limited, Ambuja Cements Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, NSE.IT Limited, Reliance Life Insurance Corporation Limited, JM Financial Asset Management Limited.

Membership of Board Committee:

Ambuja Cements Limited, Chairman – Audit Committee, Chairman – Stakeholders' Relationship Committee, Hinduja Global Solutions Limited, Member – Audit Committee, Hinduja Ventures Limited, Member - Audit Committee, Reliance Capital Limited, Chairman - Audit Committee, Member - Shareholders & Investor Grievances Committee, Reliance Life Insurance Company Limited, Member – Audit Committee, Reliance General Insurance Company Limited, Member - Audit Committee and NSE.IT Limited, Chairman - Audit Committee.

Mr. Rajendra P. Chitale does not hold any shares in the Company.

Item No. 8:

Mr. Prakash Shah

Mr. Prakash Shah, M. COM, L.L.B., B.A. (Hons.), is a career diplomat belonging to the Indian Foreign Services who has held many important positions including Ambassador of India in Tokyo, New York and Geneva, and Special Envoy of UN Secretary-General for Iraq. Advisor, (International) to Chairman of Dodsal Group, Dubai, Board Director on Pathfinders International, Boston, U.S.A, Board Director on Indo-American Arts Council, New York, U.S.A. He is also a chairman of Symbiosis Board for Project and Development and Chairman of PRS consultants.

Directorship in other Companies:

Gulf Oil Corporation Limited, Hinduja National Power Corporation Limited, IndusInd Media & Communications Limited, Centre for Business and Strategic Affairs and Pathfinder International, India.

Membership of Board Committee:

Hinduja National Power Corporation Limited, Member – Audit Committee, Hinduja Ventures Limited, Member-Audit Committee and Member- Stakeholders' Relationship Committee.

Mr. Prakash Shah does not hold any shares in the Company.

Note: Directorships given above exclude foreign companies, private companies and alternate directorships. For the purpose of Board Committee memberships, only Audit Committee and Shareholder & Investors Grivances Committee (Stakeholder Relationship Committee) are considered.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Directors' Report for the year ended 31st March 2014 and the Twenty-Nineth Annual Report of your Company.

FINANCIAL RESULTS

(₹ in Lacs)

	Consolidated		Standalone	
For the year ended 31st March	**2014**	2013	**2014**	2013
Total Income	**77,348.60**	70,196.16	**10,653.86**	9,452.42
Total Expenses	**87,152.00**	58,737.74	**1,900.93**	1,101.03
(Loss) / Profit before tax	**(9,803.40)**	11,458.42	**8,752.93**	8,351.39
Provision for tax (incl. deferred tax)	**4,143.70**	2,784.17	**549.96**	676.81
(Loss) / Profit after tax	**(5,659.70)**	8,674.25	**8,202.97**	7,674.58
Minority Interest	**(5,679.79)**	652.03	**–**	–
Profit After Minority Interest	**20.09**	8,022.22	**8,202.97**	7,674.58

REVIEW OF INDIAN ECONOMY

As per the Monetary Policy Statement of Reserve Bank of India for 2014-15, 'Real' GDP growth is expected to pick up from a little below 5% in 2013-14 to a range of 5% to 6% in 2014-15 though with downside risks to the central estimate of 5.5%. Easing of domestic supply bottlenecks and progress on the implementation of stalled projects already cleared should contribute to growth and stronger anticipated export growth as the world economy picks up. Despite some positive movement in more recent data, industrial activity continues to be a drag on the economy, with retrenchment in both consumption and investment demand reflected in the contraction of output of consumer durables as well as capital goods. Indian ratings maintains a stable outlook on state government finances, as it expects consolidated state finances to remain resilient to the ongoing economic slowdown. Uncertain forecast of Monsoon and erratic rains could be a dampener.

REVIEW OF FINANCIALS

On a Consolidated basis, your Company registered a growth of 10.19% in income to reach ₹ 77,348.60 Lacs from ₹ 70,196.16 Lacs during the year. EBIDTA decreased from ₹ 22,713.60 Lacs to ₹ 14,410.90 Lacs. Net Profit after Taxes and Minority Interest reduced from ₹ 8,022.22 Lacs to ₹ 20.09 Lacs.

The Standalone results reflect a strong performance buoyed by Treasury gains. Total Income grew by 12.71% from ₹ 9,452.52 Lacs to ₹ 10,653.86 Lacs. Net Profit after Tax grew by 6.88% from ₹ 7,674.58 Lacs to ₹ 8,202.97 Lacs.

DIVIDEND

The Board is pleased to recommend Dividend payment of ₹ 15/- per Equity Share (150% Dividend on face value of ₹ 10/- per Equity Share) for financial year 2013-14. The current year Dividend will result in a payout of ₹ 3,607.34 Lacs including Dividend Distribution Tax, representing 43.98% of the current year earnings.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 820.30 Lacs to the General Reserve as required under Transfer to General Reserve Rules and to carry forward an amount of ₹ 49,574.80 Lacs as Balance in the Statement of Profit and Loss.

REAL ESTATE

The Company continues to pursue its efforts in seeking clearance for the development of its real estate in Bengaluru including attending the legal suits related to title in respect of 47.2 acres land. Your company has obtained an order of temporary injunction restraining Mr. Bharat Patel and his agents/men from alienating or in any way encumbering the property at Devanahalli.

Your Company through IDL Speciality Chemicals Ltd. a wholly owned subsidiary had acquired 4.75 acres of land in Hyderabad at a price of ₹ 5.00 crores per acre. As of 31st March 2014, the reckoner rate of land stands as ₹ 12.00 crores per acre, registering an unrealised gain of 126% based on reckner rate.

INVESTMENTS

Hinduja Energy (India) Limited:

India is the fifth largest producer and consumer of electricity in the world, after China, US, Russia and Japan. Power generation has grown more than 100 fold since independence, while demand growth has been even higher due to accelerated economic activity. The total installed capacity in the country crossed 250 GW, out of which close to 69% is thermal power generation capacity. Private sector contributes over 35% of this capacity while rest belongs to central as well as state utilities. It is expected that the contribution of private sector shall continue to increase. The sector went through a sluggish phase for the last 2-3 years due to policy uncertainties and fuel shortage. However, the new central government has taken certain constructive measures to mobilise the projects that have been delayed/ stalled for various reasons. Emphasis is being given on assured fuel availability and incentives are being given for renewable energy sector. This has already started boosting the confidence of the investors. Hinduja Group with its vision to achieve 10,000 MW capacity wants to be a significant private sector player in the Indian power sector.

HNPCL's greenfield 1040 MW Thermal Power Project in Visakhapatnam is expected to get commissioned in FY 15 thus creating value for its investors from this year onwards. The Company in the process has developed a competent project execution team with strong techno-commercial expertise for future power projects. HEIL through its joint venture company Steag O&M Company Ltd is also developing a team for the Operations & Maintenance (O&M) of the Vizag Power Project, that will be further augmented to carry out the O&M of the future power projects of the Group as well as other third party power projects outside the Group.

During the year, power investments were consolidated into the Company by acquisition of shares of HEIL from its subsidiary Grant Investrade Limited. This has released much needed capital in Grant Investrade Limited level to develope its new Media business by deploying Headend In the Sky technology.

SUBSIDIARIES

Media:

Grant Investrade Limited (GIL):

GIL had applied for Headend In the Sky (HITS) permission, which was granted during the year, by the Ministry of Information & Broadcasting. GIL now awaits the wireless operational license. The Company has capitalised GIL with ₹ 100 crore Preference Capital to spearhead the HITS business.

With the mandate of Digitalization from the Government of India, a number of cable operators find themselves having to move from a B2B model to a B2C model which is now consumer centric. Apart from considering their financial resources and size, they will find it difficult to be able to muster and provide quality digital services with multiple choices to their customers and compete with other providers like Direct to Home (DTH) who have well established customer friendly services.

Considering the above, your Company thought it appropriate to launch a "White Lable Service" model to the large number of cable operators through a HITS model, through this the company would provide quality backend services stipulated by TRAI. GIL is expected to fill the gap and supplement Cable operations especially in Phase III and IV and grow instantly throughout India. GIL has commenced project activities for launch of HITS platform and the business is expected to go live by March 2015.

IndusInd Media & Communications Limited (IMCL):

IMCL needs funds for consolidation in Phase I and Phase II and to digitalise network in Phase III and Phase IV. Hence for providing funding support your Company has made an investment of ₹ 10,000 Lacs in IMCL by purchasing 10%, Redeemable Cumulative Preference Shares of ₹ 10/-.

IMCL successfully completed digitization of its networks in Phase I and II of the Governments mandatory digitization process. IMCL now provides digital service to its subscribers in over 21 cities.

IMCL consolidated EBIDTA for the year stood at ₹ 2,606.81 Lacs as against ₹ 14,114.78 Lacs in the previous year Consolidated Total Income grew by 4.43% from ₹ 61,061.95 Lacs to ₹ 63,891.65 Lacs.

IMCL has over 2.3 million digital customers and plans to convert its entire base of customers to digital in the next 2 years.

The IMCL infrastructure is adequately geared to meet the opportunity presented by mandatory Digital Addressable System (DAS) and is currently supported by 10,000 kms of hybrid fibre optic cable network, which includes 2,000 kms of underground fibre.

IMCL has announced various packages in its digital platform and also commenced High Definition TV services (HD). IMCL remains committed to its customers to bring out the best of the technology for digital viewing over its cable networks. It now offers over 350 Standard Definition channels (SD) and over 20 High definition channels (HD) in key markets under the brand name INDIGITAL. There are also plans to introduce Value Added Services (VAS) digital cable.

Synergy in Media Business:

All back-end services viz. CAS, SMS, IT [Corporate & network] will be provided by the HITS platform to IMCL. GHITS will also provide specialist services like "TV Everywhere" and "Value-Added Services" (VAS) to IMCL.

1. IMCL will not need to incur capital expenditure for the back-end and upgrade costs to digital head-ends. IMCL will also benefit from lower operating costs for:
   a. DHE manpower & operation, including AMCs where applicable
   b. Back-end staffing
   c. Administrative expenses
   d. Power & fuel
   e. Multi-lingual call centre set-up costs & operation
2. There will be additional savings on administrative expenses by combining of functions like HR, legal etc.
3. IMCL will be the anchor customers for the HITS platform. IMCL will provide HITS platform the ready customer base it requires that will enable HITS platform to break even much faster.

FUTURE OUTLOOK – MEDIA & CABLE TV SECTOR

In calendar year 2013, the Indian Media & Entertainment (M&E) industry registered a growth of 11.8% over 2012 and touched INR 918 billion.

Overall growth remained muted, largely caused by the slowdown of the Indian economy. The economic slowdown impacted advertising revenue dependent sectors such as TV and print the depreciation in the rupee also affected print, cable and DTH companies adversely but helped export oriented sectors such as animation and VFX to some degree. At the same time, this was countered by the impact of continued digitization of media products and services, and growth in regional media.

Digitization of cable saw progress of Television industry moving in the right direction, with the mandatory Digital Access System (DAS) rollout almost complete in Phase II cities. The impact was felt to the extent that carriage fees saw a reduction of 15-20% overall, however the anticipated increase in ARPUs and subscription revenues for broadcasters and MSOs (Multi System Operators) is expected to be realized only over the next 2-3 years. Broadcaster revenue also increased by 35-40%, however also revenue has only increased marginally, as the DAS environment is still settling down.

ARPUs are expected to gradually increase over the next 2 years. Other key highlights in 2013 were the inclusion of LC1 (less than class I) markets in TV ratings, the 12 minute advertising cap ruling and the shift from TRP to TVT ratings. The recent Telecom Regulatory Authority of India regulation on dissolution of aggregators for Broadcast channels is likely to allow more flexibility in packaging.

Year 2013 was a year in which many parts of the M&E industry paused and took stock. Focus shifted from top line growth to bottom line growth with companies focusing on operations and efficiency. Inspite of a very challenging macro environment, the industry grew 12%, a far better performance than many other industries. The structural changes taking place in the industry especially in television and digital, continued to take the industry down the path of fulfilling its potential.

Broadcasting & Distribution:

- The benefit of Phase I and Phase II digitalization in terms of growth in subscription revenues is expected to be seen over 2014 and 2015.
- Growth is expected to be driven, through packaging in subscription revenues, while carriage costs are expected to rationalize in metro markets.

Distribution:

- Phase I of cable digitalization kick-started and met with varying degrees of success in the four metros. However, the consumer has warmed up to the concept of digitalization.
- Phase II has already started. Out of the 38 cities identified for Phase II digitalization, approximately 80% of C&S households are already digitalized and the balance are likely to be completed in next six months.

On the new digital environment, MSOs also will have the capability to directly add the Customer. LCOs will be crucial to customer interactions and day-to-day management. Therefore LCOs relationship management remains crucial for MSOs. With 74% FDI recently granted to digital cable sector, there is increasing interest of private equity funds and foreign investment in these sectors.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February, 2011 has provided general exemption from compliance with Sub-Section 212(8) of the Companies Act, 1956. In view of the exemption from compliance of section 212(8) of the Act, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said general approval, is disclosed in Note No. 32 of Consolidated Financial Statements.

The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

CORPORATE SOCIAL RESPONSIBILITY

Your Company through Hinduja Foundation, has provided much needed healthcare facility through Hinduja Foundation in tribal areas of Thane district. The Scheme has been sanctioned by National Committee for Promotion of Social and Economic Welfare. The healthcare services through mobile medical vans are planned to be expanded to neighboring parts of Mokhada, Wada and Bhiwandi Talukas which will operate in concert with the Integrated Child Development Services Programme of Government of India. During the one year of its operations the program has served over 19,247 people and trained more than 15 teachers and over 6,000 children in hygiene and preventive care.

COMMUNICATION AND PUBLIC RELATIONS

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

Brand building of the organization is being given impetus and your Company is poised to achieve positive results out of these efforts.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

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

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

The details of Foreign Exchange and outgo are given in "Annexure – B" to this report.

EMPLOYEES PARTICULARS

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Rules, 2011 as amended, is annexed as "Annexure – C" to this report.

CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement, a detailed report on Corporate Governance is annexed as "Annexure – D" to this report.

The Statutory Auditors of your Company have examined the Company's compliance with regulations and have certified the same as required under the Listing Agreement. The certificate is annexed as "Annexure – E" to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Further, a separate Management Discussion and Analysis Report covering a wide range of issues relating to industry trends, company performance, SWOT analysis, business outlook etc. is annexed as "Annexure – F" to this report.

FIXED DEPOSITS

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

DIRECTORS

Mr. R.P. Hinduja, Director of your Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Appointment of Mr. Anil Harish, Mr. Prakash Shah, Mr. R.P. Chitale and Mr. H.C. Asher as Independent Directors pursuant to Section 149 and 152 of the Companies Act, 2013 are proposed to be made at the forthcoming Annual General Meeting for a term of consecutive five years. Pursuant to Section 149 and 152 of Companies Act, 2013, Independent Director will not be liable to retire by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 your Directors, based on the information and documents made available to them, confirm that:

(i) in the preparation of annual accounts for year ending 31st March 2014, the applicable accounting standards have been followed;

(ii) appropriate accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of your Company as on 31st March 2014 and of the profit of your Company for the year ended 31st March 2014;

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

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

COST AUDITORS

The Board of Directors has re-appointed M/s. ABK & Associates, Cost Accountants, as Cost Auditors to audit the accounts relating to telecommunication activity for the financial year ended March 31, 2015.

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of your Company, retire at the conclusion of the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Board recommends the appointment of the Auditors.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : 29th May, 2014

Ashok P. Hinduja
Executive Chairman

Annexure 'A' to the Directors' Report
Certificate in terms of Clause 49 of the Listing Agreement.

a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

d. We have indicated to the Auditors and the Audit Committee that there are;
   i. no significant changes in internal control over financial reporting during the year;
   ii. no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date : 29th May, 2014

Ashok Mansukhani
Whole-Time Director

Annexure 'A-1' to the Directors' Report
Confirmation towards Code of Conduct:

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ending 31st March 2014.

Place: Mumbai
Date : 29th May, 2014

Ashok Mansukhani
Whole-Time Director

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

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

• Foreign exchange Earnings and Outgo

(₹ in Lacs)

Particulars	**2013- 2014**	2012-2013
Total Foreign Exchange earned	**NIL**	NIL
Total Foreign Exchange outgo	**11.02**	4.84

For and on behalf of the Board of Directors

Place: Mumbai
Date : 29th May, 2014

Ashok P. Hinduja
Executive Chairman

Annexure 'C' to the Directors' Report

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2014.

Name	Age (years)	Designation/ Nature of duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Total experience (Years)	Date of commencement of employment	Last employment held, Designation - period for which post held
Mr. Ashok Mansukhani	64	Whole-Time Director	6,764,276	4,189,050	MA, LLB	45	30th April 2012	Management Consultant
Mr. Anthony D'Silva	65	President	17,704,964	10,948,864	B.Sc., PG-DBM	39	1st August 2012	SUN Direct TV Pvt. Ltd.

Notes:

(1) The Gross remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites as per Income tax rules and company's contibution to provident fund and Superannuation fund. In addition, employees are entitled to gratuity and leave encashment in accordance with the company's rules.

(2) The Net remuneration shown above is after deducting employee and employer contribution to provident fund, profession tax and income tax.

(3) None of the employees mentioned above is a relative of any director of the company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2014

Ashok P. Hinduja
Executive Chairman

Annexure 'D' to the Directors' Report

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting the best practices in the areas of Corporate Governance. The Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company as a whole.

During the year, the Company has taken all steps to bring its corporate practices in line with the revised Clause 49 of the Listing Agreement. The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of the shareholders' wealth and at the same time protect the interests of all its shareholders.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in clause 49 of the Listing Agreement with the Stock Exchanges is set out below:

2. BOARD OF DIRECTORS

A. Composition:

The composition of your Company's Board is as under:

Executive Director (Promoter Group)

Mr. Ashok P. Hinduja, Executive Chairman

Non-Executive Directors (Promoter Group)

Mr. R. P. Hinduja, Co-Chairman

Ms. Vinoo Hinduja, Director

Executive Director (Non-Promoter Group)

Mr. Ashok Mansukhani, Whole-Time Director

Independent Directors (Non Executive)

Mr. H. C. Asher

Mr. Anil Harish

Mr. R. P. Chitale

Mr. Prakash Shah

The composition of the Board is in conformity with Clause 49 of the Listing Agreement with Stock Exchanges.

B. Dates of Board Meetings held during the year:

Date of Board Meeting	Board Strength	No. of Directors present
16th May 2013	8	6
09th August 2013	8	8
07th November 2013	8	5
11th November 2013	8	4
31st January 2014	8	7
26th February 2014	8	5

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

C. Attendance of Directors:

Name of the Director	No. of Meetings Attended	Attendance at the previous AGM held on 10th August 2013
Mr. Ashok P. Hinduja	6	Yes
Mr. R. P. Hinduja	3	Yes
Ms. Vinoo Hinduja	–	–
Mr. H. C. Asher	4	Yes
Mr. Anil Harish	6	Yes
Mr. R. P. Chitale	5	Yes
Mr. Prakash Shah	2	Yes
Mr. Ashok Mansukhani	6	Yes
Mr. Ravi Mansukhani (Alternate Director to Ms. Vinoo Hinduja)	3	Yes

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

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

Name of the Director	Boards*	All Board Committees**	Chairmanship of Board Committees
Mr. Ashok P. Hinduja	6	–	–
Mr. R. P. Hinduja	5	4	–
Ms. Vinoo Hinduja	3	–	–
Mr. H. C. Asher	8	9	2
Mr. Anil Harish	14	10	4
Mr. R. P. Chitale	9	9	4
Mr. Prakash Shah	4	3	–
Mr. Ashok Mansukhani	4	2	1
Mr. Ravi Mansukhani (Alternate Director to Ms. Vinoo Hinduja)	3	2	2

*Excludes Foreign Companies, Private Limited Companies, Alternate Directorships and Section 25 Companies.

**Only Audit Committee and Shareholders'/ Investors' Grievance Committee has been considered for this purpose:

3. AUDIT COMMITTEE

A. Terms of Reference:

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of subsection (2AA) of section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

5A. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notices and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board and to take up the step in this matter.

6. Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

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

The Audit committee's powers include the following:

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

B. Composition:

The composition of the Audit Committee is as follows:

Chairman : Mr. Anil Harish

Members : Mr. R. P. Hinduja
Mr. R. P. Chitale
Mr. H. C. Asher
Mr. Prakash Shah
(w.e.f 26th February 2014)

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

C. Meetings and Attendance:

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

Dates of Meetings: 16th May 2013, 09th August 2013, 7th November 2013 and 31st January 2014.

Attendance:

Name of the Director	Number of Meetings attended
Mr. Anil Harish	4
Mr. R. P. Hinduja	3
Mr. R. P. Chitale	3
Mr. H. C. Asher	3
Mr. Prakash Shah*	–

*Appointed as a member of Audit Committee w.e.f. 26th February 2014

4. REMUNERATION COMMITTEE (NOMINATION AND REMUNERATION COMMITTEE)

A. Terms of Reference:

The terms of reference of the Remuneration Committee in accordance with clause 49 of the listing agreement are as follows:

1. Reviewing and discussing managerial compensation including compensation of Executive Chairman.
2. Negotiating/finalising with Executive Chairman the terms and conditions of the office of Chairman.
3. Perform such other function in relation to managerial remuneration upto the one level below the Board.

B. Composition:

Chairman	:	Mr. H. C. Asher
Members	:	Mr. Anil Harish Mr. Prakash Shah

C. Meeting:

No meeting of Remuneration Committee was held during the year.

D. Remuneration Policy:

For Executive Directors: The Total Remuneration, subject to shareholders' approval consists of salary, allowance and perquisites. Perquisites are as per the rules of the Company. No Sitting Fees is payable to Executive Directors.

For Non–Executive Directors: Sitting Fees as per the Companies Act, 1956 for attending any meeting of the Board or Committee of the Board. Directors are also reimbursed travel cost incurred in connection with attending meeting. There was no pecuniary relationship or transactions between any of the Non-executive Directors and the Company. No other fees are paid to Non-Executive Directors other than the above.

E. Details of remuneration to all the Directors:

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2013-14 are given under the head "Remuneration of Directors".

5 INVESTORS' GRIEVANCE COMMITTEE (STAKEHOLDER RELATIONSHIP COMMITTEE)

A. Terms of Reference:

The Committee specifically looks into the redressal of shareholders' and investors' grievances, if any, relating to transfer of shares, non-receipt of financial statements, non-receipt of dividends, issue of duplicate shares and any other matter of shareholders' interest.

The Committee reviews the system of dealing with and responding to correspondence from all categories of investors. The details of complaint letters, if any, received from Stock Exchanges / SEBI and responses thereto are reviewed by the Committee. The Committee also reviews / approves initiatives for further improvements in servicing investors.

During the year, No complaint was received from shareholders of the Company.

There were no pending complaints against the Company as on 31st March 2014.

B. Composition:

Chairman	:	Mr. H. C. Asher
Members	:	Mr. R. P. Hinduja Mr. Prakash Shah

C. Meetings and Attendance:

No meeting of Investor Grievances Committee was held during the year.

6. REMUNERATION OF DIRECTORS

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

During the year, the Company has paid remuneration to Mr. Ashok Mansukhani, Whole-Time Director an aggregate amount of ₹ 67.64/- Lacs. The remuneration comprises salaries and allowances including company's contribution to Provident fund but does not include retirement benefits of gratuity and leave encashment, bonuses or stock options. However, no bonus or stock option was granted during the year.

A. Criteria for Payment to Executive Director:

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

Service Contract and Notice period:

Executive Director	Service Contract	Notice Period	Remuneration
Mr. Ashok Mansukhani Whole-Time Director	Three Years (From 30th April 2012 to 29th April 2015)	Three months' notice by either party	Not Exceeding ₹ 80,00,000/- p.a

B. Payment to Non Executive Directors:

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

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

Name of Directors	Board of Directors (₹)	Audit Committee (₹)	Total Fees (₹)
Mr. R. P. Hinduja	60,000	60,000	1,20,000
Mr. H. C. Asher	80,000	60,000	1,40,000
Mr. Anil Harish	1,20,000	80,000	2,00,000
Mr. R. P. Chitale	1,00,000	60,000	1,60,000
Mr. Prakash Shah	40,000	N.A	40,000
Mr. Ravi Mansukhani (Alternate Director to Ms. Vinoo Hinduja)	60,000	N.A	60,000
Total	**4,60,000**	**2,60,000**	**7,20,000**

D. Fees for professional services rendered by firms of Solicitors/Advocates/Chartered Accountants in which certain Independent Directors are partners are as under:

Name of Firm	Amount paid / payable during the year under review (₹)	Name of Director who is partner
D. M. Harish & Co.	12,35,960/-	Mr. Anil Harish
Crawford Bayley & Co.	2,30,499/-	Mr. H. C. Asher

7. GENERAL BODY MEETINGS

Details of location, date and time of holding the last three Annual General Meetings:

Financial Year	Location	Date and Time	Special Resolutions Passed
2010-2011	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	01/08/2011 at 2.30 p.m.	1. Pursuant to provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for appointment of Mr. Dilip Panjwani, as the Whole-Time Director of the Company with effect from 10th May 2011. 2. Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), Provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores).
2011-2012	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	09/08/2012 at 2.00 p.m.	1. Pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 (the "Act") and the Articles of Association of the Company, the terms of appointment of Mr. Ashok P. Hinduja as Executive Chairman of the Company be varied so that Mr. Ashok P. Hinduja shall not receive any remuneration with effect from 1st April 2011 till the expiry of the term of agreement dated 16th June 2010.

Financial Year	Location	Date and Time	Special Resolutions Passed
			2. Pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") approval of the Company be and is hereby accorded to the appointment of Mr. Ashok Mansukhani as the Whole-time Director of the Company with effect from 30th April 2012. 3. Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), Provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores).
2012-2013	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018.	10/08/2013 at 2.00 p.m.	1. Pursuant to the provision of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Ms. Vinoo Hinduja, who was appointed by the Board of Directors as an additional director of the Company during the year and holds office till the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from some members proposing her candidature for the office of Director, whose period of office shall be liable to determination by retirement of Directors by rotation. 2. Pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok P. Hinduja, as the Executive Chairman of the Company for a period of 5 (five) years with effect from 1st October 2013. 3. Pursuant to provision of Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the Foreign Exchange Management Act, 1999 and SEBI (Disclosure and Investor Protection) Guidelines, 2000, to create, offer, issue and allot securities in the form of Equity Shares, Warrants, Bonds or Debentures, Depository Receipts, whether Global Depository Receipt ("GDR"), American Depository Receipt ("ADR"), Provided the aggregate issue price of Securities to be issued shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores).

No Special Resolution requiring voting through Postal Ballot was passed in the year 2013-14.

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

8. DISCLOSURES:

A. There were no material significant related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with related parties have been disclosed vide note no. 28 to the Financial Statements.

B. Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

C. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority or any matter relating to capital markets during the last three years.

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

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

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

G. The Company has laid down the policies and procedures about the risk assessment and minimization procedures.

9. MEANS OF COMMUNICATION

A. The quarterly results were published in leading national newspapers (The Economic Times and Navbharat Times). The quarterly results are simultaneously displayed on www.hindujaventures.com, the Company's website. The website is updated regularly with the official news releases and disclosures as required from time to time.

B. Management Discussion & Analysis Report is given as an "Annexure-F" to the Directors' Report.

C. No presentations have been made to institutional investors/analysts during the year.

10. GENERAL SHAREHOLDER INFORMATION:

1.	Annual General Meeting	
	Date	September 22, 2014
	Time	11.00 a.m.
	Venue	Hall of Harmony, Nehru Centre, Worli, Mumbai-400 018
2.	Financial Calendar for 2014-15	(Tentative)
	Unaudited results for the quarter ending 30th June 2014	2nd week of August 2014
	Unaudited results for the quarter/half year ending 30th September 2014	2nd week of November 2014
	Unaudited results for the quarter ending 31st December 2014	2nd week of February 2015
	Audited results for the year ending 31st March 2015	4th week of May 2015
3.	Book Closure Dates	From Monday, the 15th September 2014 to Monday, the 22nd September 2014 (both days inclusive)
4.	Dividend for the Financial Year 2013-14, if any.	On or after September 29, 2014
5.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
6	Stock Code	BSE: 500189. NSE: HINDUJAVEN.

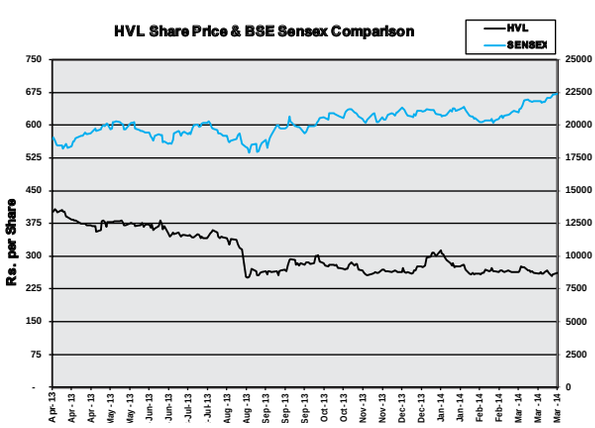
(Note: Annual Listing fee for the Financial Year 2014-15 has been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited)

11. STOCK MARKET PRICE DATA

Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	Month's High ₹	Month's Low ₹	Month's High ₹	Month's Low ₹
April 2013	420.00	367.15	424.90	357.00
May 2013	389.00	350.00	388.35	345.20
June 2013	395.00	341.00	407.00	340.00
July 2013	378.00	335.50	379.45	322.00
August 2013	356.00	242.05	354.20	244.25
September 2013	295.00	253.30	298.95	252.00
October 2013	328.00	267.50	328.70	265.00
November 2013	292.00	254.00	292.00	252.00
December 2013	321.90	254.55	322.00	255.30
January 2014	323.95	255.40	325.00	253.70
February 2014	282.00	255.20	282.90	254.15
March 2014	282.00	254.20	282.50	253.00

SHARE PRICE MOVEMENT (BSE)

Hinduja Ventures Limited share price performance compared to BSE Sensex. (April 13 - March 14).



12. SHARE TRANSFER SYSTEM

Your Company's equity shares are compulsorily traded in dematerialized form. As on 31st March 2014, about 99.72% of your Company's equity (comprising 20,498,120 shares) had been dematerialized. Shares of your Company are regularly traded on the BSE and NSE.

The power to approve transfer of shares in physical form has been delegated by the Board to a committee consisting of officers of the Company.

Transfer requests received for physical shares are processed / returned within 30 days from the date of receipt.

On 31st March 2014, there were no pending unprocessed transfers. The details of physical shares transferred during the last three years are as under:

Particulars	2011-12	2012-13	2013-14
No. of transfer deeds	02	04	01
No. of shares Transferred	150	400	100

Pattern of Shareholding as of 31st March 2014:

Particulars	No. of Shares	% of Shareholding
Promoters	1,35,05,640	65.70
FIIs	11,87,524	5.78
N.R.I.s / OCBs / Non-Domestic Companies / Foreign National	80,744	0.39
Mutual Funds, Banks, Financial Institutions, Insurance Companies	19,02,619	9.26
Private Corporate Bodies	11,47,785	5.58
Individuals / Others	27,31,191	13.29
Total Paid-up Capital	**2,05,55,503**	**100**

Distribution Schedule as of 31st March 2014:

Distribution	No. of Shareholders		No. of Shareholding	
	No of Shareholders	% of Total Shareholder	No of Shares	% of Shareholding
Less than 500	8,707	92.13	6,17,552	3.00
501-1000	327	3.46	2,49,733	1.22
1001-2000	193	2.04	2,88,332	1.40
2001-3000	60	0.64	1,44,614	0.70
3001-4000	28	0.30	95,713	0.47
4001-5000	26	0.27	1,20,380	0.59
5001-10000	38	0.40	2,56,844	1.25
Above 10000	72	0.76	1,87,82,335	91.37
Total	**9,451**	**100.00**	**2,05,55,503**	**100.00**

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

The numbers of shares held by the Directors of Hinduja Ventures Limited as on 31st March 2014 are as under:

Sr. No.	Name of Directors	No. of Shares
1	Mr. Ashok P. Hinduja	6,76,221*
2	Ms. Vinoo Hinduja	61,065
3	Mr. Ashok Mansukhani	500

*A. P. Hinduja (HUF) -54,327, A.P. Hinduja Jt. A/c with Harsha Ashok Hinduja- 45,313, Ashok P. Hinduja- 31,600, Ashok Parmanand Hinduja- 5,32,483, Harsha A Hinduja Jt. A/c with A. P. Hinduja- 12,498.

Code of Conduct:

Your Company has adopted separate Codes of Conduct for Executive Directors, Senior Management and Non-Executive Directors and the same have been posted on the Company's website. As required under Clause 49 of the Listing Agreement, Whole-Time Director has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as on 31st March 2014.

13. REGISTRARS AND SHARE TRANSFER AGENT

Your Company's Registrar and Share Transfer Agent is:

Sharepro Services (India) Private Limited

Address:
13AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072.

Shareholders' correspondence should be addressed to the Registrar and Share Transfer Agent at the above address, marked to the attention of:

Ms. Indira Karkera / Mr. Damodar K.
Tel: (91 22) 6772 0300
Fax: (91 22) 2850 8927 / 2859 1568
Email: sharepro@shareproservices.com

Investor Relations Centre:
Sharepro Services (India) Private Limited
912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai-400 021.
Tel: (91 22) 6613 4700.

14. ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

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

Mr. Ashok Mansukhani, Whole-Time Director

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

Shareholders may address queries relating to their holdings to:

Mr. Amit Vyas, Company Secretary

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

Members are requested to register their email address with the Company's Registar and Share Transfer Agent (RTA) at sharepro@shareproservices.com to enable the Company to send all notices / documents through email and also advice any changes in their email address from time to time to the RTA.

Plant Locations: Not applicable

Pursuant to the SEBI Circular No. MIRSD/DPS III/Cir-01/07 dated January 22, 2007, the Company has designated an exclusive e-mail ID viz investorgrievances@hindujaventures.com, where the investors would be able to register their complaints and also take necessary follow-up actions as necessary.

15. COMPLIANCE OFFICER

Mr. Amit Vyas, Company Secretary

For and on behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2014

Ashok P. Hinduja
Executive Chairman

Annexure 'E' to the Directors' Report

Auditors' Certificate to the members of Hinduja Ventures Limited on compliance of the conditions of Corporate Governance for the year ended 31st March, 2014, under clause 49 of the Listing Agreement with relevant stock exchanges.

To

The Members of Hinduja Ventures Limited,

1. We have examined the compliance of the conditions of Corporate Governance by Hinduja Ventures Limited, (the Company) for the year ended 31st March, 2014, as stipulated in clause 49 of the listing agreement of the said Company with relevant stock exchanges in India (hereinafter referred to as clause 49).
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Registration No. 117366W/W-100018)

R. Laxminarayan
Partner
(Membership No. 33023)

Place : Mumbai
Date : 29th May, 2014

Management Discussion & Analysis Report

Hinduja Ventures Limited ("HVL") operations and investments span over three segments namely Media, Real Estate and Treasury. The Company's principal business investment is in Media & Communications via its valuable stake in IndusInd Media & Communications Limited ("IMCL"). The Company's 100% subsidiary Grant Investrade Limited has received permission to launch a nation-wide Headend in the Sky project expected to be operationalised before close of this financial year. HVL owns 47.2 acres land in Bengaluru directly and 4.75 acres in Hyderabad through its wholly owned subsidiary IDL Specialty Chemicals Limited ("IDL") being its Real Estate segment. Treasury is represented by its investments and cash. The Treasury segment preserves its Capital for reinvestments and incubating new businesses.

MEDIA

Media & Entertainment (M&E) Industry Update:

India's M&E industry reaches millions of people. There are 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2,000 multiplexes, 214 million internet users out of which 130 million are mobile internet users, all these are platforms that can drive change and be transformational catalysts.

In television, industry structures began the process of realignment, with MSOs and LCOs in a delicate dance to re-evolve their relationship. Several regulations including the advertisement cap and notifications around aggregators were announced, that will likely change how the industry does business. Digitization has yet to deliver its promise with set top boxes seeded in Phase I and II cities but with packaging and ARPU increases based on customer acceptance of packages yet to kick in. The future though, looks promising, with efforts being made by MSOs to introduce channel packaging, implement subscriber management systems and raise the ARPU – initiatives that are likely to benefit all the stakeholders in the television ecosystem especially the viewers.

Films had slower growth in 2013-14, than in 2012-13 and returned to the mean as far as growth rates go. Multiplex expansion, ticket prices growth and the expansion of digital screens are all likely to slow down in the near term challenging the industry to find new avenues to maintain momentum. However, India is a heavily under-screened country and the macro story for the film industry remains strong.

The print sector had a comfortable year – especially regional print, with English print struggling on the ad revenue front.

The second screen format will create a new revenue stream with advent of more and more smart phones and tablets. Advertising remained steady.

Radio had a good year with better long term prospects. The industry continues to require regulatory interventions as it is in dire need of reform. FM radio nevertheless, is now becoming an integral part of many media plans.

The big hope for the future of the M&E industry continues to be digital formats. With a fast growing internet user base of over 200 million internet users, the potential of the industry to enhance engagement with customers and generate revenue from digital.

Television Industry

Television: Digitisation of cable saw the television industry still on the path of progress, with the mandatory Digital Access System (DAS) rollout almost complete in Phase I and II cities. The impact was felt to the extent that carriage fees saw a reduction of 15-20% overall while subscription fees going up for content aggregators.

However the anticipated increase in ARPUs and subscription revenues for broadcasters and MSOs (Multi System Operators) is expected to be realised only over the next 2-3 years as MSOs begin the process of becoming B2C model from B2B model and convince customers to accept segmented offerings and differentiated packages.

Outlook for Pay TV market:

Digitalization is providing new impetus for growth and value in India though India is still early in the value creation process. While close to 28 million households across India have been seeded with cable STBs, monetization and ROI has been painfully slow, making the over ₹ 5,000 crores investment in capital expenditure by MSOs appear to be an extremely expensive cost of capital.

High levels of receivables and low levels of liquidity amongst MSOs needs redressal positive turnaround is expected in billing in FY-2014-15.

As the digital distribution ecosystem takes shape, a coherent licensing regime is being enabled, anchored to full subscriber declaration and payment of taxes as well as a stipulation that the billing of TV subscribers will move from unorganized LCOs to organized addressable MSOs.

SWOT Analysis: IMCL

1) Strengths:

- IMCL has successfully completed cable digitalisation in Phase I and Phase II for 21 cities as a National MSOs. IMCL is a pioneering MSOs with a national presence in 36 cities presently.

- Has significant presence in high ARPU's and high TRP cities.
- State of Art Technology. International technology partners.
- Professional and experienced management in place.
- Well-developed infrastructure in Fibre and digital Headends across India.

2) Challenges:

- To ensure higher collection from the LCOs in a co-operative digitalised environment.
- More Capital outlays are required to consolidate Phase I and II and digitalize Phase III and IV.
- LCOs relationship management, in view of digitalization will be important, as they will have to declare 100% of their subscriber base.
- It is necessary for MSOs to make new revenue partnerships in subscription driven business for cable and broadband with LCOs.
- To scale up the Digital universe and to ensure all technology and process is in the right place at the right time.
- Logistics and support systems for the Digital Set top boxes need improvement.
- Quality of Service issues in the last mile have to be jointly addressed.

3) Opportunities:

- Increase in ARPU from IMCL's major cities like Mumbai, Delhi, Bangalore, Kolkata, Ahmedabad etc. IMCL networks reach a sizeable percentage of higher socio-economic groups in these large cities.
- In the first two phases, around 21 cities of IMCL, are now completely digitalized.
- With the new Broadband policy and digitalization, IMCL can and will exponentially increase its broadband business.
- New revenue streams will open up from value-added services like Pay per View (PPV), Video on Demand (VoD), Gaming and more. This will necessitate prepaid billing.
- Packaging and tiering of services will increase ARPUs.
- HITS platform does not have any restrictions on the geography or number of subscribers. The HITS signal will be available through satellite across India from the day of the launch, and it can be provided to any number of cable operators.
- The launch of HITS platform will provide IMCL with a capability to quickly spread to any part of the country.
- HITS will also directly enter into agreements with LCO/ICO/MSO for providing white label services.
- Due to the above factors, there is likely to be a substantial increase in the subscriber base of the company.

4) Threats:

- Entry and expansion of some National MSOs in markets new for them and where IMCL has an important stake.
- Role of well managed but cost effective regional MSOs will grow in Phase III and IV.
- Competition from other platforms, mainly DTH.
- Vertically linked MSOs of Broadcasters may try to take undue advantage in pricing and tiering of channels though disaggregation regulations will help in minimising this threat.
- Cities in Phase III of digitalisation need significant capital upgradation.

TREASURY

Government managed to bring the current account deficit in 2013-14 down to $32 billion, or 1.7% of gross domestic product, compared with the $45 billion estimated in the interim Budget in February and $35 billion projected towards the end of March, economy would become stronger from here, adding the recent spurt in stock markets was a reflection of investors confidence about the stability and strength of India's economy. The Company thus may not gain significantly in equity portfolio as much as it maintains returns on debt.

REAL ESTATE

HVL owns two pieces of land, one in Bengaluru and the other through its wholly owned subsidiary IDL Specialty Chemicals Limited in Hyderabad.

PERFORMANCE REVIEW

Discussion on Financial results with respect to Operational Performance:

The Consolidated financial highlights for the year 2013-14 are produced below. The following are relevant financial highlights with respect to the operational performance of the company.

(₹ in Lacs)

For the Year	2013 - 14	2012 - 13
Operating, Interest & Dividend Income	69,643.45	63,558.99
Expenses	62,937.70	47,482.56
Operating Profit (PBDITA)	6,705.75	16,076.43
Finance Costs	12,029.99	4,513.74
Depreciation and Amortization	12,184.31	6,741.44
Operating (loss)/ Profit after Interest and Depreciation	(17,508.55)	4,821.25
Profit on Sale of Non-Current Investments (net)	7,016.78	6,128.63
Other Income	688.37	508.54
(Loss)/Profit before tax and exceptional items	(9,803.40)	11,458.42
Provision for tax (incl. deferred tax)	(4,143.70)	2,784.17
(Loss)/Profit after tax	(5,659.70)	8,674.25
EPS Basic (₹)	0.10	39.03
EPS Diluted (₹)	0.10	39.03

Segmental Review:

The Consolidated business segment wise analysis for the year ended 31st March, 2014 is as under:

(₹ in Lacs)

	Real Estate	Media & Communications	Investments & Treasury	Other/ (Unallocated)
Segment Revenues	0.80	63,883.84	13,434.94	29.02
Segment Results (PBT)	(102.49)	(19,733.34)	10,156.93	(124.50)
Capital Employed	3,717.11	35,698.45	48,287.73	842.69

RISKS, CONCERNS AND MITIGATION PLANS

The Company has a proper framework for analysis of Risks and Concerns and continuously evaluates risk mitigation on an ongoing basis. On compliance risk, the Company has a robust process of risk and mitigation planning in place. The risk management system put in place last year is working smoothly and will be evaluated for stress or modification upon change in size or nature of business.

The risk management system was reviewed this year and a risk management plan was put in place. This being dynamic, the Company will re-evaluate as the business keeps changing.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems and processes of your Company cover operational efficiency, accuracy and promptness in financial reporting, compliance with laws and regulations and development of mature, disciplined and effective processes. The processes also are designed to meet the goals of cost, schedule, functionality and product quality, thus resulting in higher levels of customer satisfaction.

A well-defined organizational structure, clearly demarcated authority levels and well-documented policy and guidelines to ensure process efficiencies are the hallmarks of the Company's internal control system.

The internal and external Auditor's reports with comments of the management are regularly placed before the Audit Committee, which discusses the reports with the Management and the Auditors to satisfy them about the internal control environment designed to ensure that the results of operations are reflected properly in the financial statements and process control and quality standards are maintained.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE MANAGEMENT/ INDUSTRIAL RELATIONS

The Company had cordial relations with its employees during the year. The Company has adopted best practices to retain key talent. Based on business needs the Company will go forward with new plans.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, change in Government's regulations, tax regimes, the laws and other factors such as litigation and industrial relations.

Financial Statements

Balance Sheet
as at 31st March, 2014

(₹ in Lacs)

	Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	Share capital	**2**	**2,055.55**	2,055.55
	Reserves and surplus	**3**	**74,075.02**	69,479.39
			76,130.57	71,534.94
2	**NON-CURRENT LIABILITIES**			
	Deferred tax liabilities (net)	**4**	**47.87**	54.91
	Long-term provisions	**5**	**22.95**	24.04
			70.82	78.95
3	**CURRENT LIABILITIES**			
	Trade payables	**6**	**378.45**	95.06
	Other current liabilities	**7**	**33.74**	73.29
	Short-term provisions	**8**	**3,994.57**	3,978.72
			4,406.76	4,147.07
	TOTAL		**80,608.15**	75,760.96
II	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	Fixed Assets	**9**		
	(i) Tangible assets		**1,422.89**	1,651.56
	(ii) Intangible assets		**6.87**	4.68
			1,429.76	1,656.24
	Non-current investments	**10**	**56,325.03**	18,901.59
	Long-term loans and advances	**11**	**4,881.22**	3,516.93
			62,636.01	24,074.76
2	**CURRENT ASSETS**			
	Inventories	**12**	**1,201.80**	1,201.80
	Trade receivables	**13**	**1,521.03**	1,352.25
	Cash and bank balances	**14**	**56.39**	135.11
	Short-term loans and advances	**15**	**15,192.91**	48,807.25
	Other current assets	**16**	**0.01**	189.79
			17,972.14	51,686.20
	TOTAL		**80,608.15**	75,760.96

See accompanying notes 1 to 36 forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Statement of Profit and Loss

for the year ended 31st March, 2014

(₹ in Lacs)

	Particulars	Note No.	Year ended 31.03.2014	Year ended 31.03.2013
I	**INCOME**			
	Revenue from operations	17	**10,643.06**	9,353.07
	Other income	18	**10.80**	99.35
	Total Revenue		**10,653.86**	9,452.42
II	**EXPENSES**			
	Employee benefits expenses	19	**308.67**	264.36
	Depreciation and amortisation expenses	20	**250.79**	249.60
	Other expenses	21	**1,341.47**	587.07
	Total Expenses		**1,900.93**	1,101.03
III	**Profit before tax**		**8,752.93**	8,351.39
	Tax Expenses			
	- Current tax		**1,801.00**	1,624.00
	- MAT credit entitlement	26	**(1,244.00)**	(971.00)
	- Deferred tax (Credit) / Charge		**(7.04)**	5.76
	- Short provision for earlier year		**–**	18.05
IV	**Profit for the year from continuing operations**		**8,202.97**	7,674.58
	Earnings per equity share (Face value ₹ 10/- per share)			
	- Basic and Diluted	23	**39.91**	37.34

See accompanying notes 1 to 36 forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Cash Flow Statement

for the year ended 31st March, 2014

(₹ in Lacs)

Particulars		Year ended 31.03.2014		Year ended 31.03.2013
A Cash Flow from Operating Activities				
Net profit before tax		**8,752.93**		8,351.39
Adjustments for:				
Depreciation	**250.79**		249.60	
Profit on sale of investments (net)	**(7,016.78)**		(6,128.63)	
Loss on scrapped assets	**0.60**		1.60	
Bad debts written off	**–**		5.00	
Sundry credit balance written off	**(5.29)**		–	
Provision for wealth tax	**41.50**		40.41	
Gains on foreign currency (net)	**0.99**		(0.32)	
		(6,728.19)		(5,832.34)
Operating profit before working capital changes		**2,024.74**		2,519.05
Changes in working capital:				
Trade payables	**287.65**		38.99	
Short / long term provisions	**13.67**		17.73	
Other current liabilities	**0.86**		7.20	
Trade receivables	**(168.78)**		(488.26)	
Loans and advances (Refer note 2 below)	**13,524.68**		(10,126.44)	
Other current assets	**189.79**		243.38	
		13,847.87		(10,307.40)
Cash generated from / (used in) operations		**15,872.61**		(7,788.35)
Taxes paid (net of refunds)		**(1,872.07)**		(1,688.84)
Net Cash generated from / (used in) operating activities (A)		**14,000.54**		(9,477.19)
B Cash Flow from Investing Activities				
Purchase of tangible / intangible assets	**(25.10)**		(6.05)	
Sale of tangible assets	**0.19**		–	
Purchase of non-current investments (Refer note 2 below)	**(41,029.14)**		–	
Sale of non-current investments	**30,622.55**		12,918.91	
		(10,431.50)		12,912.86
Net Cash generated from / (used in) investing activities (B)		**(10,431.50)**		12,912.86

Cash Flow Statement
for the year ended 31st March, 2014

(₹ in Lacs)

Particulars		Year ended 31.03.2014		Year ended 31.03.2013
C Cash Flow from Financing Activities				
Dividend paid	**(3,123.75)**		(3,091.46)	
Dividend distribution tax	**(524.01)**		(500.19)	
		(3,647.76)		(3,591.65)
Net cash generated from / (used in) financing activities (C)		**(3,647.76)**		(3,591.65)
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)		**(78.72)**		(155.98)
Cash and cash equivalents at the beginning of the year		**135.11**		291.09
Cash and cash equivalents at the end of the year		**56.39**		135.11
Cash and cash equivalents comprises of:				
Cash on hand		**0.15**		0.23
Balance with banks				
- Current accounts		**32.67**		71.13
- Deposits		**2.44**		2.20
- Unpaid dividend accounts		**21.13**		61.55
Total		**56.39**		135.11

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement.
2. During the year, the Company has converted Inter-corporate Deposits amounting to ₹ 20,000 Lacs into 2,000,000 1% Participatory Redeemable Non-Cumulative Preference Shares of ₹ 10/- each at a premium of ₹ 990/- per share. The above being a non-cash transaction, has been excluded from the cash flow statement.
3. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to figures of the current year.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Notes forming part of the Financial Statements for the year ended 31st March, 2014

1 Significant accounting policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India, applicable accounting standards and provisions of the Companies Act, 1956 ("The 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("The 2013 Act") in terms of General Circular 15/2013 dated 13th Sept. 2013 of the Ministry of Corporate Affairs).

b) Use of Estimates

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

c) Fixed Assets

Fixed assets are stated at cost of acquisition, which includes taxes and duties (net of cenvat), including any cost attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation.

d) 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 Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

e) Depreciation and Amortisation

i) **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. Assets costing less than ₹ 5,000 each are depreciated fully in the year of acquisition.

ii) **Intangible Assets:**

Computer software is amortised over a period of six years on straight line basis.

f) Valuation of Stock-in-Trade

i) Real estate is valued at cost or net realisable value, whichever is lower.

ii) Shares have been valued at cost or fair value whichever is lower. The cost is computed by the "First In First Out" method.

g) Investments

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

Current investments are valued at lower of cost and fair value.

h) Revenue Recognition

i) Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

ii) Interest income is accounted on accrual basis and dividend income is recognised when the right to receive the dividend is established.

iii) Profits / Losses from share trading is determined on the basis of the "First In First Out" method. Profits / Losses from investment activities (including gain / (loss) on sale of stake in subsidiaries) is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of trade dates / contracts / agreements entered with respective parties.

iv) Equity Index / Stock Futures

1. Equity Index / Stock Futures are marked-to-market on a daily basis. Debit or credit balances, if any, disclosed under Short-term 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 Statement of Profit and Loss.
   - Debit balance in the "Mark-to-Market Margin - Equity Index / Stock Futures Account", being anticipated loss, is recognised in the Statement of Profit and Loss.
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 Statement of Profit and Loss 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 Short-term loans and advances.

i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time of occurrence of the transactions.

Monetary items denominated in foreign currency, are restated using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

j) Employee Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Company has a Defined Contribution Plan namely Provident Fund.

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

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

The Company's contributions are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

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

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

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

ii) Other Employee Benefits:

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

k) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

ii) Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – "Accounting for Taxes on Income" notified under the Companies Accounting Standard Rules 2006. Income Tax comprises of Current and Deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

iii) 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. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

l) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

m) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies being considered for segment reporting:

a) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.

b) Revenue and expenses have been identified to segments 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 corporate expenses".

n) Leases

Assets leased out under operating leases are capitalised. Rental income is recognised on straight line basis over the lease term.

Assets acquired on lease where all significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on straight line basis over the lease term.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

q) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2 Share capital

(₹ in Lacs)

i) Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	**70,000,000**	**7,000.00**	70,000,000	7,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Total	**20,555,503**	**2,055.55**	20,555,503	2,055.55

Rights, Preferences and Restrictions attached to equity shares:

i) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.

ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 1956.

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

ii) Reconciliation of number of shares outstanding:

(₹ in Lacs)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Add: Shares issued during the year	**–**	–	–	–
Less: Shares bought back during the year	**–**	–	–	–
Shares outstanding at the end of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55

iii) Shares in the Company held by each shareholder holding more than 5% shares:

Name of the shareholder	As at 31.03.2014		As at 31.03.2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Hinduja Group Limited (formerly known as Aasia Management and Consultancy Private Limited)	**9,127,028**	**44.40%**	9,127,028	44.40%
Amas Mauritius Limited	**2,761,427**	**13.43%**	2,761,427	13.43%
Reliance Capital Trustee Company Limited	**1,680,790**	**8.18%**	1,959,467	9.53%

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
3 Reserves and surplus		
Securities premium account		
Opening balance	**670.58**	670.58
Closing balance	**670.58**	670.58
General reserve		
Opening balance	**23,009.34**	22,241.88
Add: Transferred from surplus in Statement of Profit and Loss	**820.30**	767.46
Closing balance	**23,829.64**	23,009.34
Surplus in Statement of Profit and Loss		
Opening balance	**45,799.47**	42,499.69
Add: Net profit for the year	**8,202.97**	7,674.58
Less: Appropriations		
- Transfer to general reserve	**820.30**	767.46
- Proposed dividend [₹ 15.00 per share (Previous Year ₹ 15.00 per share)]	**3,083.33**	3,083.33
- Dividend distribution tax	**524.01**	524.01
Closing balance	**49,574.80**	45,799.47
Total Reserves and surplus	**74,075.02**	69,479.39
4 Deferred tax liabilities (net)		
Deferred Tax Liabilities		
Depreciation on fixed assets	**56.07**	64.61
Total Deferred Tax Liabilities (A)	**56.07**	64.61
Deferred Tax Assets		
Liabilities to be deducted for tax purposes when paid	**8.20**	9.70
Total Deferred Tax Assets (B)	**8.20**	9.70
Net Deferred tax liabilities (A-B)	**47.87**	54.91

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
5 Long-term provisions		
Provision for employee benefits		
- Provision for gratuity	**17.38**	17.56
- Provision for compensated absences	**5.57**	6.48
Total	**22.95**	24.04
6 Trade payables		
Trade payables (other than outstanding dues to micro, small and medium enterprises)	**378.45**	95.06
Total	**378.45**	95.06
7 Other current liabilities		
Unclaimed dividend #	**21.13**	61.55
Outstanding liabilities for expenses	**1.57**	0.93
Statutory dues	**11.04**	10.81
Total	**33.74**	73.29
# There are no amounts due and outstanding to be credited to investor education and protection fund.		
8 Short-term provisions		
Provision for gratuity	**0.55**	0.48
Provision for compensated absences	**0.64**	4.00
Provision for income tax (net of advance tax)	**344.54**	326.49
Provision for wealth tax	**41.50**	40.41
Proposed dividend	**3,083.33**	3,083.33
Dividend distribution tax	**524.01**	524.01
Total	**3,994.57**	3,978.72

9 Fixed assets

(₹ in Lacs)

	Description	Gross block (At cost)				Depreciation and amortisation				Net block	
		As at 01.04.2013	Additions	Disposal	As at 31.03.2014	Upto 31.03.2013	For the Year	Disposal / adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A	**Tangible assets:**										
	Own assets:										
	Furniture and fixtures	1.45	–	–	**1.45**	1.18	0.02	–	**1.20**	**0.25**	0.27
		[2.08]	[0.81]	[1.44]	[1.45]	[1.93]	[0.69]	[1.44]	[1.18]		
	Vehicles	139.14	19.10	–	**158.24**	65.64	14.35	–	**79.99**	**78.25**	73.50
		[139.14]	[–]	[–]	[139.14]	[52.43]	[13.21]	[–]	[65.64]		
	Office equipments	4.49	0.78	0.94	**4.33**	0.56	0.23	0.17	**0.62**	**3.71**	3.93
		[5.27]	[2.27]	[3.05]	[4.49]	[1.87]	[0.26]	[1.57]	[0.56]		
	Computers	41.56	0.82	2.77	**39.61**	35.50	1.75	2.75	**34.50**	**5.11**	6.06
		[44.83]	[2.97]	[6.24]	[41.56]	[39.96]	[1.66]	[6.12]	[35.50]		
	TOTAL (A)	**186.64**	**20.70**	**3.71**	**203.63**	**102.88**	**16.35**	**2.92**	**116.31**	**87.32**	**83.76**
	Previous Year	[191.32]	[6.05]	[10.73]	[186.64]	[96.19]	[15.82]	[9.13]	[102.88]		
B	**Assets given on operating lease:**										
	Plant and equipment	2,245.93	–	–	**2,245.93**	678.13	232.23	–	**910.36**	**1,335.57**	1,567.80
		[2,245.93]	[–]	[–]	[2,245.93]	[445.91]	[232.22]	[–]	[678.13]		
	TOTAL (B)	**2,245.93**	**–**	**–**	**2,245.93**	**678.13**	**232.23**	**–**	**910.36**	**1,335.57**	**1,567.80**
	Previous Year	[2,245.93]	[–]	[–]	[2,245.93]	[445.91]	[232.22]	[–]	[678.13]		
	TOTAL (A+B)	**2,432.57**	**20.70**	**3.71**	**2,449.56**	**781.01**	**248.58**	**2.92**	**1,026.67**	**1,422.89**	**1,651.56**
	Previous Year	[2,437.25]	[6.05]	[10.73]	[2,432.57]	[542.10]	[248.04]	[9.13]	[781.01]		
C	**Intangible assets:**										
	Computer software – acquired	9.36	4.40	–	**13.76**	4.68	2.21	–	**6.89**	**6.87**	4.68
		[9.36]	[–]	[–]	[9.36]	[3.12]	[1.56]	[–]	[4.68]		
	TOTAL (C)	**9.36**	**4.40**	**–**	**13.76**	**4.68**	**2.21**	**–**	**6.89**	**6.87**	**4.68**
	Previous Year	[9.36]	[–]	[–]	[9.36]	[3.12]	[1.56]	[–]	[4.68]		
	TOTAL (A + B + C)	**2,441.93**	**25.10**	**3.71**	**2,463.32**	**785.69**	**250.79**	**2.92**	**1,033.56**	**1,429.76**	**1,656.24**
	Previous Year	[2,446.61]	[6.05]	[10.73]	[2,441.93]	[545.22]	[249.60]	[9.13]	[785.69]		

Note: Figures in brackets are in respect of the previous year.

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
10	**Non-current investments (Fully paid, at Cost)**		
	Trade Investments		
	a) Unquoted Equity Instruments		
	Investment in Subsidiaries:		
	41,455,683 [March 31, 2013: 41,455,683] equity shares of ₹10 each in IndusInd Media & Communications Limited	**6,508.86**	6,508.86
	6,154,902 [March 31, 2013: 4,154,902] equity shares of ₹10 each in Grant Investrade Limited	**435.31**	235.31
	10,000,000 [March 31, 2013: 10,000,000] equity shares of ₹10 each in IDL Speciality Chemicals Limited	**210.00**	210.00
	b) Unquoted Preference Shares		
	Investment in Subsidiaries:		
	1,000,000 [March 31, 2013: Nil] 1% Participatory Redeemable Non-Cumulative preference shares of ₹ 10 each in Grant Investrade Limited (includes premium)	**10,000.00**	–
	100,000,000 [March 31, 2013: Nil] 10% Redeemable Cumulative preference shares of ₹ 10 each in IndusInd Media & Communications Limited	**10,000.00**	–
	Total (A)	**27,154.17**	6,954.17
	Other Investments		
	a) Quoted:		
	Investment in Equity Instruments:		
	3,833 [March 31, 2013: 3,833] equity shares of ₹2 each in Gulf Oil Corporation Limited	**1.09**	1.09
	4,958,196 [March 31, 2013: 6,882,383] equity shares of ₹10 each in IndusInd Bank Limited#	**8,468.43**	9,737.72
	Nil [March 31, 2013: 50,736] equity shares of ₹10 each in NHPC Limited	**–**	18.26
	24,007 [March 31, 2013: 24,007] equity shares of ₹10 each in VCK Capital Market Services Limited	**1.46**	1.46
	b) Unquoted:		
	Investment in Equity Instruments:		
	19,888,890 [March 31, 2013: 21,888,890] equity shares of ₹ 10 each in Hinduja Leyland Finance Limited	**1,988.88**	2,188.89
	61,147,056 [March 31, 2013: Nil] equity shares of ₹ 10 each in Hinduja Energy (India) Limited	**18,711.00**	–
	Total (B)	**29,170.86**	11,947.42
	Total (A+B)	**56,325.03**	18,901.59
	# Nil [March 31,2013: 15,00,000] equity shares pledged against loan taken by IN Entertainment (India) Limited, an associate.		
	# 1,865,000 [March 31,2013: 5,50,000] equity shares pledged against loan taken by IDL Speciality Chemicals Limited, a wholly owned subsidiary.		
	Aggregate amount of quoted investments	**8,470.98**	**9,758.53**
	Market value of quoted investments	**24,886.98**	**27,865.95**
	Aggregate amount of unquoted investments	**47,854.05**	**9,143.06**

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
11	**Long-term loans and advances**		
	Unsecured, Considered Good		
	Security deposits	**1.65**	1.65
	Other deposits	**10.44**	10.44
	Balances with government authorities		
	- Service tax input and VAT credit receivables	**127.94**	38.31
	Advance tax and tax deducted at source (net of provision)	**1,073.94**	1,043.29
	MAT credit entitlement	**3,667.25**	2,423.24
	Total	**4,881.22**	3,516.93
12	**Inventories (At cost or net realisable value, whichever is lower)**		
	Stock-in-Trade		
	Real estate (Pending registration in the name of the Company) (Refer Note 34)	**1,201.80**	1,201.80
	Total	**1,201.80**	1,201.80
13	**Trade receivables**		
	Unsecured, Considered Good		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment	**1,487.69**	1,097.12
	Other trade receivables	**33.34**	255.13
	Total	**1,521.03**	1,352.25
14	**Cash and bank balances**		
	Cash and Cash Equivalents		
	Cash on hand	**0.15**	0.23
	Balance with Banks		
	- Current accounts	**32.67**	71.13
	- Deposits	**2.44**	2.20
	Other Bank Balance		
	Unpaid dividend accounts	**21.13**	61.55
	Total	**56.39**	135.11

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
15 Short-term loans and advances		
Secured, Considered Good		
a) Loans and advances to related parties (Refer Note 28)		
- Inter-corporate deposits	**–**	5,295.00
Unsecured, Considered Good		
a) Loans and advances to related parties (Refer Note 28)		
- Inter-corporate deposits	**15,190.00**	43,473.00
b) Prepaid expenses	**2.52**	2.56
c) Balances with government authorities		
- Service tax input credit receivables	**–**	36.40
d) Other receivables	**0.39**	0.29
Total	**15,192.91**	48,807.25
16 Other current assets		
Interest accrued on inter-corporate deposits	**–**	189.73
Interest accrued on fixed deposits	**0.01**	0.06
Total	**0.01**	189.79

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
17 Revenue from operations		
Sale of services		
- Sub broking income	**12.62**	0.48
- Lease income - optical fibre cable	**218.66**	437.30
Other operating revenues		
Interest		
- On inter-corporate deposits	**3,190.68**	2,483.80
- On deposits with bank	**0.22**	0.18
Dividend		
- Non-current investments non-trade	**199.36**	296.21
- Current investments non-trade	**4.74**	6.47
Gain on sale of non-current investments (net) - non-trade	**7,016.78**	6,128.63
Total	**10,643.06**	9,353.07
18 Other income		
Miscellaneous income	**5.51**	0.40
Sundry credit balances written back	**5.29**	–
Gains on foreign currency (net)	**–**	0.32
Comfort letter fees	**–**	98.63
Total	**10.80**	99.35
19 Employee benefits expenses		
Salary and other benefits	**290.76**	241.76
Contribution to employees' provident and other funds	**14.31**	14.06
Gratuity	**(0.11)**	6.62
Staff welfare	**3.71**	1.92
Total	**308.67**	264.36
20 Depreciation and amortisation expenses		
- Tangible assets	**16.35**	15.82
- Assets given on operating lease	**232.23**	232.22
- Intangible assets	**2.21**	1.56
Total	**250.79**	249.60

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
21 Other expenses		
Rent	**87.52**	87.52
Repairs and maintenance others	**59.50**	37.02
Insurance charges	**6.15**	5.50
Rates and taxes	**42.58**	42.75
Directors' sitting fees	**7.20**	8.00
Auditors' remuneration (net of service tax input credit)		
a) Statutory auditors		
- Statutory audit	**23.10**	22.00
- For other services - certification work	**0.20**	–
- For reimbursement of expenses	**0.45**	0.41
b) Cost auditors		
- Cost audit	**0.58**	–
Advertisement and business promotion	**13.41**	13.97
Communication expenses	**7.57**	7.02
Travelling expenses	**57.95**	61.09
Professional fees	**891.41**	157.89
Motor car expenses	**23.23**	16.39
Donations	**100.00**	100.00
Loss on foreign currency (net)	**0.99**	–
Bad debts	**–**	5.00
Loss on scrapped assets	**0.60**	1.60
Loss (net) from trading of index stock futures	**–**	2.40
Miscellaneous expenses	**19.03**	18.51
Total	**1,341.47**	587.07

22 (A) Contingent liabilities in respect of:

(₹ in Lacs)

Sr. No.	Particulars	As at 31.03.2014	As at 31.03.2013
i.	Income Tax matters against which the Company has filed appeals / objections. (Refer Note 1 below).	14,229.00	20,749.21
ii.	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 25th November, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	867.12	867.12

Notes:

1. Includes an amount of ₹ 12,209.79 (in Lacs) [Previous Year - ₹ 18,274.29 (in Lacs)] being disputed income tax liabilities pertaining to IT / ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT / ITES business sanctioned by High Court of Judicature of Bombay and made effective on 7th March, 2007. In respect of the aforesaid disputed dues, an amount of ₹ 6,069.41 (in Lacs) [Previous Year - ₹ 4,397.12 (in Lacs)] has been deposited by the Company with income tax authorities under protest. The Company has received ₹ 5,550.00 (in Lacs) [Previous Year - ₹ 3,750.00 (in Lacs)] upto 31st March, 2014 from Hinduja Global Solutions Limited to discharge part payment of disputed income tax liabilities pertaining to IT / ITES business, which is netted from advance tax and tax deducted at source (net of provisions).
2. With respect to the above, the Company does not expect any outflow of cash / resources.

(B) Other commitments:

a) IDL Speciality Chemicals Limited ('IDL'), a wholly owned subsidiary of the Company has outstanding Non–convertible debentures ('NCD') of ₹ 7,500 Lacs [Previous Year - ₹ 25,000 Lacs] redeemable at the end of 18 months from the date of allotment. The Company has provided pledge of its investment of 9,00,000 shares in IndusInd Bank Limited and also a shortfall undertaking to the debenture trustee, that in the event of default by the subsidiary in redeeming the said debentures, the Company shall meet the shortfall, if any, to the investors of NCD.

b) IDL Speciality Chemicals Limited ('IDL'), a wholly owned subsidiary of the Company has during the year availed the Loan against share facility of ₹ 5,000 Lacs from Axis Finance Limited ('AFL') repayable at the end of 12 months from the date of disbursement. The Company has provided pledge of its investment of 9,65,000 shares in IndusInd Bank Limited. The Company has given shortfall undertaking to pay all amounts due and payable in relation to the loan in case IDL fails to do so and also given a non-disposal undertaking of its shareholding in IDL.

c) IN Entertainment (India) Limited ('INEL'), an associate of the Company has during the year availed the Loan against share facility of ₹ 4,500 Lacs from Axis Finance Limited ('AFL') repayable at the end of 12 months from the date of disbursement. The Company has also given shortfall undertaking to pay all amounts due and payable in relation to the loan in case INEL fails to do so.

d) The Company has given an undertaking to various banks to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited ('IMCL') until all amounts outstanding under various Facility Agreements entered into by IMCL with the said banks are repaid in full by IMCL.

23 Earnings per equity share

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Profit attributable to equity shareholders (₹ in Lacs)	**8,202.97**	**7,674.58**
Number of equity shares outstanding during the year		
- For Basic and Diluted earnings per share (nos.)	**20,555,503**	**20,555,503**
Nominal value of equity shares (₹)	**10.00**	**10.00**
Basic and Diluted earnings per share (₹)	**39.91**	**37.34**

24 Details of traded goods under broad heads:

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

(₹ in Lacs)

Traded goods	Unit	Opening stock (A)	Purchases (B)	Sales (C)	Closing stock (D)	Net income for the year (A+B-C-D)
Stock / Index Futures	Value	**–** (–)	– (10,451.29)	**–** (10,448.89)	**–** (–)	– (2.40)
Real estate	Value	**1,201.80** (1,201.80)	**–** (–)	**–** (–)	**1,201.80** (1,201.80)	**–** (–)

Notes: Figures in brackets are in respect of the previous year.

25 Operating leases

a) Where the Company is a lessee:

The Company has entered into cancellable leasing arrangement relating to office premises extending upto a maximum of five years from the respective date of inception which are renewable on mutual consent. Lease rental of ₹ 87.52 (in Lacs) [Previous Year - ₹ 87.52 (in Lacs)] has been included in 'Rent' - Refer Note 21 of the financial statements.

b) Where the Company is a lessor:

The Company has given optical fibre cable under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. With effect from October 1, 2013 the agreement is temporarily suspended by mutual consent. The lease income recognised in the Statement of Profit and Loss under lease income - optical fibre cable of ₹ 218.66 (in Lacs) [Previous Year - ₹ 437.30 (in Lacs)] - Refer Note 17 of the financial statements.

26 MAT credits

The Company has recognised Minimum Alternate Tax (MAT) credit as per the provisions of section 115JAA of the Income Tax Act, 1961 in the current year, which can be carried forward for a period of ten years and set-off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by subsequent performance of the Company and subsisting business, which will ensure availability of sufficient future taxable income against which the above MAT credit will be adjusted.

27 Segment reporting

Primary Segment

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

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

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

III. **Investments and 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 "Unallocated corporate 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 corporate assets / liabilities".

Secondary Segment

There is no reportable Geographical Segment.

Business Segments

(₹ in Lacs)

Sr. No.	Particulars	Media and communications		Real estate		Investments and Treasury		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Segment Revenue	**218.66**	437.30	**0.80**	0.40	**10,429.11**	8,915.77	**10,648.57**	9,353.47
	Add: Other income							**5.29**	98.95
								10,653.86	9,452.42
2	Segment Results	**(956.78)**	59.45	**(102.49)**	(100.24)	**9,923.79**	8,399.95	**8,864.52**	8,359.16
	Add: Other income							**5.29**	98.95
	Less: Unallocated corporate expenses							**(116.88)**	(106.72)
	Total Profit Before Tax							**8,752.93**	8,351.39
3	Capital Employed								
	Segment Assets	**29,919.10**	9,648.69	**1,201.98**	1,201.98	**44,476.91**	60,996.15	**75,597.99**	71,846.82
	Add: Unallocated corporate assets							**5,010.16**	3,914.14
	Total Assets							**80,608.15**	75,760.96
	Segment Liabilities	**309.41**	13.02	**2.39**	2.96	**32.76**	28.12	**344.56**	44.10
	Add: Unallocated corporate liabilities							**4,133.02**	4,181.92
	Total Liabilities							**4,477.58**	4,226.02
	Segment capital employed	**29,609.69**	9,635.67	**1,199.59**	1,199.02	**44,444.15**	60,968.03	**75,253.43**	71,802.72
	Add: Unallocated capital employed							**877.14**	(267.78)
	Total Capital Employed							**76,130.57**	71,534.94
4	Capital Expenditure	**–**	–	**–**	–	**25.10**	6.05	**25.10**	6.05
5	Depreciation and Amortisation	**232.23**	232.22	**–**	–	**18.56**	17.38	**250.79**	249.60
6	Significant Non Cash Expenditure	**–**	5.00	**–**	–	**1.59**	1.60	**1.59**	6.60

Notes:

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

28 Related party disclosures (as identified by the Management)

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Subsidiaries

A) Direct Subsidiaries

1. IndusInd Media & Communications Limited
2. Grant Investrade Limited
3. IDL Speciality Chemicals Limited

B) Indirect Subsidiaries

1. USN Networks Private Limited
2. Gold Star Noida Network Private Limited
3. Seven Star Information Technology Private Limited
4. Bhima Riddhi Infotainment Private Limited
5. United Mysore Network Private Limited
6. Apna Incable Broadband Services Private Limited
7. Sangli Media Services Private Limited
8. Sainath In Entertainment Private Limited
9. Sunny Infotainment Private Limited
10. Goldstar Infotainment Private Limited
11. Ajanta Sky Darshan Private Limited
12. V4U Entertainment Private Limited
13. Darpita Trading Company Private Limited
14. RBL Digital Cable Network Private Limited
15. Vistaar Telecommunication and Infrastructure Private Limited
16. Jagsumi Perspectives Private Limited
17. Advance Multisystem Broadband Communications Limited

III. Associates

1. Planet E-Shop Holdings India Limited
2. IN Entertainment (India) Limited

IV. Key Management Personnel

1. Mr. Ashok Mansukhani, Whole-Time Director (effective from 30th April, 2012)
2. Mr. Dilip Panjwani, Director and Company Secretary (upto 30th April, 2012)

V. Enterprises where common control exists

1. Hinduja Group Limited (formerly known as Aasia Management and Consultancy Private Limited)
2. Aasia Advisory Services Limited (formerly known as Hinduja Group India Limited)
3. Hinduja Realty Ventures Limited
4. Hinduja Global Solutions Limited
5. APDL Estates Limited
6. Hinduja National Power Corporation Limited
7. Hinduja Energy (India) Limited

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

(₹ in Lacs)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Interest Income						
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	133.60 [141.06]	133.60 [141.06]
Grant Investrade Limited	– [–]	146.58 [–]	– [–]	– [–]	– [–]	146.58 [–]
Hinduja Energy (India) Limited	– [–]	– [–]	– [–]	– [–]	0.11 [0.21]	0.11 [0.21]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	0.36 [983.16]	0.36 [983.16]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	439.02 [778.50]	439.02 [778.50]
IDL Speciality Chemicals Limited	– [–]	2,471.02 [–]	– [–]	– [–]	– [–]	2,471.02 [–]
IndusInd Media & Communications Limited	– [–]	– [33.67]	– [–]	– [–]	– [–]	– [33.67]
IN Entertainment (India) Limited	– [–]	– [–]	– [521.27]	– [–]	– [–]	– [521.27]
Total	**–** [–]	**2,617.60** [33.67]	**–** [521.27]	**–** [–]	**573.09** [1,902.93]	**3,190.69** [2,457.87]
Lease Charges						
IndusInd Media & Communications Limited	– [–]	218.66 [437.30]	– [–]	– [–]	– [–]	218.66 [437.30]
Total	**–** [–]	**218.66** [437.30]	**–** [–]	**–** [–]	**–** [–]	**218.66** [437.30]
Other Income						
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	– [98.63]	– [98.63]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [98.63]	**–** [98.63]
Reimbursement of Expenses from Other Companies						
IndusInd Media & Communications Limited	– [–]	21.73 [–]	– [–]	– [–]	– [–]	21.73 [–]
Total	**–** [–]	**21.73** [–]	**–** [–]	**–** [–]	**–** [–]	**21.73** [–]
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	– [–]	– [–]	– [–]	– [–]	0.15 [0.10]	0.15 [0.10]
Hinduja Group Limited	– [–]	– [–]	– [–]	– [–]	4.86 [–]	4.86 [–]
IndusInd Media & Communications Limited	– [–]	2.46 [2.50]	– [–]	– [–]	– [–]	2.46 [2.50]

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:

(₹ in Lacs)

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
IN Entertainment (India) Limited	– [–]	– [–]	0.17 [0.38]	– [–]	– [–]	0.17 [0.38]
Total	**–** [–]	**2.46** [2.50]	**0.17** [0.38]	**–** [–]	**5.01** [0.10]	**7.64** [2.98]
Professional Fees						
Aasia Advisory Services Limited	– [–]	– [–]	– [–]	– [–]	133.71 [130.34]	133.71 [130.34]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [9.97]	– [9.97]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**133.71** [140.31]	**133.71** [140.31]
Rent /Service Charges						
Hinduja Group Limited	– [–]	– [–]	– [–]	– [–]	87.38 [87.38]	87.38 [87.38]
IndusInd Media & Communications Limited	– [–]	8.81 [8.81]	– [–]	– [–]	– [–]	8.81 [8.81]
Total	**–** [–]	**8.81** [8.81]	**–** [–]	**–** [–]	**87.38** [87.38]	**96.19** [96.19]
Purchase of Fixed Assets						
IN Entertainment (India) Limited	– [–]	– [–]	1.40 [2.67]	– [–]	– [–]	1.40 [2.67]
Total	**–** [–]	**–** [–]	**1.40** [2.67]	**–** [–]	**–** [–]	**1.40** [2.67]
Managerial Remuneration						
Mr. Ashok Mansukhani, Whole-Time Director (effective from 30-04-2012)	– [–]	– [–]	– [–]	66.33 [70.39]	– [–]	66.33 [70.39]
Mr. Dilip Panjwani, Director and Company Secretary (upto 30-04-2012)	– [–]	– [–]	– [–]	– [8.12]	– [–]	– [8.12]
Total	**–** [–]	**–** [–]	**–** [–]	**66.33** [78.51]	**–** [–]	**66.33** [78.51]
Inter-Corporate Deposits/ Loans Given						
Grant Investrade Limited	– [–]	4,057.30 [16,253.00]	– [–]	– [–]	– [–]	4,057.30 [16,253.00]
Hinduja Energy (India) Limited	– [–]	– [–]	– [–]	– [–]	– [300.00]	– [300.00]
Hinduja National Power Corporation Limited	– [–]	– [–]	– [–]	– [–]	1,000.00 [25,136.00]	1,000.00 [25,136.00]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	28,190.00 [32,915.00]	28,190.00 [32,915.00]
IDL Speciality Chemicals Limited	– [–]	4,415.00 [20,545.00]	– [–]	– [–]	– [–]	4,415.00 [20,545.00]

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:

(₹ in Lacs)

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
IndusInd Media & Communications Limited	–	–	–	–	–	–
	[–]	[2,980.00]	[–]	[–]	[–]	[2,980.00]
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[–]	[7,860.00]	[–]	[–]	[7,860.00]
Total	**–**	**8,472.30**	**–**	**–**	**29,190.00**	**37,662.30**
	[–]	[39,778.00]	[7,860.00]	[–]	[58,351.00]	[105,989.00]
Inter Corporate Deposits Received Back						
APDL Estates Limited	–	–	–	–	1,285.00	1,285.00
	[–]	[–]	[–]	[–]	[–]	[–]
Grant Investrade Limited (Refer note B)	–	22,812.30	–	–	–	22,812.30
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja Energy (India) Limited	–	–	–	–	300.00	300.00
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja National Power Corporation Limited	–	–	–	–	1,000.00	1,000.00
	[–]	[–]	[–]	[–]	[27,636.00]	[27,636.00]
Hinduja Realty Ventures Limited	–	–	–	–	33,485.00	33,485.00
	[–]	[–]	[–]	[–]	[37,320.00]	[37,320.00]
IDL Speciality Chemicals Limited	–	12,358.00	–	–	–	12,358.00
	[–]	[12,180.00]	[–]	[–]	[–]	[12,180.00]
IndusInd Media & Communications Limited	–	–	–	–	–	–
	[–]	[2,980.00]	[–]	[–]	[–]	[2,980.00]
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[–]	[14,610.00]	[–]	[–]	[14,610.00]
Total	**–**	**35,170.30**	**–**	**–**	**36,070.00**	**71,240.30**
	[–]	[15,160.00]	[14,610.00]	[–]	[64,956.00]	[94,726.00]
Inter Corporate Deposits Receivable as at the Year-end						
APDL Estates Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[1,285.00]	[1,285.00]
Grant Investrade Limited	–	–	–	–	–	–
	[–]	[18,755.00]	[–]	[–]	[–]	[18,755.00]
Hinduja Energy (India) Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[300.00]	[300.00]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[5,295.00]	[5,295.00]
IDL Speciality Chemicals Limited	–	151,900.00	–	–	–	151,900.00
	[–]	[23,133.00]	[–]	[–]	[–]	[23,133.00]
Total	**–**	**151,900.00**	**–**	**–**	**–**	**151,900.00**
	[–]	[41,888.00]	[–]	[–]	[6,880.00]	[48,768.00]

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:

(₹ in Lacs)

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
Trade Receivables						
Hinduja National Power Corporation Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[99.74]	[99.74]
IndusInd Media & Communications Limited	–	1,501.62	–	–	–	1,501.62
	[–]	[1,252.20]	[–]	[–]	[–]	[1,252.20]
Total	**–**	**1,501.62**	**–**	**–**	**–**	**1,501.62**
	[–]	[1,252.20]	[–]	[–]	[99.74]	[1,351.94]
Trade Payables						
Mr. Ashok P. Hinduja	38.85	–	–	–	–	38.85
	[46.87]	[–]	[–]	[–]	[–]	[46.87]
Aasia Advisory Services Limited	–	–	–	–	4.55	4.55
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[0.11]	[0.11]
Total	**38.85**	**–**	**–**	**–**	**4.55**	**43.40**
	[46.87]	[–]	[–]	[–]	[0.11]	[46.98]
Other Current Assets						
Hinduja Energy (India) Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[0.19]	[0.19]
Hinduja National Power Corporation Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[189.54]	[189.54]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[–]	[–]	[–]	[189.73]	[189.73]
Amount received related to Income Tax matters						
Hinduja Global Solutions Limited	–	–	–	–	5,550.00	5,550.00
	[–]	[–]	[–]	[–]	[3,750.00]	[3,750.00]
Total	**–**	**–**	**–**	**–**	**5,550.00**	**5,550.00**
	[–]	[–]	[–]	[–]	[3,750.00]	[3,750.00]
Comfort Letter / Shortfall Undertaking						
Hinduja National Power Corporation Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[40,000.00]	[40,000.00]
IDL Speciality Chemicals Limited	–	12,500.00	–	–	–	12,500.00
	[–]	[25,000.00]	[–]	[–]	[–]	[25,000.00]
IndusInd Media & Communications Limited	–	87,200.00	–	–	–	87,200.00
	[–]	[45,000.00]	[–]	[–]	[–]	[45,000.00]
IN Entertainment (India) Limited	–	–	4,500.00	–	–	4,500.00
	[–]	[–]	[7,500.00]	[–]	[–]	[7,500.00]
Total	**–**	**99,700.00**	**4,500.00**	**–**	**–**	**104,200.00**
	[–]	[70,000.00]	[7,500.00]	[–]	[40,000.00]	[117,500.00]

Notes forming part of the Financial Statements for the year ended 31st March, 2014

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:

(₹ in Lacs)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Purchase of Investments / Investment subscribed						
Grant Investrade Limited	–	18,711.00	–	–	–	18,711.00
	[–]	[–]	[–]	[–]	[–]	[–]
Preference share of Grant Investrade Limited (Refer note B)	–	30,000.00	–	–	–	30,000.00
	[–]	[–]	[–]	[–]	[–]	[–]
Preference share of IndusInd Media & Communications Limited	–	10,000.00	–	–	–	10,000.00
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**58,711.00**	**–**	**–**	**–**	**58,711.00**
	[–]	[–]	[–]	[–]	[–]	[–]
Sale/ Redemption of Investments						
Hinduja Group Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[1,442.05]	[1,442.05]
Preference share of Grant Investrade Limited	–	20,000.00	–	–	–	20,000.00
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**20,000.00**	**–**	**–**	**–**	**20,000.00**
	[–]	[–]	[–]	[–]	[1,442.05]	[1,442.05]
Investments as at the Year-end						
Equity share of Grant Investrade Limited	–	435.31	–	–	–	435.31
	[–]	[235.31]	[–]	[–]	[–]	[235.31]
Equity share of Hinduja Energy (India) Limited	–	18,711.00	–	–	–	18,711.00
	[–]	[–]	[–]	[–]	[–]	[–]
Equity share of IDL Speciality Chemicals Limited	–	210.00	–	–	–	210.00
	[–]	[210.00]	[–]	[–]	[–]	[210.00]
Equity share of IndusInd Media & Communications Limited	–	6,508.86	–	–	–	6,508.86
	[–]	[6,508.86]	[–]	[–]	[–]	[6,508.86]
Preference share of Grant Investrade Limited	–	10,000.00	–	–	–	10,000.00
	[–]	[–]	[–]	[–]	[–]	[–]
Preference share of IndusInd Media & Communications Limited	–	10,000.00	–	–	–	10,000.00
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**45,865.17**	**–**	**–**	**–**	**45,865.17**
	[–]	[6,954.17]	[–]	[–]	[–]	[6,954.17]
Dividend Paid						
Mr. Ashok P. Hinduja	99.56	–	–	–	–	99.56
	[233.27]	[–]	[–]	[–]	[–]	[233.27]
Aasia Management and Consultancy Private Limited (now known as Hinduja Group Limited)	–	–	–	–	1,369.05	1,369.05
	[–]	[–]	[–]	[–]	[1,350.71]	[1,350.71]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[18.34]	[18.34]
Total	**99.56**	**–**	**–**	**–**	**1,369.05**	**1,468.61**
	[233.27]	[–]	[–]	[–]	[1,369.05]	[1,602.32]

Note: A. Figures in brackets are in respect of the previous year.

B. During the year the Company has converted an amount of ₹ 20,000.00 lacs of Inter Corporate Deposits into 1% Participatory Redeemable Non-Cumulative preference shares of ₹ 10 each at a premium of ₹ 990/- per share.

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

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

I Defined Contribution Plans

a) Provident fund

b) State defined contribution plans

i) Employer's contribution to employees' state insurance

ii) Employer's contribution to employees' pension scheme 1995

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
- Employers' contribution to provident fund [Includes EDLI charges and employers' contribution to employee's pension scheme 1995] *	**14.17**	13.81
- Employers' contribution to employees' state insurance *	**0.14**	0.25

* Included in contribution to employees provident and other funds – Refer Note 19 of the financial statements.

II Defined Benefit Plan

Gratuity

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

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Discount rate (per annum)	**9.31%**	8.25%
Rate of increase in compensation levels	**6%**	6%
Rate of return on plan assets	**Not Applicable**	Not Applicable

A) Changes in the Present Value of Obligation

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
	Unfunded	**Unfunded**
Present value of obligation as at the beginning of the year	**18.04**	19.04
Interest cost	**1.59**	1.51
Current service cost	**1.25**	2.07
Transfers*	**–**	(7.62)
Benefits paid	**–**	–
Actuarial (gain) / loss on obligations	**(2.95)**	3.04
Present Value of Obligation at the end of the year	**17.93**	18.04

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

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

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Present value of unfunded obligation at the end of the year	**(17.93)**	(18.04)
Unrecognised actuarial (gains) / losses	**–**	–
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	**(17.93)**	(18.04)

* Included in provisions – Refer Note 5 & 8 of the financial statements.

C) Amount Recognised in the Balance Sheet

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Present value of obligation at the end of the year	**(17.93)**	(18.04)
Liability recognised in the Balance Sheet*	**(17.93)**	(18.04)

* Included in provisions – Refer Note 5 & 8 of the financial statements.

D) Expenses Recognised in the Statement of Profit and Loss

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Current service cost	**1.25**	2.07
Interest cost	**1.59**	1.51
Net actuarial (gain) / loss recognised in the year	**(2.95)**	3.04
Total Expenses recognised in the Statement of Profit and Loss *	**(0.11)**	6.62

* Included in employee benefits expenses - Refer Note 19 of the financial statements.

E) Other Information

(₹ in Lacs)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
Present value of obligation at the end of the year	**17.93**	18.04	19.04	41.21	34.21
Experience adjustments on plan liabilities – (gain) / loss	**(2.95)**	3.04	1.88	(3.55)	(1.52)

The liability for leave encashment and compensated absences as at 31st March, 2014 aggregates ₹ 6.21 (in Lacs) [Previous Year - ₹ 10.48 (in Lacs)].

The estimates of future salary increases considered in actuarial valuation, take account of Inflation, seniority, promotion, and other relevant factor, such as supply and demand in the employment market.

30 Expenditure in foreign exchange

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Foreign travels	**11.02**	4.84

31 Unhedged foreign currency exposure

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as given below:

Amount payable in foreign currency on account of the following:

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
	₹ (in lacs)	USD (in lacs)	₹ (in lacs)	USD (in lacs)
Creditors for services	**10.44**	**0.17**	9.45	0.17

32 Dividend remitted in foreign currency

(₹ in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Amount remitted	**417.14**	417.29
Dividend related to financial year	**2012-13**	2011-12
Number of non-resident shareholders	**14**	15
Number of shares	**2,780,962**	2,781,962

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

(₹ in Lacs)

Name of the Company	Relationship	Balance		Maximum balance outstanding	
		31.03.2014	31.03.2013	2013-14	2012-13
IndusInd Media & Communications Limited	Subsidiary	**Nil**	Nil	**Nil**	1,640.00
IDL Speciality Chemicals Limited	Subsidiary	**15,190.00**	23,133.00	**25,548.00**	23,133.00
Grant Investrade Limited	Subsidiary	**Nil**	18,755.00	**20,017.30**	18,755.00
IN Entertainment (India) Limited	Associate	**Nil**	Nil	**Nil**	7,485.00

- Loans and advances, in the nature of loans to subsidiaries and associates as shown above are repayable on demand.
- There are no other loans and advances in the nature of loans where there is no repayment schedule.
- Loans and advances to employees and investment by such employees in the shares of the Company, if any are excluded from the above disclosure.

34 As part of its Real estate activity the Company acquired approximately 47 acres of land in Bengaluru from a party in terms of an Agreement to sell. However in view of the fact that the said party, though is in receipt of sales consideration, has not fulfilled his part of the obligation by transferring the title to the said land in the name of the Company, the Company has filed a suit in a civil court in Bengaluru for specific performance of the Agreement of sale so as to have proper conveyance to the said property in favour of the Company.

35 The Company had obtained registration as a sub-broker of the National Stock Exchange of India Limited and Bombay Stock Exchange Limited from Securities and Exchange Board of India. The Company is engaged in the activity of sub-broking during the year. In the opinion of the Management and based on a legal opinion, the Company is not considered as a Non-Banking Financial Company as per the guidelines issued by Reserve Bank of India.

36 Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date :29th May, 2014

Independent Auditors' Report

To the Members of Hinduja Ventures Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HINDUJA VENTURES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

R. Laxminarayan
Partner
Membership No. 33023

Place: Mumbai
Date : 29th May, 2014

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Hinduja Ventures Limited for the year ended 31st March, 2014)

Having regard to the nature of the Company's business / activities / results during the year, clause (xiii) of paragraph 4 of the Order is not applicable to the Company.

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventory:

a) As explained to us, the inventory (real estate) were physically verified by the Management at the year-end.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us, no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the said Register.

In view of what has been stated above, sub clause (b) of clause (v) of paragraph 4 of the order is not applicable to the Company for the year.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, are not applicable to the Company.

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

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and [The Cost Accounting Records (Telecommunication Industry) Rules, 2011] prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Annexure to the Independent Auditors' Report

(ix) According to the information and explanations given to us in respect of statutory dues:

a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount involved (₹ in Lacs)	Forum where Dispute is pending
The Income Tax Act, 1961	Matters in Appeal for the Assessment Years 1994-1995, 1995-1996, 1996-1997, 1999- 2000 and 2000-2001	**200.35**	High Court of Judicature at Bombay
	Matters in Appeal for the Assessment Years 2002-2003, 2003-2004, 2004-2005, 2005-06 and 2006-07	**4,690.21**	Income Tax Appellate Tribunal, Mumbai
	Matters in Appeal for the Assessment Years 2001-02, 2007-2008 and 2009-10	**4,271.84**	Commissioner of Income Tax (Appeals)
Total		**9,162.40***	

* includes an amount of ₹ 6,140.39 lacs pertaining to IT/ ITES business which is reimbursable by Hinduja Global Solutions Limited as stated in footnote 1 to Note 22 (A) of the Financial Statements.

(x) The Company has no accumulated losses as at 31st March, 2014 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) According to the information and explanations given to us, there were no dues payable by the Company to financial institutions, banks and debenture holders during the year. Therefore, the provisions of paragraph 4 (xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares. The Company has not granted any loans and advances on the basis of security by way of pledge of debentures and other securities.

(xiii) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name, other than those securities for which exemption has been granted under Section 49 of the Companies Act, 1956.

(xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no term loans availed during the year. Hence clause (xvi) of paragraph 4 of the said Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.

Annexure to the Independent Auditors' Report

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Hence clause (xviii) of paragraph 4 of the said Order is not applicable to the Company.

(xviii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not issued any debentures during the year. Hence clause (xix) of paragraph 4 of the said Order is not applicable to the Company.

(xix) According to the information and explanations given to us, the Company has not raised any money by public issue during the year. Hence, clause (xx) of paragraph 4 of the Order is not applicable to the Company for the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

R. Laxminarayan
Partner
Membership No. 33023

Place : Mumbai
Date : 29th May, 2014

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

(₹ in Lacs)

Name of the Subsidiary Company	Holding Company	Extent of Holding Company's Interest	Face Value of Equity Shares held by the Holding Company	Number of shares held by Holding Company	Net Aggregate amount of Subsidiary Company's Profit / (Loss) so far as not dealt with in the Company's Accounts	Net Aggregate amount of Subsidiary Company's Profit / (Loss) so far as not dealt with in the Company's Accounts for previous financial years since it became Company's Subsidiary
1	2	3	4	5	6	7
IndusInd Media and Communications Limited (IMCL)*	Hinduja Ventures Limited	61.71%	10/-	41,455,683	(6,793.65)	(3,031.41)
Grant Investrade Limited	Hinduja Ventures Limited	100.00%	10/-	6,154,902	23.30	19.89
IDL Speciality Chemicals Limited	Hinduja Ventures Limited	100.00%	10/-	10,000,000	(2.96)	(2,345.85)
USN Networks Private Limited	IndusInd Media and Communications Limited	99.96%	100/-	4,998	(85.08)	(96.60)
United Mysore Network Private Limited	IndusInd Media and Communications Limited	95.91%	100/-	29,218	(206.11)	(107.38)
Seven Star Information Technology Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	2,182,800	(115.45)	(87.45)
Bhima Riddhi Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	520,400	48.43	60.37
Gold Star Noida Network Private Limited	IndusInd Media and Communications Limited	100.00%	10/-	2,620,000	(169.20)	(144.04)
Apna Incable Broadband Services Private Limited	IndusInd Media and Communications Limited	66.71%	10/-	1,157,500	(30.44)	(64.29)
Sangli Media Services Private Limited	IndusInd Media and Communications Limited	51.00%	1/-	5,204,100	30.01	(26.61)
Sainath In Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	255,000	(120.89)	(33.39)
Sunny Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	76,500	(80.92)	(44.81)
Goldstar Infotainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	(131.63)	(16.49)
Ajanta Sky Darshan Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,200	(18.50)	(12.41)
V4U Entertainment Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	(33.10)	(18.83)
Darpita Trading Company Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	374,000	(119.73)	2.16
RBL Digital Cable Network Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	51,000	(44.72)	(22.88)
Vistaar Telecommunication and Infrastructure Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	10,410	(39.92)	(24.32)
Jagsumi Perspectives Private Limited	IndusInd Media and Communications Limited	51.00%	10/-	405,517	(42.50)	(2.83)
Advance Multisystem Broadband Communication Limited	IndusInd Media and Communications Limited	51.00%	10/-	425,382	(211.42)	(130.47)

* Hinduja Ventures Limited directly holds 56.09% of IMCL and Grant Investarde Limited holds 5.62% of IMCL's paid-up equity share capital.

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Consolidated Financial Statements

Consolidated Balance Sheet
as at 31st March, 2014

(₹ in Lacs)

	Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	Share capital	2	**2,055.55**	2,055.55
	Reserves and surplus	3	**76,240.84**	79,828.09
			78,296.39	81,883.64
2	**MINORITY INTEREST**		**10,249.59**	15,929.38
3	**NON-CURRENT LIABILITIES**			
	Long-term borrowings	4	**62,923.10**	63,885.20
	Deferred tax liabilities (net)	5	**369.78**	2,619.42
	Other Long term liabilities	6	**390.00**	–
	Long-term provisions	7	**262.36**	297.71
			63,945.24	66,802.33
4	**CURRENT LIABILITIES**			
	Short-term borrowings	8	**11,753.18**	415.32
	Trade payables	9	**14,287.02**	12,472.32
	Other current liabilities	10	**17,897.95**	21,198.56
	Short-term provisions	11	**4,143.98**	4,077.95
			48,082.13	38,164.15
	TOTAL		**200,573.35**	202,779.50
II	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	Fixed Assets	12		
	(i) Tangible assets		**53,063.83**	46,480.29
	(ii) Intangible assets		**3,805.86**	4,003.01
			56,869.69	50,483.30
	(iii) Capital work-in-progress		**3,829.54**	11,222.32
			60,699.23	61,705.62
	Goodwill arising on consolidation		**3,481.44**	3,481.44
	Non-current investments	13	**30,529.12**	32,018.98
	Deferred tax assets (net)	14	**2,571.17**	–
	Long-term loans and advances	15	**10,667.98**	7,572.77
	Other non-current assets	16	**315.05**	1,632.91
			108,263.99	106,411.72
2	**CURRENT ASSETS**			
	Inventories	17	**42,390.99**	46,366.49
	Trade receivables	18	**35,928.31**	30,760.68
	Cash and bank balances	19	**5,627.86**	4,908.45
	Short-term loans and advances	20	**6,636.87**	13,138.54
	Other current assets	21	**1,725.33**	1,193.62
			92,309.36	96,367.78
	TOTAL		**200,573.35**	202,779.50

See accompanying notes 1 to 50 forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2014

(₹ in Lacs)

	Particulars	Note No.	Year ended 31.03.2014	Year ended 31.03.2013
I	**INCOME**			
	Revenue from operations	22	**76,660.23**	69,687.62
	Other income	23	**688.37**	508.54
	Total Revenue		**77,348.60**	70,196.16
II	**EXPENSES**			
	Purchase of network cables & equipments		**451.18**	2,442.45
	Changes in inventories of stock-in-trade	24	**91.34**	(55.34)
	Direct cost and operating expenses	25	**29,346.96**	24,402.64
	Employee benefits expenses	26	**4,648.34**	4,328.05
	Finance costs	27	**12,029.99**	4,513.74
	Depreciation and amortisation expenses	28	**12,184.31**	6,741.44
	Other expenses	29	**28,399.88**	16,364.76
	Total Expenses		**87,152.00**	58,737.74
III	**(Loss)/Profit before tax and minority interest**		**(9,803.40)**	11,458.42
IV	**Tax expenses**			
	- Current tax		**1,910.81**	3,075.06
	- MAT credit entitlement		**(1,248.23)**	(971.00)
	- Deferred tax (credit)/ charge		**(4,820.80)**	662.06
	- Short provision for earlier year		**14.52**	18.05
V	**(Loss)/ Profit after tax**		**(5,659.70)**	8,674.25
	Less: Minority interest		**(5,679.79)**	652.03
VI	**Profit for the year from continuing operations**		**20.09**	8,022.22
	Earnings per equity share (Face value ₹ 10/- per share)			
	- Basic and Diluted	35	**0.10**	39.03

See accompanying notes 1 to 50 forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Consolidated Cash Flow Statement

for the year ended 31st March, 2014

(₹ in Lacs)

	Particulars		Year ended 31.03.2014		Year ended 31.03.2013
A	**Cash Flow from Operating Activities**				
	Net (Loss)/ Profit before tax		**(9,803.40)**		11,458.42
	Adjustments for:				
	Depreciation/ amortisation expenses		**12,184.31**	6,741.44	
	Interest earned on deposits/advances		**(223.15)**	(127.92)	
	Dividend - non-current investments		**(0.50)**	(0.51)	
	Bad debts written-off		**17,362.49**	6,335.99	
	Provision for doubtful debts/ advances		**1,991.41**	–	
	Provision no longer required written back		**(49.08)**	(12.94)	
	Sundry credit balance written back		**(128.33)**	(38.62)	
	Loss on sale of fixed assets/ fixed assets written-off		**1.58**	4.40	
	Unrealised foreign exchange (Gain)/loss (net)		**(81.56)**	34.51	
	Profit on sale of investments (net)		**(7,016.78)**	(6,128.63)	
	Finance costs		**12,029.99**	4,513.74	
	Sundry balance written-off		**240.27**	230.27	
			36,310.65		11,551.73
	Operating profit before working capital changes		**26,507.25**		23,010.15
	Changes in working capital:				
	Trade payables		**1,992.11**	1,636.23	
	Short/ long-term provisions		**11.98**	45.11	
	Other non- current / current liabilities		**649.72**	967.97	
	Trade receivables		**(22,841.82)**	(20,533.36)	
	Inventories		**3,975.50**	(27,215.92)	
	Loans and advances		**3,892.69**	12,502.43	
			(12,319.82)		(32,597.54)
	Cash generated from/ (used in) operations		**14,187.43**		(9,587.39)
	Taxes paid (net of refunds)		**(4,260.14)**		(3,041.51)
	Net cash generated from/ (used in) operating activities	**(A)**	**9,927.29**		(12,628.90)
B	**Cash Flow from Investing Activities**				
	Purchase of tangible/intangible assets		**(10,906.03)**	(38,894.12)	
	Sale of intangible assets		**21.52**	27.91	
	Purchase consideration paid on acquisition of interest in subsidiaries		**–**	(932.00)	
	Purchase of non-current investments		**(20,829.21)**	(16,213.01)	
	Sale of non-current investments		**29,335.84**	12,919.10	
	Dividend - non-current investments		**0.50**	0.51	
	Interest income		**421.25**	(34.16)	
	(Other than treasury activities)		**(1,956.13)**		(43,125.77)
	Net cash generated from / (used in) investing activities	**(B)**	**(1,956.13)**		(43,125.77)

Consolidated Cash Flow Statement

for the year ended 31st March, 2014

(₹ in Lacs)

	Particulars		Year ended 31.03.2014		Year ended 31.03.2013
C	**Cash Flow from Financing Activities**				
	Proceeds/ (payments) of long-term borrowings (net)	**(5,043.17)**		70,102.85	
	Proceeds/ (payments) of short-term borrowings (net)	**11,337.86**		(4,333.73)	
	Finance cost paid	**(9,345.58)**		(6,447.14)	
	Dividend paid	**(3,123.75)**		(3,091.47)	
	Dividend distribution tax	**(524.01)**		(500.19)	
			(6,698.65)		55,730.32
	Net cash generated from / (used in) financing activities	**(C)**	**(6,698.65)**		55,730.32
	Net Increase / (Decrease) in cash and cash equivalents	**(A+B+C)**	**1,272.51**		(24.34)
	Cash and cash equivalents at the beginning of the year		**2,621.97**		2,570.10
	Cash and cash equivalents taken over pursuant to acquisition of subsidiaries		**–**		76.21
	Cash and cash equivalents at the end of the year		**3,894.48**		2,621.97
	Cash and cash equivalents comprises of:				
	Cash and cash equivalents comprises of:				
	Cash on hand		**148.80**		143.72
	Cheques on hand		**1,727.67**		1,509.55
	Balance with banks				
	Current accounts		**1,292.27**		1,277.96
	Deposits		**2,437.99**		1,915.67
	Unpaid dividend accounts		**21.13**		61.55
	Temporary overdrawn bank balances		**(1,340.12)**		(2,286.48)
	Total		**4,287.74**		2,621.97

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement.

2. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to figures of the current year.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

R. Laxminarayan
Partner

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date : 29th May, 2014

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2014

1. Significant accounting policies

a) Basis of Accounting

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entitiy (together the 'Group') are prepared under the historical cost convention in accordance with generally accepted accounting principles in India, applicable accounting standards and provisions of the Companies Act, 1956 ("The 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("The 2013 Act") in terms of General Circular 15/2013 dated 13th Sept 2013 of the Ministry of Corporate Affairs).

b) Principles of Consolidation

The Consolidated Financial Statements relate to Hinduja Ventures Limited (the 'Company'/ 'HVL'/ 'Parent') and its direct and indirect subsidiaries, associate Company and jointly controlled entity (collectively referred to as 'the Group'). The consolidated financial statements have been prepared using uniform accounting policies and on the following basis:

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and intra-group balances and resultant unrealised profits/ losses. The results of the subsidiary undertakings are accounted for in the Consolidated Statement of Profit & Loss from the effective date of acquisition.
- The excess of cost to the Company of its investment in the subsidiaries is recognised in the consolidated financial statements as Goodwill. The excess of the Company's portion of equity and reserves of the subsidiaries as at the time of its investment is treated as Capital Reserve.
- Investments of the Group in associates are accounted as per the Equity Method specified under Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- Goodwill arising on consolidation is not amortised but tested for impairment.
- Interests in a jointly controlled entity are reported using Proportionate Consolidation Method as per requirements of Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures.'
- The financial statements of the subsidiaries, jointly controlled entity and associate company used in the consolidated financial statements are consolidated from the date of the acquisition and are drawn up to the same reporting date as the Company.

c) Use of Estimates

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

d) Fixed Assets

Fixed assets are stated at cost of acquisition, which includes taxes and duties (net of cenvat), including any cost attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation.

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

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

Intangible assets are stated at cost of acquisition less amortisation.

e) 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 Statement of Profit and Loss. 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.

f) Depreciation and Amortisation

Tangible Assets

Depreciation is provided for fixed assets on straight-line method, on month basis, at rates prescribed under Schedule XIV of the Companies Act, 1956. Assets costing less than ₹ 5,000 each are depreciated fully in the year of acquisition. Set Top Boxes are depreciated over a period of five years on straight-line basis. Leasehold land is amortised over the balance period of lease in equal annual instalments. Leasehold Improvements are amortised over the primary period of lease.

Intangible Assets

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

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

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

g) Valuation of Stock-in-Trade

i) Securities and inventory consisting of cables, head-end equipments and other network items are valued at lower of cost and Fair Value/ Net Realisable Value. The cost of securities is computed by the "First in First Out" method and cost of cables, head-end equipments and other network items are computed on Weighted Average basis.

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

h) Valuation of Investments

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

Current investments are valued at lower of cost and fair value.

i) Revenue Recognition

i) Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

ii) Cable television transmission Income by way of subscription, advertisement, carriage fees and lease rentals are recognised on the basis of bills raised on direct subscribers, cable operators, or broadcasters for actual telecast and agreements with parties respectively.

iii) Subscription Income of internet services rendered is recognised on pro-rata basis over the period in which such services are rendered.

iv) Profits/ Losses from share trading are determined on the basis of the "First In First Out" method. Profits/ Losses from investment activities (including gain/ (loss) on sale of stake in subsidiaries) is determined on the basis of weighted average carrying amount of investments and is recognised on the basis of trade dates/ contracts/ agreements entered with respective parties.

v) Interest income is accounted on accrual basis and dividend income is recognised when the right to receive the dividend is established.

vi) Installation Charges of STB are recognised as revenue on completion of issuance/ Installation.

vii) Equity Index/ Stock – Futures

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

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

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

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

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

e. Forward Contracts in the nature of highly probable forecasted transactions/ firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) " Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

j) Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time of occurrence of the transactions.

Monetary items denominated in foreign currency, are restated using the exchange rates prevailing at the date of Balance Sheet and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

Accounting for forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

Derivative Accounting:

Forward Contracts in the nature of highly probable forecasted transactions/ firm commitments entered into for hedging the risk of foreign currency exposure are accounted for on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) " Disclosure of Accounting Policies". Pursuant to this, losses, if any, on Mark to Market basis, are recognised in the Statement of Profit and Loss and gains are not recognised on prudent basis.

Exchange difference on long-term foreign currency monetary items:

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

k) Employee Benefits

i) Long Term Employee Benefits:

Defined Contribution Plan

The Group has Defined Contribution Plan namely Provident Fund.

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

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

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

Defined Benefit Plan

The Group has a Defined Benefit plan namely Gratuity for all its employees. In respect of employees of IndusInd Media & Communications Limited and United Mysore Network Private Limited, the gratuity scheme is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation

of India ('LIC') and PNB Metlife India Insurance Co. Ltd. For the balance employees in the Group, the scheme is unfunded. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation at the year-end using Projected Unit Credit Method.

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

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

ii) Other Employee Benefits:

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

l) Taxation

i) Provision for Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.

ii) Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – "Accounting for Taxes on Income" notified under the Companies Accounting Standard Rules 2006. Income Tax comprises of Current and Deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

iii) Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is reasonable certainty of its realisation. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

iv) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

m) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the period in which they are incurred. Processing Fees incurred on Long term borrowings is amortised over the tenure of the loans except that such processing fees is charged off to the Statement of Profit and Loss in the year of incurring the expenses in case of IDL Speciality Chemicals Limited, a wholly owned Subsidiary. However, such differing policy does not have a material impact on the Financial Statement of the Group.

n) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

o) Leases

(i) Assets acquired under lease where substantially all the risks and rewards of ownership are retained by the Group are classified as Finance Leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments. Assets acquired under finance lease are depreciated on straight line basis over the lease term.

(ii) Assets acquired on lease 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 Statement of Profit and Loss on straight line basis over the lease term.

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

(iv) Assets given under operating leases are capitalised. Rental Income is recognised on straight line basis over the lease term.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non – cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

r) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

s) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is a reasonable certainty in availing / utilising the credits.

t) Trade Receivables

Trade Receivables are reflected at their net realizable value.

a) Debts outstanding for more than 365 days are written off as bad in case of Indusind Media & Communication Limited and its subsidiaries.

b) Outstandings not covered under (a) above, the amounts considered as doubtful by the management on the basis of specific identification are also written off.

2 Share capital

(₹ in Lacs)

i) Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹ 10 each	**70,000,000**	**7,000.00**	70,000,000	7,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Total	**20,555,503**	**2,055.55**	20,555,503	2,055.55

Rights, Preferences and Restrictions attached to equity shares:

i) Right to receive dividend as may be approved by the Board of Directors/ Annual General Meeting.

ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 1956.

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

ii) Reconciliation of number of shares outstanding:

(₹ in Lacs)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55
Add: Shares issued during the year	**–**	**–**	–	–
Less: Shares bought back during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**20,555,503**	**2,055.55**	20,555,503	2,055.55

iii) Shares in the Company held by each shareholder holding more than 5% shares:

Name of the shareholder	As at 31.03.2014		As at 31.03.2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Hinduja Group Limited (Formerly known as Aasia Management and Consultancy Private Limited)	**9,127,028**	**44.40%**	9,127,028	44.40%
Amas Mauritius Limited	**2,761,427**	**13.43%**	2,761,427	13.43%
Reliance Capital Trustee Company Limited	**1,680,790**	**8.18%**	1,959,467	9.53%

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
3	**Reserves and surplus**		
	Securities premium account		
	Opening balance	**1,092.63**	1,092.63
	Closing balance	**1,092.63**	1,092.63
	General reserve		
	Opening balance	**22,654.62**	21,887.16
	Add: Transferred from surplus in Statement of Profit and Loss	**820.30**	767.46
	Closing balance	**23,474.92**	22,654.62
	Capital reserve		
	Opening balance	**11,180.97**	7,150.56
	Add: Conversion of investment in preference shares of a subsidiary to equity	**–**	4,030.41
	Closing balance	**11,180.97**	11,180.97
	Revaluation reserve		
	Opening balance	**63.87**	63.87
	Closing balance	**63.87**	63.87
	Surplus in Statement of Profit and Loss		
	Opening balance	**44,836.00**	41,188.58
	Add: Net profit for the year	**20.09**	8,022.22
	Less: Appropriations		
	- Transfer to general reserve	**820.30**	767.46
	- Proposed dividend [₹ 15.00 per share (Previous year ₹ 15.00 per share)]	**3,083.33**	3,083.33
	- Dividend distribution tax	**524.01**	524.01
	Closing balance	**40,428.45**	44,836.00
	Total Reserves and surplus	**76,240.84**	79,828.09
4	**Long-term borrowings**		
	Secured Loans		
	Debentures For nature of security and terms of repayment (Refer Note 40 (I))	**–**	15,000.00
	Term loans		
	From banks For nature of security and terms of repayment (Refer Note 40 (II) (i))	**22,579.39**	15,039.09
	From others For nature of security and terms of repayment (Refer Note 40 (II) (ii))	**4,178.57**	8,684.21
	Other loans and advances		
	From banks (Buyers credit) For nature of security and terms of repayment (Refer Note 40 (III) (i))	**36,101.64**	25,122.14
	From others (Secured against vehicle)	**3.32**	2.77
	Unsecured Loans		
	From others	**60.18**	36.99
	Total	**62,923.10**	63,885.20

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
5 Deferred tax liabilities (net)		
Deferred Tax Liabilities		
Depreciation on fixed assets	**377.98**	2,140.08
Unamortised borrowing cost	**–**	829.77
Total Deferred Tax Liabilities (A)	**377.98**	2,969.85
Deferred Tax Assets		
Liabilities to be deducted for tax purposes when paid	**8.20**	126.02
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	**–**	224.41
Total Deferred Tax Assets (B)	**8.20**	350.43
Deferred tax liabilities (net) (A-B)	**369.78**	2,619.42
6 Other long-term liabilities		
Security deposits	**390.00**	–
Total	**390.00**	–
7 Long-term provisions		
Provision for employee benefits		
- Provision for gratuity	**43.90**	39.99
- Provision for compensated absences	**218.46**	257.72
Total	**262.36**	297.71
8 Short-term borrowings		
Loans repayable on demand		
Secured		
Other loans and advances		
From banks (Secured against stock and fixed deposit in one of the subsidiaries)	**10,141.73**	234.43
From other (Secured against office premises)	**24.59**	17.69
Unsecured		
Other loans and advances		
From banks	**–**	5.87
From related party	**1,415.00**	–
From other	**171.86**	157.33
Total	**11,753.18**	415.32
9 Trade payables		
Trade payables (Other than outstanding dues to micro, small and medium enterprises)	**14,287.02**	12,472.32
Total	**14,287.02**	12,472.32

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
10 Other current liabilities		
Current maturities of Long-term borrowings - Secured		
Debentures For nature of security and terms of repayment (Refer Note 40 (I))	**7,500.00**	10,000.00
Term loans		
From banks For nature of security and terms of repayment (Refer Note 40 (II) (i))	**375.00**	765.35
From others For nature of security and terms of repayment (Refer Note 40 (II) (ii))	**1,821.43**	2,105.26
Other loans and advances		
From banks (Buyers credit) For nature of security and terms of repayment (Refer Note 40 (III) (i))	**44.36**	1,546.55
From other parties	**6.46**	–
Temporary overdrawn book balances	**1,340.12**	2,286.48
Income received in advance	**408.23**	387.98
Advance received from customers	**532.31**	540.84
Statutory dues	**2,785.58**	2,197.85
Trade deposits	**85.02**	495.40
Interest accrued and due on borrowings	**500.75**	485.03
Forward contracts payable	**2,080.64**	–
Salary payable	**396.92**	326.27
Unclaimed dividend	**21.13**	61.55
Total	**17,897.95**	21,198.56
11 Short-term provisions		
Provision for gratuity	**35.36**	49.57
Provision for compensated absences	**95.77**	35.47
Provision for wealth tax	**43.49**	42.26
Provision for income tax (net of advance tax)	**362.02**	343.31
Proposed dividend	**3,083.33**	3,083.33
Dividend distribution tax	**524.01**	524.01
Total	**4,143.98**	4,077.95

12 Fixed assets

(₹ in Lacs)

	Description	Gross block (At cost)					Depreciation and amortisation					Net block	
		As at 01.04.2013	Addition on account of acquisition	Additions	Disposal	As at 31.03.2014	Upto 31.03.2013	Addition on account of acquisition	For the Year	Disposal / Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A	**Tangible assets:**												
	Leasehold land (Refer Note 2)	2.49	–	–	–	**2.49**	0.86	–	0.03	–	**0.89**	**1.60**	1.63
		[2.49]	[–]	[–]	[–]	[2.49]	[0.84]	[–]	[0.02]	[–]	[0.86]		
	Settop box	31,035.91	–	16,556.54	14.23	**47,578.22**	5,468.34	–	8,285.97	–	**13,754.31**	**33,823.91**	25,567.57
		[4,618.70]	[1,505.28]	[24,912.18]	[0.25]	[31,035.91]	[2,304.52]	[158.64]	[3,005.18]	[–]	[5,468.34]		
	Building (Refer Note 1, 4, 6 and 7)	4,978.70	–	–	–	**4,978.70**	1,468.41	–	171.38	–	**1,639.79**	**3,338.91**	3,510.29
		[4,948.77]	[–]	[29.93]	[–]	[4,978.70]	[1,300.42]	[–]	[167.99]	[–]	[1,468.41]		
	Plant and equipment (Refer Note 3, 5 and 6)	28,015.55	–	1,317.55	12.49	**29,320.61**	13,405.14	–	2,654.53	4.41	**16,055.26**	**13,265.35**	14,610.41
		[24,545.35]	[372.98]	[3,137.84]	[40.62]	[28,015.55]	[10,778.60]	[113.27]	[2,529.91]	[16.64]	[13,405.14]		
	Furniture and fixtures	896.16	–	9.78	–	**905.94**	649.38	–	27.36	–	**676.74**	**229.20**	246.78
		[847.99]	[11.47]	[38.54]	[1.84]	[896.16]	[611.75]	[2.75]	[36.43]	[1.55]	[649.38]		
	Office equipments	244.37	–	43.09	0.94	**286.52**	62.24	–	10.98	0.17	**73.05**	**213.47**	182.13
		[212.87]	[6.63]	[28.44]	[3.57]	[244.37]	[52.09]	[1.37]	[10.35]	[1.57]	[62.24]		
	Leasehold improvements	6.95	–	–	–	**6.95**	1.11	–	0.88	–	**1.99**	**4.96**	5.84
		[6.95]	[–]	[–]	[–]	[6.95]	[0.23]	[–]	[0.88]	[–]	[1.11]		
	Computers	916.69	–	147.77	2.77	**1,061.69**	435.51	–	108.65	2.75	**541.41**	**520.28**	481.18
		[655.67]	[22.13]	[246.24]	[7.35]	[916.69]	[356.12]	[13.24]	[72.27]	[6.12]	[435.51]		
	Vehicles (Refer Note 8)	459.49	–	69.98	–	**529.47**	160.45	–	46.06	–	**206.51**	**322.96**	299.04
		[443.69]	[11.18]	[16.78]	[12.16]	[459.49]	[123.16]	[3.19]	[41.70]	[7.60]	[160.45]		
	Live stock	7.62	–	–	–	**7.62**	–	–	–	–	–	**7.62**	7.62
		[7.62]	[–]	[–]	[–]	[7.62]	[–]	[–]	[–]	[–]	[–]		
	Total (A)	66,563.93	**–**	**18,144.71**	**30.43**	**84,678.21**	**21,651.44**	**–**	**11,305.84**	**7.33**	**32,949.95**	**51,728.26**	**44,912.49**
	Previous Year	[36,290.10]	[1,929.67]	[28,409.95]	[65.79]	[66,563.93]	[15,527.73]	[292.46]	[5,864.73]	[33.48]	[21,651.44]		
B	**Assets given on operating lease:**												
	Plant and equipment	2,245.93	–	–	–	**2,245.93**	678.13	–	232.23	–	**910.36**	**1,335.57**	1,567.80
		[2,245.93]	[–]	[–]	[–]	[2,245.93]	[445.91]	[–]	[232.22]	[–]	[678.13]		
	Total (B)	**2,245.93**	**–**	**–**	**–**	**2,245.93**	**678.13**	**–**	**232.23**	**–**	**910.36**	**1,335.57**	**1,567.80**
	Previous Year	[2,245.93]	[–]	[–]	[–]	[2,245.93]	[445.91]	[–]	[232.22]	[–]	[678.13]		
	TOTAL (A+B)	**68,809.86**	**–**	**18,144.71**	**30.43**	**86,924.14**	**22,329.57**	**–**	**11,538.07**	**7.33**	**33,860.31**	**53,063.83**	**46,480.29**
	Previous Year	[38,536.03]	[1,929.67]	[28,409.95]	[65.79]	[68,809.86]	[15,973.64]	[292.46]	[6,096.95]	[33.48]	[22,329.57]		
C	**Intangible assets – acquired:**												
	Goodwill	98.88	–	–	–	**98.88**	26.70	–	9.84	–	**36.54**	**62.34**	72.18
		[98.88]	[–]	[–]	[–]	[98.88]	[16.86]	[–]	[9.84]	[–]	[26.70]		
	Network rights	6,147.26	–	53.77	–	**6,201.03**	2,386.07	–	570.98	–	**2,957.05**	**3,243.98**	3,761.19
		[5,881.70]	[–]	[265.56]	[–]	[6,147.26]	[1,781.60]	[–]	[604.47]	[–]	[2,386.07]		
	Computer software	410.19	–	395.32	–	**805.51**	240.55	–	65.42	–	**305.97**	**499.54**	169.64
		[321.73]	[–]	[88.46]	[–]	[410.19]	[210.37]	[–]	[30.18]	[–]	[240.55]		
	Total (C)	**6,656.33**	**–**	**449.09**	**–**	**7,105.42**	**2,653.32**	**–**	**646.24**	**–**	**3,299.56**	**3,805.86**	**4,003.01**
	Previous Year	[6,302.31]	[–]	[354.02]	[–]	[6,656.33]	[2,008.83]	[–]	[644.49]	[–]	[2,653.32]		
	TOTAL (A+B+C)	**75,466.19**	**–**	**18,593.80**	**30.43**	**94,029.56**	**24,982.89**	**–**	**12,184.31**	**7.33**	**37,159.87**	**56,869.69**	**50,483.30**
	Previous Year	[44,838.34]	[1,929.67]	[28,763.97]	[65.79]	[75,466.19]	[17,982.47]	[292.46]	[6,741.44]	[33.48]	[24,982.89]		
	Capital work–in–progress											**3,829.54**	11,222.32
												60,699.23	61,705.62

Notes :
1. Building includes shares in a co–operative Society, amount not material.
2. Leasehold land acquired at the time of amalgamation of In Network Entertainment (India) Limited with Indusind Media & Communication Limited (IMCL) is yet to be transferred in the name of the IMCL.
3. Plant and equipment – includes assets viz. optical fibre cable ducts given on operating lease, cost of which is not practicable to ascertain.
4. Land and building was revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of ₹2,760.29/– (in Lacs) being surplus on revaluation. Consequently revalued amount of ₹ 3,710.50/– (in Lacs) has been substituted for historical cost on the said date of revaluation.
5. Plant and equipment which includes optical fibre cable have been revalued on 31st March, 2009 on the basis of valuation made by external valuer resulting in net increase of ₹3,724.34/– (in Lacs) being surplus on revaluation. Consequently revalued amount of ₹4,964.54/– (in Lacs) has been substituted for historical cost on said date of revaluation.
6. Land, Building and Plant and equipment consisting of optical fibre cable have been revalued on 31st March, 2009 on the basis of the fair market values considering the factors such as permissible Floor Space Index & Rate of Commercial Property, total life, inflation, age in life and other relevant factors.
7. The office premises of Sangli Media Services Private Limited is mortgaged against overdraft facility.
8. The vehicle of Advance Multisystem Broadband Communications Limited is mortgaged against loan.
9. Figures in brackets are in respect of the previous year.

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
13	**Non-current investments (Fully paid, at cost)**		
	Trade Investments		
	a) Unquoted Equity Instruments		
	Investment in Associates:		
	9,60,000 [March 31, 2013: 9,60,000] equity shares of ₹ 10 each in Planet E-shop Holdings India Limited	**96.00**	96.00
	b) Unquoted Preference Instruments		
	Investment in Associates:		
	8,446,120 [March 31, 2013: 8,446,120] 7% Cumulative Preference Shares of ₹ 10 each in IN Entertainment (India) Limited	**844.61**	844.61
	5,00,000 [March 31, 2013: 5,00,000] Preference Shares of ₹ 10 each in Planet E-shop Holdings India Limited	**500.00**	500.00
	Total (A)	**1,440.61**	1,440.61
	Other Investments		
	a) **Quoted:**		
	Investment in Equity Instruments:		
	26,833 [March 31, 2013: 26,833] equity shares of ₹ 2 each in Gulf Oil Corporation Limited	**2.60**	2.60
	4,958,196 [March 31, 2013: 6,882,383] equity shares of ₹ 10 each in IndusInd Bank Limited	**8,468.43**	9,737.72
	Nil [March 31, 2013: 50,736] equity shares of ₹ 10 each in NHPC Limited	**–**	18.26
	24,007 [March 31, 2013: 24,007] equity shares of ₹ 10 each in VCK Capital Market Services Limited	**1.46**	1.46
	b) Unquoted:		
	Investment in Equity Instruments:		
	Nil [March 31, 2013: 1,37,10,999] Zero coupon compulsory convertible Debentures of Rs. 100 each in Hinduja Energy India Limited	–	13,711.00
	61,147,056 [March 31, 2013: 16,339,870] equity shares of ₹10 each in Hinduja Energy India Limited	**18,711.00**	5,000.00
	19,888,890 [March 31, 2013: 21,888,890] equity shares of ₹ 10 each in Hinduja Leyland Finance Limited	**1,988.88**	2,188.89
	Unquoted Other Investments:		
	Investments in government or trust securities	**11.23**	13.53
	Investments in co-operative banks	**0.91**	0.91
	Total (B)	**29,184.51**	30,674.37
	Add: Share of brought forward accumulated losses from associates	**(96.00)**	(96.00)
	Total (A+B)	**30,529.12**	32,018.98
	# Nil [March 31,2013: 15,00,000] equity shares pledged against loan taken by IN Entertainment (India) Limited, an associate.		
	# 1,865,000 [March 31,2013: 5,50,000l] equity shares pledged against loan taken by IDL Speciality Chemicals Limited, a wholly owned subsidiary.		
	Aggregate amount of quoted investments	**8,472.49**	9,760.04
	Market value of quoted investments	**24,911.99**	27,880.70
	Aggregate amount of unquoted investments	**22,152.63**	22,258.94

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
14	**Deferred tax assets (Net)**		
	Deferred Tax Assets		
	Unabsorbed Depreciation		
	Restricted to the extent of deferred tax liability		
	- Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	**203.94**	–
	- Provision for doubtful items	**676.88**	–
	- Provision for compensated absences	**104.69**	–
	- Provision for gratuity	**11.80**	–
	- Unabsorbed depreciation as per income tax	**2,774.10**	–
	Total Deferred Tax Assets (A)	**3,771.41**	–
	Deferred Tax Liablities		
	- Depreciation	**963.80**	–
	- Unamortised borrowing cost	**236.44**	–
	Total Deferred Tax Liabilities (B)	**1,200.24**	–
	Deferred tax assets (net) (A-B)	**2,571.17**	–

Note 1: Deferred Tax benefits are recognised on assets to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilised.

Note 2: The group has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses in term of the provision of Accounting Standard (AS22) "Accounting for taxes on Income". The convincing evidence of the availablity of adequate profits in future is supported by subsequent performance of the company, subsidiary business under the new DAS system and non-cancellable contracts with customers Company.

15	**Long-term loans and advances**		
	Unsecured, Considered Good (unless otherwise specified)		
	Capital advances		
	- Advance for network acquisition	**2,310.10**	2,148.02
	Less: Provision for doubtful advances	**(1,032.30)**	–
		1,277.80	2,148.02
	Deposits		
	- Deposit with government authorities	**601.48**	344.96
	- Security deposits	**220.72**	230.08
	- Other deposits	**11.44**	10.44
	Advance for lease	**165.50**	179.11
	Balances with government authorities		
	- Service Tax input and VAT credit receivables	**127.94**	–
	Advance tax and tax deducted at source (net of provision)	**4,381.12**	1,885.32
	MAT credit entitlement	**3,880.59**	2,774.65
	Other loans and advances	**1.39**	0.19
	Total	**10,667.98**	7,572.77

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
16	**Other non-current assets**		
	Unamortised borrowing expenses	**315.05**	1,632.91
	Total	**315.05**	1,632.91
17	**Inventories (At cost or net realisable value, whichever is lower except shares)**		
	Stock-in-Trade		
	Real estate	**3,719.32**	3,719.32
	Network cables and equipments	**313.13**	404.47
	Shares (Cost or fair value whichever is lower)	**38,358.54**	42,242.70
	Total	**42,390.99**	46,366.49
	# 65,55,000 [March 31, 2013: 1,10,60,000] equity shares of Indusind bank limited pledged against loan taken by IDL Speciality Chemicals Limited, a wholly owned subsidiary.		
	# Nil [March 31,2013: 2,00,00,000] equity shares of Ashok leyland limited pledged against loan taken by In Entertainment (India) Limited, an associate.		
18	**Trade receivables**		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, Considered Good	**9,414.45**	9,218.40
	Doubtful	**429.30**	–
	Less : Provision for doubtful debts	**(429.30)**	–
		9,414.45	9,218.40
	Other trade receivables		
	Unsecured, considered good	**26,513.86**	21,542.28
	Doubtful	**56.18**	–
	Less : Provision for doubtful trade receivables	**(56.18)**	–
		26,513.86	21,542.28
	Total	**35,928.31**	30,760.68
19	**Cash and bank balances**		
	Cash and Cash Equivalents		
	Cash on hand	**148.80**	143.72
	Cheques on hand	**1,727.67**	1,509.55
	Balance with Banks		
	- Current accounts	**1,292.27**	1,277.96
	- Deposits	**2,437.99**	1,915.67
	Other Bank Balance		
	Unpaid dividend accounts	**21.13**	61.55
	Note : (a) Balances with banks includes deposits amounting to ₹ 310.00 Lacs (Previous Year ₹ 399.14 Lacs) which have an original maturity of more than 12 months. (b) Deposits of ₹ 534.00 Lacs (Previous Year ₹ 371.33 Lacs) are against bank guarantees and ₹ 1,397.79 Lacs (Previous Year ₹ 1,345.91 Lacs) as margin money against buyers credits.		
	Total	**5,627.86**	4,908.45

(₹ in Lacs)

	Particulars	As at 31.03.2014	As at 31.03.2013
20	**Short-term loans and advances**		
	Secured, Considered Good		
	a) Loans and advances to related parties		
	- Inter-corporate deposits	–	5,295.00
	Unsecured, Considered Good (Unless otherwise specified)		
	a) Loans and advances to related parties		
	- Inter-corporate deposits	–	1,709.90
	b) Other loans and advances		
	1) Advance to suppliers	**4,552.47**	3,382.86
	Less: Provision for doubtful advances	**(593.06)**	–
		3,959.41	3,382.86
	2) Security deposits	**124.21**	95.04
	3) Prepaid expenses	**26.96**	84.60
	4) Balances with government authorities		
	- CENVAT and VAT credit receivables	**2,018.56**	2,292.78
	5) nter corporate deposits	**50.00**	50.00
	6) Other receivables	**457.73**	228.36
	Total	**6,636.87**	13,138.54
21	**Other current assets**		
	Interest accrued on inter-corporate deposits	**93.33**	283.07
	Interest accrued on fixed deposits	**18.65**	27.01
	Deferred premium on forward contracts	**1,232.78**	–
	Unamortised borrowing expenses	**380.57**	883.54
	Total	**1,725.33**	1,193.62

(₹ in Lacs)

	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
22	**Revenue from operations**		
	Sale of services		
	Cable television transmission	**62,007.23**	57,035.78
	Income from trading of securities and equity index / stock futures (net)	**4,920.29**	–
	Sub broking income	**12.62**	0.48
	Sale of products		
	Sale of set top boxes / modem	**242.58**	1,766.52
	Sale of trading goods - network cable and equipments	**11.76**	340.86
	Other operating revenues		
	Advertisement	**402.45**	506.87
	Lease income - optical fibre cable	**581.90**	923.47
	Discount received from broadcaster	**–**	95.27
	Distributor commission	**–**	5.74
	Interest		
	- On inter-corporate deposits	**792.05**	2,450.13
	- On deposits with bank	**0.28**	0.18
	Dividend		
	- Non-current investments non-trade	**206.86**	296.21
	- Current investments non-trade	**4.74**	6.47
	- Shares held as stock-in-trade	**460.69**	131.01
	Gain on sale of non-current investments (net) - non-trade	**7,016.78**	6,128.63
	Total	**76,660.23**	69,687.62
23	**Other income**		
	Interest		
	- On deposits with banks	**221.89**	84.55
	- On others	**1.26**	1.72
	- On inter-corporate deposits	**–**	41.65
	Gains on foreign currency (net)	**82.55**	0.32
	Dividend		
	- Non-current investments non-trade	**0.50**	0.51
	Sundry credit balances written back	**128.33**	38.62
	Service charges recovered	**83.83**	53.23
	Provision for expenses no longer required, written back	**49.08**	12.94
	Comfort letter fees	**–**	98.63
	Interest on income tax refund	**0.01**	29.76
	Miscellaneous income	**120.92**	146.61
	Total	**688.37**	508.54

(₹ in Lacs)

	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
24	**Changes in inventories of stock-in-trade**		
	Opening inventories	**4,123.79**	4,068.45
	Closing inventories	**(4,032.45)**	(4,123.79)
	Total	**91.34**	(55.34)
25	**Direct cost and operating expenses**		
	Cable television operation expenses	**28,445.76**	23,521.01
	Bandwidth charges	**440.12**	376.32
	Lease rental - duct	**461.08**	505.31
	Total	**29,346.96**	24,402.64
26	**Employee benefits expenses**		
	Salary and other benefits	**4,188.87**	3,834.21
	Contribution to employees' provident and other funds	**267.38**	275.57
	Gratuity	**17.41**	42.35
	Staff welfare	**174.68**	175.92
	Total	**4,648.34**	4,328.05
27	**Finance costs**		
	Interest expense on		
	Term loans	**4,325.90**	1,872.32
	Other loans	**3,298.09**	1,928.20
	Inter-corporate deposits	**504.65**	240.71
	Interest on delayed payment of taxes and others	**38.33**	50.73
	Other borrowing costs		
	Amortisation of loan processing fees	**2,880.89**	421.78
	Premium on forward contracts	**982.13**	–
	Total	**12,029.99**	4,513.74
28	**Depreciation and amortisation expenses**		
	- Tangible assets	**11,305.84**	5,864.73
	- Assets given on operating lease	**232.23**	232.22
	- Intangible assets	**646.24**	644.49
	Total	**12,184.31**	6,741.44

(₹ in Lacs)

	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
29	**Other expenses**		
	Royalties	**92.87**	124.38
	Programming expenses	**4.80**	13.35
	Power and fuel	**708.32**	672.51
	Rent	**752.07**	738.82
	Repairs and maintenance		
	- Plant and machinery	**508.94**	201.67
	- Building	**270.58**	315.95
	- Others	**61.80**	212.08
	Insurance charges	**84.00**	94.30
	Rates and taxes	**228.94**	441.13
	Freight and octroi	**108.43**	120.53
	Commission	**499.18**	1,827.83
	Travelling expenses	**878.32**	865.94
	Directors' sitting fees	**12.10**	11.44
	Auditors' remuneration (net of service tax input credit)		
	a) Statutory auditors		
	- Statutory audit	**64.10**	56.00
	- For other services-certification work	**24.20**	26.50
	- For reimbursement of expenses	**1.59**	1.41
	b) Cost auditors-Cost audit	**1.08**	–
	Professional fees	**3,244.92**	2,852.27
	Donations	**101.25**	101.60
	Communication expenses	**188.96**	168.84
	Advertisement and business promotion	**34.21**	42.49
	Loss on foreign currency (net)	**0.99**	34.83
	Bad debts	**17,362.49**	6,335.99
	Bank charges	**38.63**	88.71
	Provision for doubtful advances	**1,598.15**	–
	Provision for doubtful advances written off	**393.26**	–
	Sundry balance written off	**240.27**	230.27
	Loss on scrapped assets	**1.58**	4.40
	Loss (net) from trading of index stock futures	**–**	4.72
	Miscellaneous expenses	**893.85**	776.80
	Total	**28,399.88**	16,364.76

30. (I) Capital commitments and contingent liabilities:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for – ₹ 55.15 (in Lacs) [Previous Year – ₹ 31,339.45 (in Lacs)].

b) Contingent liabilities in respect of:

(₹ in Lacs)

Sr. No.	Particulars	As at 31.03.2014	As at 31.03.2013
i.	Bank Guarantees given on behalf of the Group.	**527.19**	292.60
ii.	Guarantees/ Counter Guarantees given to Custom Authorities.	**347.05**	347.05
iii.	Claims against the Group not acknowledged as debts :		
	- Entertainment Tax (Refer Note 4 Below)	**1,188.21**	78.93
	- Sales Tax	**50.35**	50.35
	- Cable Television Related Cases (to the extent ascertained)	**233.54**	Not Ascertainable
	- Service tax	**155.29**	155.29
iv	Income tax matters against which the Group has filed appeals/ objections. (Refer Note 1 below).	**15,159.62**	22,231.40
v.	Demands of Custom Duty in a subsidiary Company against which it has filed appeal.	**194.41**	194.41
vi.	Summary Suit has been filed by Nishkalp Investments and Trading Company Limited with regard to the dispute for buyback of shares of Plus Paper Foodpac Limited (PPFL) vide an agreement dated 25th November, 1997. The Management is of the opinion that the Company has a good case and the summary suit is not sustainable.	**867.12**	867.12
viii.	Letters of Credit	**–**	8,883.55

Notes:

1. Includes an amount of ₹ 12,209.79 (in Lacs) [Previous Year - ₹ 18,274.29 (in Lacs)] being disputed income tax liabilities pertaining to IT / ITES business, which is reimbursable from Hinduja Global Solutions Limited, pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT / ITES business sanctioned by High Court of Judicature of Bombay and made effective on 7th March, 2007. In respect of the aforesaid disputed dues, an amount of ₹ 6,069.41 (in Lacs) [Previous Year - ₹. 4,397.12 (in Lacs)] has been deposited by the Company with income tax authorities under protest. The Company has received ₹ 5,550.00 (in Lacs) [Previous Year - ₹ 3,750.00 (in Lacs)] upto 31st March, 2014 from Hinduja Global Solutions Limited to discharge part payment of disputed income tax liabilities pertaining to IT / ITES business, which is netted from advance tax and tax deducted at source (net of provisions).

2. With respect to the above, the group does not expect any outflow of cash/ resources.

3. The Contingent Liabilities for Pay Channel expenses related cases, Service Tax cases and Entertainment Tax cases for certain subsidiaries are not ascertainable.

4. **a. Entertainment Duty on LCO Points (Delhi)**

   The Entertainment Tax ('ET') Authorities in Delhi, vide letter dated 17/12/2013, shifted the onus to pay the Entertainment Duty (ET) of Franchisee Points on Multi System Operators (MSO). Based on which ET Authorities issued a demand Notice to a subsidiary company, IndusInd Media & Communications Limited (IMCL) for ₹ 379.70Lacs (including Interest and Penalty) towards entertainment duty for the period April - 13 to May - 13. IMCL has preferred an Appeal before the Dy. Commissioner of Taxes – Delhi, which was rejected by the Appellate Authorities. IMCL has filed a WRIT petition before the Delhi High Court and obtained a temporary stay on the recovery proceedings and on that basis company is of the opinion that liability for payment of ET on LCO points for the period April -13 to March – 14 is not required to be provided in its books.

b. Entertainment Duty on LCO Points (Maharashtra)

The Maharashtra Government issued Resolution No. - ENT2013/PK59/T-1 ('GR') putting the onus to pay the ET on franchisee points on Multi System Operators (MSO).

Accordingly the ET authorities issued demand Notices of ₹ 729.58 Lacs relating to Mumbai, Nagpur and Nashik to IMCL. In response to a demand notice issued by the ET authorities in Nagpur, IMCL has filed a writ petition with Bombay High Court (Nagpur Bench) challenging the order of Collector and the validity of GR dated 07/03/2013. The same is pending before the High Court. In the interim, High Court has stayed any recovery proceeding against IMCL.

Further, IMCL has also received demand notices in various cities in Maharashtra for the period April – 2013 to December– 2013. IMCL has filed its representation before respective Entertainment Tax Authorities indicating that the shifting of the liability of Tax on MSO is inappropriate as Maharashtra Entertainment Duty act defines only LCO as owner of Cable network and the same has not been amended. Meanwhile Other MSOs and LCO Associations in Mumbai and Nashik have also preferred WRITs in Bombay High Court against the validity of GR, which, in the interim, has directed the LCOs to deposit the Entertainment Tax directly to the Entertainment Authorities or through the High Court. In view of the directions of the Court, the Government of Maharashtra has issued a fresh GR on 19/10/2013 requiring LCOs to remit the Entertainment Duty to ET Authorities by filing a joint declaration (affidavit) with MSOs till the outcome of the Writ Petitions filed by LCOs / MSOs is known or till Maharashtra Entertainment Duty Act, 1923 is amended.

Meanwhile Government of Maharashtra has vide an Ordinance dated 10/02/2014 amended the Maharashtra Entertainment Duty Act, 1923 and has defined the term MSO, LCO and cable Operator in the Act. Charging section has been amended to shift the liability to pay the Entertainment Duty on Franchisee Points on MSO. While amending the charging section viz. Section 3 of the Act, Government has introduced a new charging section being Section 3(4)(c) putting the responsibility for collection of entertainment duty on the LCOs, who under the said Section are now required to handover the same to an MSO within a specified time.

The constitutional validity of the Ordinance has been challenged by another MSO and a LCO federation in Maharashtra before the Hon'ble High Court of Bombay. IMCL is also in the process of filing a WRIT before the Bombay High Court.

Based on the above facts and subsisting legal remedy / action in the High Court, IMCL has not considered it necessary to recognise the Entertainment Tax liability on LCO points in its Books as the amount of entertainment tax payable is not ascertainable by IMCL at this stage.

(II) Other Commitments:

a) IDL Speciality Chemicals Limited ('IDL'), a wholly owned subsidiary of the Company has outstanding Non–convertible debentures ('NCD') of ₹ 7,500 Lacs [Previous Year - ₹ 25,000 Lacs] redeemable at the end of 18 months from the date of allotment. The Group has provided pledge of its investment of 9,00,000 shares in IndusInd Bank Limited and also a shortfall undertaking to the debenture trustee, that in the event of default by the subsidiary in redeeming the said debentures, the Company shall meet the shortfall, if any, to the investors of NCD.

b) IDL Speciality Chemicals Limited ('IDL'), a wholly owned subsidiary of the Company has during the year availed the Loan against share facility of ₹ 5,000 Lacs from Axis Finance Limited ('AFL') repayable at the end of 12 months from the date of disbursement. The Group has provided pledge of its investment of 9,65,000 shares in IndusInd Bank Limited. The Group has given shortfall undertaking to pay all amounts due and payable in relation to the loan in case IDL fails to do so and also given a non-disposal undertaking of its shareholding in IDL.

c) IN Entertainment (India) Limited ('IEIL'), an associate of the Company has during the year availed the Loan against share facility of ₹ 4,500 Lacs from Axis Finance Limited ('AFL') repayable at the end of 12 months from the date of disbursement. The Group has also given shortfall undertaking to pay all amounts due and payable in relation to the loan in case IEIL fails to do so.

d) The Group has given an undertaking to various banks to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited ('IMCL') until all amounts outstanding under various Facility Agreements entered into by IMCL with the said banks are repaid in full by IMCL.

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

Sr. No.	Name of the Company	Held by	Parent's Shareholding and Voting Power (%)		Company's Effective Stake (%)	
			Year-ended		Year-ended	
			31.03.2014	31.03.2013	31.03.2014	31.03.2013
A	DIRECT SUBSIDIARIES					
1.	IndusInd Media & Communications Limited (IMCL)	HVL and GIL	**61.71**	61.71	**61.71**	61.71
2.	Grant Investrade Limited (GIL)	HVL	**100.00**	100.00	**100.00**	100.00
3.	IDL Speciality Chemicals Limited	HVL	**100.00**	100.00	**100.00**	100.00
B	INDIRECT SUBSIDIARIES					
1.	USN Networks Private Limited	IMCL	**99.96**	99.96	**61.69**	61.69
2.	United Mysore Network Private Limited	IMCL	**95.91**	95.91	**59.19**	59.19
3.	Seven Star Information Technology Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
4.	Bhima Riddhi Infotainment Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
5.	Gold Star Noida Network Private Limited	IMCL	**100.00**	100.00	**61.71**	61.71
6.	Apna Incable Broadband Services Private Limited	IMCL	**66.71**	66.71	**41.17**	41.17
7.	Sangli Media Services Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
8.	Sainath In Entertainment Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
9.	Sunny Infotainment Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
10.	Goldstar Infotainment Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
11.	Ajanta Sky Darshan Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
12.	V4U Entertainment Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
13.	Darpita Trading Company Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
14.	RBL Digital Cable Network Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
15.	Vistaar Telecommunication and Infrastructure Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
16.	Jagsumi Perspectives Private Limited	IMCL	**51.00**	51.00	**31.47**	31.47
17.	Advance Multisystem Broadband Communications Limited	IMCL	**51.00**	51.00	**31.47**	31.47

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

(₹ in Lacs)

Sr. No.	Name of subsidiary company	Paid up capital	Reserves	Total assets	Total liabilities	Investments [except in case of investments in the subsidiary]	Turnover income	Profit / [Loss] before taxation	Provision for taxation	Profit / [Loss] after taxation	Proposed dividend
1	IndusInd Media & Communications Limited	17,390.69 (7,390.69)	15,536.81 (27,420.33)	117,850.31 (107,862.27)	84,922.81 (73,051.25)	1,453.35 (1,455.65)	57,245.97 (54,756.20)	[16,625.95] (5,547.12)	[4,742.42] (1,923.12)	[11,883.53] (3,624.00)	Nil
2	Grant Investrade Limited	715.49 (415.49)	31,619.75 (21,696.44)	32,360.15 (40,881.53)	24.91 (18,769.60)	- (18,711.00)	365.49 (1.20)	23.56 ([50.09])	0.26 –	23.30 ([50.09])	Nil
3	IDL Speciality Chemcals Limited	1,000.00 (1,000.00)	[4,641.56] ([4,638.59])	39,243.64 (44,924.14)	42,885.20 (48,562.73)	– –	5,281.68 (160.36)	[2.97] ([1,487.96])	– –	[2.97] ([1,487.96])	Nil
4	U S N Networks Private Limited	35.00 (35.00)	[245.22] ([160.14])	14.24 (117.01)	224.46 (242.15)	– –	15.81 (91.19)	[85.08] ([17.21])	– –	[85.08] ([17.21])	Nil
5	United Mysore Network Private Limited	30.46 (30.46)	[316.88] ([110.77])	266.94 (284.36)	553.36 (364.67)	– –	21.07 (189.27)	[206.11] ([28.96])	– –	[206.11] ([28.96])	Nil
6	Gold Star Noida Network Private Limited	262.00 (262.00)	[433.57] ([264.37])	247.58 (325.37)	419.15 (327.74)	– –	178.05 (249.51)	[173.51] ([124.05])	[4.31] ([1.80])	[169.20] ([122.25])	Nil
7	Seven Star Information Technology Private Limited	428.00 (428.00)	[463.23] ([270.69])	324.17 (532.89)	359.40 (375.58)	– –	29.95 (208.06)	[196.97] ([62.30])	[4.43] ([1.07])	[192.54] ([61.23])	Nil
8	Bhima Riddhi Infotainment Private Limited	102.04 (102.04)	1,435.97 (1,341.01)	1,875.74 (1,810.91)	337.73 (367.86)	0.88 (0.88)	1,843.15 (1,808.44)	189.41 (204.83)	94.44 (104.26)	94.97 (100.57)	Nil
9	Apna Incable Broadband Services Private Limited	173.50 (173.50)	[372.21] ([341.77])	166.12 (198.11)	364.83 (366.38)	– –	– (7.34)	[32.48] ([217.09])	[2.04] ([0.59])	[30.44] ([216.50])	Nil
10	Sangli Media Services Private Limited	102.04 (102.04)	165.96 (107.11)	758.33 (691.70)	490.33 (482.55)	0.03 (0.03)	713.19 (562.25)	58.49 ([69.70])	[0.36] (2.81)	58.85 ([72.51])	Nil
11	Sainath In Entertainment Private Limited	50.00 (50.00)	[163.21] ([34.91])	96.29 (183.71)	209.50 (168.62)	– –	2.67 (187.20)	[128.50] ([30.88])	[0.19] (1.51)	[128.31] ([32.39])	Nil
12	Sunny Infotainment Private Limited	15.00 (15.00)	39.03 (197.69)	191.61 (357.84)	137.58 (145.15)	– –	1.99 (115.79)	[157.64] ([24.79])	1.02 (3.28)	[158.66] ([28.07])	Nil
13	Goldstar Infotainment Private Limited	2.04 (2.04)	[115.67] (33.25)	269.39 (425.28)	383.02 (389.99)	– –	0.99 (104.28)	[155.20] ([370.93])	[6.28] ([10.85])	[148.92] ([360.08])	Nil
14	Ajanta Sky Darshan Private Limited	2.00 (2.00)	10.80 (47.08)	63.37 (82.64)	50.57 (33.56)	– –	4.90 (48.17)	[35.99] (5.15)	0.29 (1.20)	[36.28] (3.95)	Nil
15	V4U Entertainment Private Limited	10.00 (10.00)	16.46 (81.37)	85.61 (152.99)	59.15 (61.62)	– –	– (77.93)	[64.93] ([40.75])	[0.02] (1.48)	[64.91] ([42.23])	Nil
16	Darpita Trading Company Private Limited	100.00 (100.00)	887.04 (1,121.81)	2,602.49 (1,950.13)	1,615.45 (728.32)	– –	2,136.81 (1,495.44)	[219.73] ([128.16])	15.03 ([18.25])	[234.76] ([109.91])	Nil
17	RBL Digital Cable Network Private Limited	10.00 (10.00)	[14.40] (69.07)	205.58 (189.93)	209.98 (110.86)	– –	– (89.90)	[83.23] ([63.13])	0.24 (1.24)	[83.47] ([64.37])	Nil
18	Vistaar Telecommunication and Infrastructure Private Limited	2.04 (2.04)	63.01 (141.28)	196.33 (268.37)	131.28 (125.05)	– –	2.10 (123.85)	[78.55] ([89.53])	[0.29] (1.30)	[78.26] ([90.83])	Nil
19	Jagsumi Perspectives Private Limited	79.51 (79.51)	1,165.69 (1,249.02)	1,912.47 (1,757.68)	667.27 (429.15)	– –	1,034.97 (1,161.14)	[80.10] ([1.90])	3.23 (13.00)	[83.33] (14.90)	Nil
20	Advance Multisystem Broadband Communication Limited	83.41 (83.41)	699.01 (1,113.55)	2,418.19 (2,391.11)	1,635.77 (1,194.15)	– –	1,510.26 (686.57)	[461.31] (147.16)	[45.76] (85.74)	[414.55] (61.42)	Nil

Note: Figures in brackets ( ) are in respect of the previous year.

33. Operating leases

The Group has entered into cancellable leasing arrangement relating to office premise extending upto a maximum of five years from the respective dates of inception which are renewable on mutual consent. Lease rentals of ₹ 752.07 (in Lacs) [Previous Year - ₹ 738.82 (in Lacs)] has been recognised in 'Rent' under Note No. 29 to the financial statements.

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

(₹ in Lacs)

Particulars	Gross investment	Unearned finance income	Present value of minimum lease payments
Not later than 1 year	16.44 [16.44]	16.38 [16.42]	0.06 [0.02]
Between 1 and 5 years	65.75 [65.75]	58.00 [63.25]	7.76 [2.51]
Later than 5 years	Nil [16.44]	Nil [11.13]	Nil [5.31]

Note: Figures in brackets are in respect of the previous year.

35. Earnings per equity share

Particulars	As at 31.03.2014	As at 31.03.2013
Profit attributable to equity shareholders (₹ in Lacs)	20.09	8,022.22
Number of equity shares outstanding during the year - For Basic and Diluted earnings per share (nos.)	20,555,503	20,555,503
Nominal value of equity shares (₹)	10.00	10.00
Basic and Diluted earnings per share (₹)	0.10	39.03

36. Segment information

Primary Segment

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

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

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

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

i) Deployment of surplus funds and

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

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

Secondary Segment

There is no reportable Geographical Segment.

Business Segments

(₹ in Lacs)

Sr. No.	Particulars	Media and communications		Real estate		Investments and Treasury		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1.	Segment Revenue	**63,883.84**	61,062.91	**0.80**	0.40	**13,434.94**	9,013.11	**77,319.58**	70,076.42
	Add:- Other income							**29.02**	119.74
								77,348.60	70,196.16
2.	Segment Results	**(19,733.34)**	4,687.88	**(102.49)**	(100.25)	**10,156.93**	6,934.15	**(9,678.90)**	11,521.78
	Add:- Other income							**29.02**	119.74
	Less:- Unallocated corporate expenses							**(153.52)**	(183.10)
	Total Profit Before Tax							**(9,803.40)**	11,458.42
3.	Capital Employed								
	Segment Assets	**124,212.44**	115,112.36	**3,719.50**	3,719.50	**67,646.97**	80,061.86	**195,578.91**	198,893.72
	Add: Unallocated corporate assets							**4,994.44**	3,885.78
	Total Assets							**200,573.35**	202,779.50
	Segment Liabilities	**88,513.99**	75,461.61	**2.39**	2.96	**19,359.24**	25,301.51	**107,875.62**	100,766.08
	Add: Unallocated corporate liabilities							**4,151.75**	4,200.40
	Total Liabilities							**112,027.37**	104,966.48
	Segment Capital Employed	**35,698.45**	39,650.75	**3,717.11**	3,716.54	**48,287.73**	54,760.35	**87,703.29**	98,127.64
	Add: Unallocated capital employed							**842.69**	(314.62)
	Total Capital Employed							**88,545.98**	97,813.02
4.	Capital Expenditure	**11,175.92**	40,752.55	–	–	**25.10**	6.05	**11,201.02**	40,758.60
5.	Depreciation and Amortisation	**12,165.75**	6,724.06	–	–	**18.56**	17.38	**12,184.31**	6,741.44
6.	Significant Non Cash Expenditure	**19,596.14**	6,606.09	**–**	–	**1.59**	1.60	**19,597.73**	6,607.69

Notes:

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

37. Related party disclosures (as identified by the Management)

I. Individual having control with relatives and associates

Mr. Ashok P. Hinduja, Executive Chairman

II. Associates

1. Planet E-Shop Holdings India Limited
2. IN Entertainment (India) Limited

III. Joint Venture Company

1. RMD Baroda Network Private Limited

IV. Key Management Personnel

1. Mr. Ashok Mansukhani, Whole time Director (effective from 30th April, 2012)
2. Mr. Dilip Panjwani, Director and Company Secretary (upto 30th April, 2012)
3. Mr. Ravi Mansukhani, Managing Director in IndusInd Media & Communications Limited (upto 31st, January, 2014).
4. Mr. Nagesh Chhabria, CEO of IndusInd Media & Communications Limited (upto 1st February, 2014).
5. Anthony D'silva, Managing Director in IndusInd Media & Communications Limited (effective from 31st January, 2014)

V. Enterprises where common control exists

1. Hinduja Group Limited
   (formerly known as Aasia Management and Consultancy Private Limited)
2. Aasia Advisory Services Limited
   (formerly known as Hinduja Group India Limited)
3. Hinduja Realty Ventures Limited
4. Hinduja Global Solutions Limited
5. APDL Estates Limited
6. Hinduja National Power Corporation Limited
7. Hinduja Energy (India) Limited

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

(₹ in Lacs)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Interest Income						
APDL Estates Limited	–	–	–	–	133.60	133.60
	[–]	[–]	[–]	[–]	[141.06]	[141.06]
Hinduja Energy India Limited	–	–	–	–	0.11	0.11
	[–]	[–]	[–]	[–]	[0.21]	[0.21]
Hinduja National Power Corporation Limited	–	–	–	–	0.36	0.36
	[–]	[–]	[–]	[–]	[983.16]	[983.16]
Hinduja Realty Ventures Limited	–	–	–	–	441.97	441.97
	[–]	[–]	[–]	[–]	[820.15]	[820.15]
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[521.27]	[–]	[–]	[–]	[521.27]
Total	**–**	**–**	**–**	**–**	**576.04**	**576.04**
	[–]	[521.27]	[–]	[–]	[1,944.58]	[2,465.85]
Internet Income						
Aasia Advisory Services Limited	–	–	–	–	1.05	1.05
	[–]	[–]	[–]	[–]	[5.25]	[5.25]
Hinduja Group Limited	–	–	–	–	1.09	1.09
	[–]	[–]	[–]	[–]	[1.14]	[1.14]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[10.47]	[10.47]
IN Entertainment (India) Limited	–	0.48	–	–	–	0.48
	[–]	[0.76]	[–]	[–]	[–]	[0.76]
Total	**–**	**0.48**	**–**	**–**	**2.14**	**2.62**
	[–]	[0.76]	[–]	[–]	[16.86]	[17.62]
Other Income						
Hinduja National Power Corporation Limited	–	–		–	–	–
	[–]	[–]	[–]	[–]	[98.63]	[98.63]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[–]	[–]	[–]	[98.63]	[98.63]
Interest Paid						
Hinduja Realty Ventures Limited	–	–	–	–	1.61	1.61
	[–]	[–]	[–]	[–]	[–]	[–]
IN Entertainment (India) Limited	–	247.80	–	–	–	247.80
	[–]	[0.43]	[–]	[–]	[–]	[0.43]
Total	**–**	**247.80**	**–**	**–**	**1.61**	**249.41**
	[–]	[0.43]	[–]	[–]	[–]	[0.43]
Reimbursement of Expenses from Other Companies						
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[4.13]	[–]	[–]	[–]	[4.13]
Planet E-Shop Holding India Limited	–	–	–	–	–	–
	[–]	[7.35]	[–]	[–]	[–]	[7.35]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[11.48]	[–]	[–]	[–]	[11.48]

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:

(₹ in Lacs)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Reimbursement of Expenses to Other Companies						
Hinduja Global Solutions Limited	–	–	–	–	0.81	0.81
	[–]	[–]	[–]	[–]	[0.10]	[0.10]
Hinduja Group Limited	–	–	–	–	4.86	4.86
	[–]	[–]	[–]	[–]	[–]	[–]
IN Entertainment (India) Limited	–	20.61	–	–	–	20.61
	[–]	[0.38]	[–]	[–]	[–]	[0.38]
RMD Baroda Network Private Limited	–	–	–	–	–	–
	[–]	[–]	[0.64]	[–]	[–]	[0.64]
Total	**–**	**20.61**	**–**	**–**	**5.67**	**26.28**
	[–]	[0.38]	[0.64]	[–]	[0.10]	[1.12]
Professional/ Technical Fees						
Aasia Advisory Services Limited	–	–	–	–	133.71	133.71
	[–]	[–]	[–]	[–]	[205.34]	[205.34]
Hinduja Global Solutions Limited	–	–	–	–	2.78	2.78
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja Realty Ventures Limited	–	–	–	–	10.11	10.11
	[–]	[–]	[–]	[–]	[9.97]	[9.97]
IN Entertainment (India) Limited	–	1.60	–	–	–	1.60
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**1.60**	**–**	**–**	**146.60**	**148.20**
	[–]	[–]	[–]	[–]	[215.31]	[215.31]
Link Charges						
RMD Baroda Network Private Limited	–	–	–	–	–	–
	[–]	[–]	[7.62]	[–]	[–]	[7.62]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[–]	[7.62]	[–]	[–]	[7.62]
Rent / Service Charges Paid						
Hinduja Group Limited	–	–	–	–	108.38	108.38
	[–]	[–]	[–]	[–]	[108.13]	[108.13]
Total	**–**	**–**	**–**	**–**	**108.38**	**108.38**
	[–]	[–]	[–]	[–]	[108.13]	[108.13]
Advertisements and Business Promotional Expenses						
IN Entertainment (India) Limited	–	12.51	–	–	–	12.51
	[–]	[4.81]	[–]	[–]	[–]	[4.81]
Total	**–**	**12.51**	**–**	**–**	**–**	**12.51**
	[–]	[4.81]	[–]	[–]	[–]	[4.81]
Purchase of Fixed Assets						
IN Entertainment (India) Limited	–	4.98	–	–	–	4.98
	[–]	[2.67]	[–]	[–]	[–]	[2.67]
Total	**–**	**4.98**	**–**	**–**	**–**	**4.98**
	[–]	[2.67]	[–]	[–]	[–]	[2.67]

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:

(₹ in Lacs)

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
Managerial Remuneration						
Mr. Ashok Mansukhani	–	–	–	66.33	–	66.33
	[–]	[–]	[–]	[70.39]	[–]	[70.39]
Mr. Dilip Panjwani	–	–	–	–	–	–
	[–]	[–]	[–]	[8.12]	[–]	[8.12]
Mr. Ravi Mansukhani	–	–	–	87.45	–	87.45
	[–]	[–]	[–]	[102.26]	[–]	[102.26]
Mr. Nagesh Chhabria	–	–	–	91.65	–	91.65
	[–]	[–]	[–]	[135.00]	[–]	[135.00]
Mr. Anthony D'silva	–	–	–	25.87	–	25.87
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**–**	**–**	**271.30**	**–**	**271.30**
	[–]	[–]	[–]	[315.77]	[–]	[315.77]
Inter-Corporate Deposits/ Loans Given						
Hinduja Energy India Limited	–	–		–	–	–
	[–]	[–]	[–]	[–]	[300.00]	[300.00]
Hinduja National Power Corporation Limited	–	–	–	–	1,000.00	1,000.00
	[–]	[–]	[–]	[–]	[25,136.00]	[25,136.00]
Hinduja Realty Ventures Limited	–	–	–	–	29,360.00	29,360.00
	[–]	[–]	[–]	[–]	[37,215.00]	[37,215.00]
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[7,960.00]	[–]	[–]	[–]	[7,960.00]
Total	**–**	**–**	**–**	**–**	**30,360.00**	**30,360.00**
	[–]	[7,960.00]	[–]	[–]	[62,651.00]	[70,611.00]
Inter Corporate Deposits/ Loans Taken						
Hinduja Realty Ventures Limited	–	–	–	–	1,160.00	1,160.00
	[–]	[–]	[–]	[–]	[–]	[–]
IN Entertainment (India) Limited	–	6,450.00	–	–	–	6,450.00
	[–]	[–]	[–]	[–]	[–]	[–]
Total	**–**	**6,450.00**	**–**	**–**	**1,160.00**	**7,610.00**
	[–]	[–]	[–]	[–]	[–]	[–]
Inter Corporate Deposits Received Back						
APDL Estates Limited	–	–	–	–	1,285.00	1,285.00
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja Energy India Limited	–	–	–	–	300.00	300.00
	[–]	[–]	[–]	[–]	[–]	[–]
Hinduja National Power Corporation Limited	–	–	–	–	1,000.00	1,000.00
	[–]	[–]	[–]	[–]	[27,636.00]	[27,636.00]
Hinduja Realty Ventures Limited	–	–	–	–	34,655.00	34,655.00
	[–]	[–]	[–]	[–]	[41,620.00]	[41,620.00]
IN Entertainment (India) Limited	–	–	–	–	–	–
	[–]	[14,710.00]	[–]	[–]	[–]	[14,710.00]
Total	**–**	**–**	**–**	**–**	**37,240.00**	**37,240.00**
	[–]	[14,710.00]	[–]	[–]	[69,256.00]	[83,966.00]

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:

(₹ in Lacs)

Nature of Transaction	Parties referred to in I above	Parties referred to in II above	Parties referred to in III above	Parties referred to in IV above	Parties referred to in V above	Total
Inter Corporate Deposits/ Loans Refunded						
IN Entertainment (India) Limited	– [–]	6,195.00 [–]	– [–]	– [–]	– [–]	6,195.00 [–]
Total	**–** [–]	**6,195.00** [–]	**–** [–]	**–** [–]	**–** [–]	**6,195.00** [–]
Inter Corporate Deposits Receivable as at the Year-end						
APDL Estates Limited	– [–]	– [–]	– [–]	– [–]	– [1,285.00]	– [1,285.00]
Hinduja Energy India Limited	– [–]	– [–]	– [–]	– [–]	– [300.00]	– [300.00]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [5,295.00]	– [5,295.00]
Total	**–** [–]	**–** [–]	**–** [–]	**–** [–]	**–** [6,880.00]	**–** [6,880.00]
Inter Corporate Deposits Payable as at the Year-end						
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	1,160.00 [–]	1,160.00 [–]
IN Entertainment (India) Limited	– [–]	255.00 [–]	 [–]	– [–]	– [–]	255.00 [–]
Total	**–** [–]	**255.00** [–]	**–** [–]	**–** [–]	**1,160.00** [–]	**1,415.00** [–]
Loans and Advances						
Aasia Advisory Services Limited	– [–]	– [–]	– [–]	– [–]	6.32 [–]	6.32 [–]
IN Entertainment (India) Limited	– [–]	21.45 [145.10]	– [–]	– [–]	– [–]	21.45 [145.10]
Total	**–** [–]	**21.45** [145.10]	**–** [–]	**–** [–]	**6.32** [–]	**27.77** [145.10]
Trade Receivables						
Hinduja National Power Corporation Limited	– [–]	– [–]	 [–]	– [–]	– [99.74]	– [99.74]
Planet E-Shop Holding India Limited	– [–]	67.52 [67.52]	– [–]	– [–]	– [–]	67.52 [67.52]
RMD Baroda Network Private Limited	– [–]	– [–]	– [57.88]	– [–]	– [–]	– [57.88]
Total	**–** [–]	**67.52** [67.52]	**–** [57.88]	**–** [–]	**–** [99.74]	**67.52** [225.14]

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:

(₹ in Lacs)

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
Trade Payables						
Aasia Advisory Services Limited	–	–	–	–	4.55	4.55
	[–]	[–]	[–]	[–]	[69.55]	[69.55]
Hinduja Global Solutions Limited	–	–	–	–	144.01	144.01
	[–]	[–]	[–]	[–]	[47.66]	[47.66]
Hinduja Group Limited	–	–	–	–	23.74	23.74
	[–]	[–]	[–]	[–]	[21.14]	[21.14]
Hinduja Realty Ventures Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[0.11]	[0.11]
Mr. Ashok P. Hinduja	38.85	–	–	–	–	38.85
	[46.87]	[–]	[–]	[–]	[–]	[46.87]
Total	**38.85**	**–**	**–**	**–**	**172.30**	**211.15**
	[46.87]	[–]	[–]	[–]	[138.46]	[185.33]
Other Current Assets						
Hinduja Energy India Limited	–	–		–	–	–
	[–]	[–]	[–]	[–]	[0.19]	[0.19]
Hinduja National Power Corporation Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[189.54]	[189.54]
Total	**–**	**–**	**–**	**–**	**–**	**–**
	[–]	[–]	[–]	[–]	[189.73]	[189.73]
Amount received related to Income tax matters						
Hinduja Global Solutions Limited	–	–	–	–	5,550.00	5,550.00
	[–]	[–]	[–]	[–]	[3,750.00]	[3,750.00]
Total	**–**	**–**	**–**	**–**	**5,550.00**	**5,550.00**
	[–]	[–]	[–]	[–]	[3,750.00]	[3,750.00]
Comfort Letter / Shortfall Undertaking						
Hinduja National Power Corporation Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[40,000.00]	[40,000.00]
IN Entertainment (India) Limited	–	4,500.00	–	–	–	4,500.00
	[–]	[7,500.00]	[–]	[–]	[–]	[7,500.00]
Total	**–**	**4,500.00**	**–**	**–**	**–**	**4,500.00**
	[–]	[7,500.00]	[–]	[–]	[40,000.00]	[47,500.00]
Sale of Investments						
Hinduja Group Limited	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[1,442.05]	[1,442.05]
Total	–	–	–	–	–	–
	[–]	[–]	[–]	[–]	[1,442.05]	[1,442.05]
Investments as at the Year-end						
Hinduja Energy India Limited	–	–	–	–	18,711.00	18,711.00
	[–]	[–]	[–]	[–]	[18,711.00]	[18,711.00]
IN Entertainment (India) Limited	–	844.61	–	–	–	844.61
	[–]	[844.61]	[–]	[–]	[–]	[844.61]
Planet E-Shop Holding India Limited	–	596.00	–	–	–	596.00
	[–]	[596.00]	[–]	[–]	[–]	[596.00]
Total	**–**	**1,440.61**	**–**	**–**	**18,711.00**	**20,151.61**
	[–]	[1,440.61]	[–]	[–]	[18,711.00]	[20,151.61]

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:

(₹ in Lacs)

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
Dividend Paid						
Aasia Management and Consultancy Private Limited (now known as Hinduja Group Limited)	– [–]	– [–]	– [–]	– [–]	1,369.05 [1,350.71]	1,369.05 [1,350.71]
Hinduja Realty Ventures Limited	– [–]	– [–]	– [–]	– [–]	– [18.34]	– [18.34]
Mr. Ashok P. Hinduja	99.56 [233.27]	– [–]	– [–]	– [–]	– [–]	99.56 [233.27]
Total	**99.56** [233.27]	**–** [–]	**–** [–]	**–** [–]	**1,369.05** [1,369.05]	**1,468.61** [1,602.32]

Notes:

1. Figures in brackets are in respect of the previous year.
2. Transactions with joint venture company as reflected in Column III above are at full value.

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

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

I. Defined Contribution Plans

a. Provident fund

b. State defined contribution plans

i) Employer's contribution to employees' state insurance

ii) Employer's contribution to employees' pension scheme 1995

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

(₹ in Lacs)

Particulars	2013-14	2012-13
- Employers' contribution to provident fund [Includes EDLI charges and employers' contribution to employees' pension scheme 1995]*	**171.48**	168.92
- Employers' contribution to employees' state insurance *	**64.70**	56.64
- Employers' contribution to other employees' benefit scheme *	**0.50**	0.53

* Included in contribution to provident and other funds - Refer Note 26 of the financial statements.

II. Defined Benefit Plan

Gratuity

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

Particulars	2013-14	2012-13
Discount rate (per annum)	**9.31%**	8.25%
Rate of increase in compensation levels	**6%**	5-6%
Rate of return on plan assets	**8.70%**	8.70%

A) Changes in the Present Value of Obligation

(₹ In Lacs)

Particulars	2013-14		2012-13	
	Funded	Unfunded	Funded	Unfunded
Present value of obligation as at the beginning of the year	**238.53**	**18.04**	199.52	19.04
Interest cost	**19.68**	**1.59**	17.46	1.51
Current service cost	**32.34**	**1.25**	26.52	2.07
Transfers	**–**	**–**	7.62	(7.62)
Benefits paid	**(29.64)**	**–**	(11.56)	–
Actuarial (gain) / loss on obligations	**(11.57)**	**(2.95)**	(1.03)	3.04
Present Value of Obligation at the end of the year	**249.34**	**17.93**	238.53	18.04

B) Changes in the Fair Value of Plan Assets

(₹ in Lacs)

Particulars	2013-14	2012-13
Opening fair value of plan assets	**189.54**	157.19
Expected return on plan assets	**16.49**	13.52
Actuarial gains / (losses) on plan assets	**6.45**	(6.29)
Contributions	**31.77**	29.06
Transfers	**–**	7.62
Benefits paid	**(29.64)**	(11.56)
Closing Fair Value of Plan Assets	**214.61**	189.54

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

(₹ in Lacs)

Particulars	2013-14		2012-13	
	Funded	Unfunded	Funded	Unfunded
Present value of funded obligation as at the end of the year	**249.34**	**–**	238.53	–
Fair value of plan assets as at the end of the year	**214.61**	**–**	189.54	–
Funded status	**214.61**	**–**	189.54	–
Present value of unfunded obligation at the end of the year	**–**	**(17.93)**	–	(18.04)
Unfunded Net Asset / (Liability) Recognised in Balance Sheet*	**(34.73)**	**(17.93)**	(48.99)	(18.04)

* Included in provisions - Refer Note 7 & 11 of the financial statements.

D) Amount recognised in the Balance Sheet

(₹ in Lacs)

Particulars	2013-14		2012-13	
	Funded	Unfunded	Funded	Unfunded
Present value of obligation at the end of the year	**249.34**	**17.93**	238.53	18.04
Fair value of plan assets as at the end of the year	**214.61**	**–**	189.54	–
Liability recognised in the Balance Sheet*	**34.73**	**17.93**	48.99	18.04

* Included in provisions - Refer Note 7 & 11 of the financial statements.

E) Expenses recognised in the Statement of Profit and Loss

(₹ in Lacs)

Particulars	2013-14	2012-13
Current service cost	**33.60**	28.03
Interest cost	**21.27**	19.53
Expected return on plan assets	**(16.49)**	(13.52)
Net actuarial (gain) / loss recognised in the year	**(20.97)**	8.31
Total Expenses recognised in the Statement of Profit and Loss*	**17.41**	42.35

* Included in employee benefits expenses - Refer Note 26 of the financial statements.

F) Other Information

(₹ in Lacs)

Particulars	2013-14		2012-13		2011-12		2010-11		2009-10	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Present value of obligation at the end of the year	**249.34**	**17.93**	238.53	18.04	199.52	19.04	155.33	41.21	125.64	34.21
Fair value of plan assets at the end of the year	**214.61**	**–**	189.54	–	157.19	–	128.24	–	120.15	–
Surplus / (deficit)	**34.73**	**–**	48.99	–	42.33	–	27.09	–	5.49	–
Experience adjustments on plan liabilities – (gain) / loss	**1.55**	**(2.95)**	11.29	3.04	23.11	1.88	20.31	(3.55)	3.99	(1.52)
Experience adjustments on plan assets – (gain) / loss	**(6.45)**	**–**	6.29	–	0.80	–	(0.75)	–	(0.25)	–

The above data has been disclosed on the basis of information available with the Group and to the extent such information has been disclosed in the financial statements of the constituents.

G) Percentage of each category of Plan Asset to the Fair Value of Plan Assets as at 31st March, 2014

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

H) Expected Contribution to Fund for the next year

Expected employer's contribution to fund maintained with LIC for the next year aggregates ₹ 63.06 (in Lacs) [Previous Year – ₹ 81.33 (in Lacs)].

The liability for leave encashment and compensated absences as at 31st March, 2014 aggregates ₹ 314.23 (in Lacs) [Previous Year - ₹ 293.19 (in Lacs)].

The Fair Value of Plan asset in the above computation includes the funds of the following Company that merged with the group as per the details given below.

Employees of Televideo Communications Limited were taken on the payroll of Indusind Media & Communication Limited (IMCL) a subsidiary from April 1, 2005, the plan assets relating to them amounting to ₹ 12.86 Lacs (P.Y ₹ 11.05/- lacs) has been included in the above computation.

The estimates of future salary increases considered in actuarial valuation, take account of Inflation, seniority, promotion, and other relevant factor, such as supply and demand in the employment market.

39 The details of derivative instruments and foreign currency exposures are as under:

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as given below:

Amounts payable in foreign currency on account of the following:

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
	(₹ in lacs)	USD (in lacs)	(₹ in lacs)	USD (in lacs)
Sundry Creditors	**157.06**	**2.61**	1,840.86	33.84
Buyers Credit	**12,876.32**	**214.25**	5,779.91	102.27

a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding foreign exchange contracts entered into by the Company as on March 31, 2014

Currency	Amount	Buy / Sell	Cross Currency
USD	**34.59 Lacs**	Buy	INR
USD	(81.60 Lacs)	Buy	INR

Note: Figures in brackets are in respect of the previous year.

b) Interest rate swap to hedge against fluctuation in interest rate changes: No of contract Nil (As at March 31, 2013 : 79)

c) Currency swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate. No of Contracts: 4 (As at March 31, 2013: 80)

Note: Indusind Media & Communication Limited (IMCL) a subsidiary had borrowed loans from The Hongkong and Shanghai Banking Corporation Limited in foreign currency during 2012-13 and had simultaneously entered in to currency swap and interest rate swap contracts which fixed the Company's liability in terms of Rupees for Principal and Interest.

During the year, it has refinanced the loan and unwound the swap contracts, which has resulted in a net gain of ₹ 23.00 lacs.

40 Details of long-term borrowings :-

(₹ in Lacs)

Secured loans	As at 31.03.2014				As at 31.03.2013		
	Non-current	Current maturities	Total	Particulars of redemption / repayment	Non-current	Current maturities	Total
(I) Non-convertible debentures ('NCD')							
11.70% NCD	–	–	–	Repaid in January, 2014.	–	10,000.00	10,000.00
10.60% NCD	–	7,500.00	7,500.00	Repayable Rs.6,000 in June, 2014 and Rs.1,500 in July, 2014.	15,000.00	–	15,000.00
Total	**–**	**7,500.00**	**7,500.00**		**15,000.00**	**10,000.00**	**25,000.00**
(II) Term loans ('TL')							
(i) From Banks							
TL – 1	–	–	–	3 equal install– ments on Nov 17, 2014; Feb 02, 2015 and May 15, 2015.	5,385.00	–	5,385.00
TL – 2							
	–	–	–	17 equal quarterly instalments starting from Dec 27, 2013	8,076.76	723.24	8,800.00
TL – 3	–	–	–	19 equal quarterly instalments after 6 months starting from Mar 30, 2012.	105.26	42.11	147.37
TL – 4	–	–	–	Varying amount repayable on 30th, 33rd and 36th month from the drawdown starting from Feb 7, 2015 and ending on Nov 5, 2015.	1,472.07	–	1,472.07
TL – 5	7,125.00	375.00	7,500.00	20 equal quarterly instalments starting from March 15, 2015.	–	–	–
TL – 6	7,826.32	–	7,826.32	First 4 quarterly Instalments @ 1.95% & subsequent 16 quarterly instalments @ 5.76% starting from 27th May 2015.	–	–	–
TL – 7	7,628.07	–	7,628.07	17 unequal quarterly instalments from 13th Jan 2016. First 4 instalments @ 1.5%, Second 4 instalments @ 4%, third 8 instalments @ 8.75% & last instalment of 8%			
Total	**22,579.39**	**375.00**	**22,954.39**		**15,039.09**	**765.35**	**15,804.44**
(ii) From other Parties							
TL – 8	428.57	571.43	1,000.00	19 equal quarterly instalments starting from June 30, 2011.	3,684.21	2,105.26	5,789.47
TL – 9	3,750.00	1,250.00	5,000.00	16 equal quarterly instalments starting from May 25, 2014.	5,000.00	–	5,000.00
Total	**4,178.57**	**1,821.43**	**6,000.00**		**8,684.21**	**2,105.26**	**10,789.47**

(₹ in Lacs)

Secured loans	As at 31.03.2014				As at 31.03.2013		
	Non-current	Current maturities	Total	Particulars of redemption / repayment	Non-current	Current maturities	Total
(III) Other loans and advances							
(i) From Banks							
Buyers credit -1	–	–	–	20% of amount to be repaid or equivalent FD to be created at the end of first & second year and balance to be repaid in third year.	5,013.52	1,253.37	6,266.89
Buyers credit – 2	–	–	–	17 equal quarterly instalments starting from Dec 27, 2013	4,686.22	293.18	4,979.40
Buyers credit – 3	–	–	–	Varying amount repayable on 30th, 33rd and 36th month from the drawdown starting from Dec 29, 2014 and ending on Jan 29, 2016.	15,422.40	–	15,422.40
Buyers credit – 4	9,770.72	44.36	9,815.08	20 equal quarterly instalments starting from March 15, 2015.	–	–	–
Buyers credit – 5	9,465.41	–	9,465.41	First 4 quarterly Instalments @ 1.95% & subsequent 16 quarterly instalments @ 5.76% starting from 27th May 2015.	–	–	–
Buyers credit – 6	16,865.51	–	16,865.51	17 unequal quarterly instalments from 13th Jan 2016. First 4 instalments @ 1.5%, Second 4 instalments @ 4%, third 8 instalments @ 8.75% & last instalment of 8%	–	–	–
TOTAL	**36,101.64**	**44.36**	**36,146.00**		**25,122.14**	**1,546.55**	**26,668.69**
GRAND TOTAL	**62,859.60**	**9,740.79**	**72,600.39**		**63,845.44**	**14,417.16**	**78,262.60**

Note 1: The NCD of ₹ Nil (in Lacs) (Previous Year: ₹ 10,000 (in Lacs) carries coupon rate of 11.70% compounded semi annually and NCD of ₹ 7,500 (in Lacs) (Previous Year: ₹ 15,000 (in Lacs) carries coupon rate of 10.60% compounded quarterly. The NCD is secured against equity shares held by the subsidiary viz. IDL Speciality Chemicals Limited and the Company so as to give an adequate coverage. Additionally, the Company has provided a shortfall undertaking to the debenture trustee, that in the event of default by the subsidiary, the Company shall meet the shortfall, if any, to the investors of NCD.

Note 2: Of the above, term loans 1,2,3 and 4 and buyers credits 1,2 and 3 from 2 banks have been refinanced by other banks. Hence the disclosures for Current/ Non – Current are not comparable with the previous year.

Note 3: The above Term Loans and Buyers credit from banks and others carry varying rates of interest with the maximum rate of interest going upto 12.83% per annum. The weighted average rates of these loans are at around 9 % per annum.

Note 4: All Term Loans, Buyers credits are secured by a first charge on all present and future assets of the Company including fixed and current, immovable and movable, tangible and intangible assets ranking pari-passu with the charges created for other loans.

41. The associate and joint venture companies considered in the consolidated financial statements for the year ended 31st March, 2014 with the Company's shareholding in these Companies is as follows:

Sr. No.	Name of the Company	Held through	Share in voting Power (%)		Company's effective stake (%)	
			Year- ended		Year- ended	
			31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Associate					
1.	Planet E-Shop Holdings India Limited (PES-H) [including IN Entertainment (India) Limited being Subsidiary of PES-H]	IMCL	48.00	48.00	29.62	29.62
	Joint Venture					
1.	RMD Baroda Network Private Limited	IMCL	50.00	50.00	30.86	30.86

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

(₹ in Lacs)

Name of the Company	Goodwill / (Capital Reserve) on Consolidation	Effect on Group Profit / (Loss) After Tax	Effect on Net Assets as on 31.03.2014
Advance Multisystem Broadband Communications Limited	– (221.88)	– (61.42)	– (1,198.16)

Figures in brackets are in respect of the previous year.

43. The Company's subsidiary IndusInd Media & Communications Limited (IMCL) has 50% of the equity shareholding in RMD Baroda Network Private Limited (RMD) as of 31st March, 2014.

IMCL's share of assets and liabilities as at 31st March, 2014 and income and expenditure for the year ended 31st March, 2014 of the above joint venture Company based on audited financial statements are as follows:

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
A. Assets		
Non-Current Assets		
Fixed Assets		
- Tangible assets	**5.38**	5.90
- Intangible assets	**44.81**	54.41
Long-term loans and advances	**0.92**	–
Current Assets		
Trade receivables	**1.57**	48.95
Cash and cash equivalents	**1.08**	6.85
Short-term loans and advances	**30.75**	28.39
B. Liabilities		
Non-Current Liabilities		
Deferred tax liabilities	**8.35**	10.42
Long-term provision	**0.57**	0.46
Current Liabilities		
Trade payables	**17.92**	31.86
Other current liabilities	**8.59**	13.44
Short-term provision	**–**	0.88

(₹ in Lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
C. Income		
Subscription income	**2.37**	29.63
Advertisement	**0.45**	0.32
Other income	**–**	0.71
D. Expenditure		
Operating expenses and direct costs	**0.32**	3.81
Employee cost	**6.54**	4.44
Administrative and other expenses	**25.69**	1.60
Depreciation	**10.53**	10.52
Financial expenses	**0.20**	0.05
Taxation	**(2.08)**	0.88
E. Other Matters		
Capital commitments	**Nil**	Nil
Contingent liabilities	**Nil**	Nil

44. In the opinion of the Board of Directors, the current assets, viz Trade receivables and short term loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the financial statements and the amounts retained by way of providing for diminution in the value of assets or for any known liability is not in excess of the amounts reasonably necessary for the purpose.

45. As part of its Real estate activity the Company acquired approximately 47 acres of land in Bengaluru from a party in terms of an Agreement to sell. However in view of the fact that the said party, though is in receipt of sales consideration, has not fulfilled his part of the obligation by transferring the title to the said land in the name of the Company, the Company has filed a suit in a civil court in Bengaluru for specific performance of the Agreement of Sale so as to have proper conveyance to the said property in favour of the Company.

46. The Group has recognised Minimum Alternate Tax (MAT) credit for the Company in the current year, which can be carried forward for a period of ten years and set-off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by subsequent performance of the Company and subsisting business and orders under execution, which will ensure availability of sufficient future taxable income against which the above MAT credit of the Company will be adjusted.

47. With effect from April 1, 2013, IndusInd Media & Communications Limited (IMCL), subsidiary of the Company has opted for accounting of exchange differences arising on restatement of long term foreign currency monetary items under Clause 46A of Accounting Standard 11, The Effects of Changes in Foreign Exchange Rates as per notification no. G.S.R. 914(E) dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently exchange differences arising on restatement of long term foreign currency monetary items relating to financing the acquisition of depreciable assets are added to or subtracted from the cost of such depreciable assets and depreciated over the balance useful life of the asset and such option being irrevocable once exercised.

Accordingly, the exchange difference of ₹ 588.80 Lacs for the year ended March 31, 2014 (Previous Year NIL) [includes in Capital Work in Progress ₹ 261.07 Lacs for year ended March 31, 2014 (Previous Year NIL)], arising after April 1, 2013 on the reporting of long term foreign currency monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far they relate to acquisition of depreciable capital assets, have been added to the cost of assets and shall be depreciated over the balance useful life of the assets.

Up to the last year such exchange differences were charged to the consolidated statement of profit and loss. Due to this change in the accounting policy the loss before tax is lower by ₹ 507.80 Lacs (Previous Year NIL) (Net of Depreciation charge of ₹ 81 Lacs (Previous Year NIL)) for the year ended March 31, 2014.

With effect from April 1, 2013, IMCL has accounted Forward Exchange Contracts as per paragraph 36 of Accounting Standard 11 - Effects of changes in Foreign Exchange Rates.

Exchange differences arising out of restatement of long term foreign currency monetary items and the corresponding forward contracts are added to or subtracted from the cost of depreciable assets as per paragraph 46A of Accounting Standard 11.

In respect of the above forward exchange contracts entered, the difference between the forward rate and the exchange rate (Premium/Discount) at the date of the transaction is recognised as income or expense in the Consolidated Statement of Profit & Loss over the life of such contract.

Any profit / loss arising on cancellation of forward exchange contract is recognised as income or expense of the year.

On adopting paragraph 36 of Accounting Standard 11, the premium on such forward contracts amounting to ₹982.13 Lacs (Previous.Year NIL) for the year ended March 31, 2014, has been recognised in the Consolidated Statement of Profit and Loss under the head premium on forward contracts.

Upto the last year the above forward contracts were Marked to Market and corresponding losses were recognised in the consolidated statement of profit and loss. Due to this change in the accounting policy the loss before tax is higher by ₹ 982.13 lacs (Previous Year NIL).

48. Pursuant to the Delhi High Court Order in the matter of a dispute with a Pay Channel Aggregator (PCA) dated April 18, 2014, IMCL a subsidiary of the Company had entered into a Memorandum of understanding (MOU) (without prejudice and under protest) dated April 3, 2013 with a PCA. In terms of the MOU, IMCL was required to pay a fixed monthly licence fee based on a benchmark subscriber base for each city listed in the agreement and incase the Monthly Average Subscriber level exceeds the benchmark subscriber base then IMCL has to pay an additional Licence fee for every subscriber in excess of the benchmark, which shall be Cost Per Subscriber ("CPS") per month multiplied by monthly average subscriber level.

IMCL had recorded and paid the expenses on the basis of a fixed fee till October 31, 2013 on the Directions of the said High Court order. In November 2013 IMCL established its subscriber base and found that Actual Subscriber Base was much lower than agreed in the benchmark base from April 1, 2013 to October 31, 2013 and hence referred the matter to TDSAT.

TDSAT in the interim order passed on January 23, 2014, directed that the company shall make payments of the monthly subscription fee at the rate of CPS per month multiplied by monthly average subscriber base w.e.f. November 1, 2013. Further, IMCL has reversed an amount of ₹ 961 lacs which according to IMCL were paid in excess based on the calculations approved by the TDSAT in its interim order. Further directions from the Courts in this regard are pending.

49. In the matter of certain capital goods imported by IN Network Entertainment Ltd. ('INEL') which amalgamated with IndusInd Media & Communications Limited, a Subsidiary of the Company, from April 1, 2006, the customs authority had raised a demand of duty amounting to ₹102 lacs which was disputed in appeal but paid under protest by INEL. The Company as a successor to INEL has obtained a favorable decision in this regard from Customs, Excise & Service Tax Appellate Tribunal (CESTAT) under an order dated 29th August, 2006. Since the refund of the aforesaid amount was not granted even after several years, the company filed a writ petition in the Mumbai High Court. In its order dated October 11, 2011 the Honorable High Court directed that the refund claim shall be heard and disposed of by the competent Customs Authority. Under the above circumstances the company had recognized as Income an amount of ₹ 85 lacs during the year 2011-12 being interest on the refund amount receivable in terms of Section 27 A of the Customs Act, 1962. The company is pursuing the matter and is hopeful of recovering the claim amounts in full.

50. Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Anil Harish
Director

Ashok Mansukhani
Whole-Time Director

Amit Vyas
Company Secretary

Place : Mumbai
Date :29th May, 2014

Independent Auditors' Report

To the Board of Directors of Hinduja Ventures Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HINDUJA VENTURES LIMITED (the "Company"), its subsidiaries and a jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entity and associates referred to below in the Other Matter paragraph, the aforesaid 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 state of affairs of the Group as at 31st March, 2014;

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

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

Other Matter

We did not audit the financial statements of nineteen subsidiaries whose financial statements reflect total assets of ₹ 61,241.41 lacs as at 31st March, 2014, total revenues of ₹ 12,941.09 lacs and net cash outflows amounting to ₹ 244.60 lacs for the year ended on that date and a jointly controlled entity whose financial statements reflect total assets (net) of ₹ 84.52 lacs as at 31st March, 2014, total revenues of ₹ 2.82 lacs and net cash outflows amounting to

₹ 5.77 lacs, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ Nil for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a jointly controlled entity and two associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

R. Laxminarayan
Partner
Membership No. 33023

Place : Mumbai
Date : 29th May, 2014

FORWARD-LOOKING STATEMENTS

In this Annual Report we may have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decision. This report and other statements-written oral- that we periodically make may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify information with words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

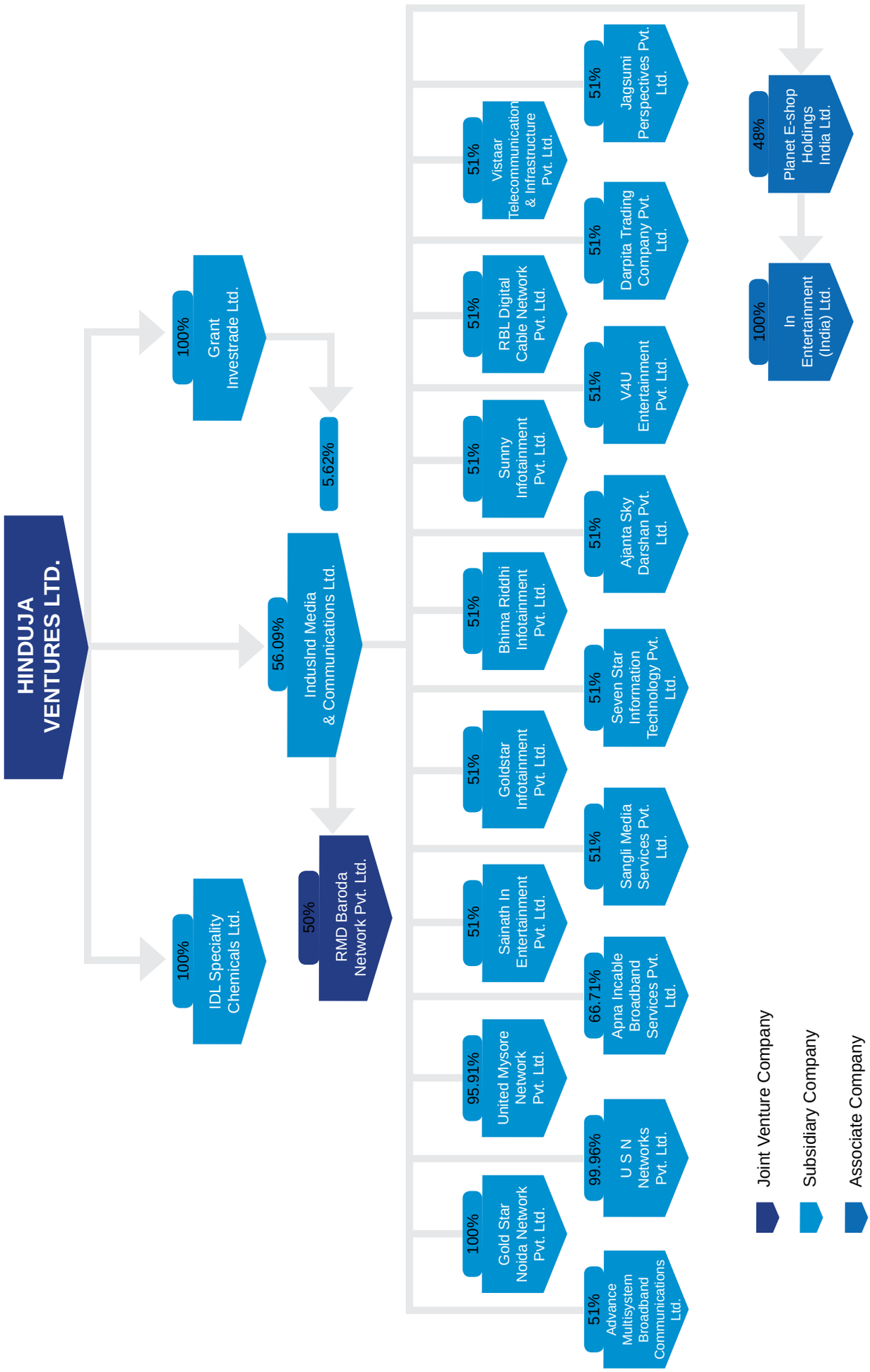
We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumption. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions at times.

Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially form those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTES

HVL Holding Structure



IMCL Geographical Spread

Hinduja Ventures
Inspiring Growth

HINDUJA VENTURES LIMITED

(CIN: L51900MH1985PLC036896)
Registered Office: In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai-400 093.
Ph No.: 022-66910945, Fax: 022-66910988, E-mail id: investorgrievances@hindujaventures.com
Website: www.hindujaventures.com

(To be handed over at the entrance of the Meeting Venue)

ATTENDANCE SLIP

Regd. Folio No. / DPID - Client ID No. : _____

SHAREHOLDER'S NAME: Mr./Ms./Mrs./Messrs _____
(in Block Capitals)

_____

IN CASE OF PROXY

NAME OF PROXY: Mr./Ms./Mrs. _____
(in Block Capitals)

_____

No. of Shares held _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 29th Annual General Meeting of the Company held on Monday, September 22, 2014 at 11:00 a.m. at the Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

_____
Signature of Shareholder(s)/ Proxy

Notes : 1. Please bring this Attendance Slip when coming to the Meeting.
2. Please do not bring with you any person who is not a member of the Company at the meeting.

EVSN (Electronic Voting Sequence Number)	User ID	Password/PIN

Hinduja Ventures
Inspiring Growth

HINDUJA VENTURES LIMITED
(CIN: L51900MH1985PLC036896)
Registered Office: In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai-400 093.
Ph No.: 022-66910945, Fax: 022-66910988, e-mail id: investorgrievances@hindujaventures.com
website: www.hindujaventures.com

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):_____

Registered Address:_____

E-mail ID:_____

Folio/ DP ID - Client ID No.:_____

I/We being the member(s) of _____ shares of Hinduja Ventures Limited hereby appoint:

(1) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(2) Name: _____

Address: _____

E-mail ID: _____

Signature: _____, or failing him;

(3) Name: _____

Address: _____

E-mail ID: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, September 22, 2014 at 11:00 a.m. at the Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business:	
1	Adoption of Audited Financial Statements for the year ended March 31, 2014.
2	Approval for Final Dividend of ₹ 15 per equity share for the year ended March 31, 2014.
3	Re-appointment of Mr. Ramkrishan P. Hinduja as a Director, who retires by rotation.
4	Appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and fixing their remuneration.
Special Business:	
5	Ratification of Remuneration of M/s. ABK & Associates, Cost Auditors of the Company.
6	Appointment of Mr. Anil Harish as an Independent Director for a period of five consecutive years from September 22, 2014 to September 21, 2019 (both days inclusive).
7	Appointment of Mr. Rajendra P. Chitale as an Independent Director for a period of five consecutive years from September 22, 2014 to September 21, 2019 (both days inclusive).
8	Appointment of Mr. Prakash Shah as an Independent Director for a period of five consecutive years from September 22, 2014 to September 21, 2019 (both days inclusive).
9	Approval of Remuneration of Mr. Ashok Mansukhani, Whole-Time Director of the Company.
10	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money for the purpose of business of the Company up to ₹ 1,000/- crores (Rupees One Thousand crores only) at any one time.

Note: Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder _____

Affix ₹ One Revenue Stamp

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. **A Proxy need not be a member of the Company.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29th Annual General Meeting.

5. Please complete all details including details of member(s) in above box before submission.

Hinduja Ventures
Inspiring Growth

HINDUJA VENTURES LIMITED
(CIN: L51900MH1985PLC036896)
Registered Office: In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai-400 093.
Ph No.: 022-66910945, Fax: 022-66910988, e-mail id: investorgrievances@hindujaventures.com website: www.hindujaventures.com

HINDUJA GROUP