

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIANROOTS RETAIL PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Indianroots Retail Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

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the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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, of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2.2 to the financial statements, which explains that the Company has incurred significant losses in the current year and in the previous years, as a result the net worth of the company is fully eroded as on 31 March 2016. Based on current business plans and projections prepared by the management and approved by the Board of Directors, operational losses are expected in the subsequent year as well. In order to meet long term and short term capital requirements, the management is in discussion with new investors for fresh capital infusion. Further, NDTV Worldwide Limited (fellow subsidiary) has confirmed their intention to provide financial and operational support to the Company. These conditions as set forth in Note 2.2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other matters

The financial statements of the Company for the year ended 31 March 2015 were audited by Price Waterhouse, Chartered Accountants who expressed an unmodified opinion on those statements on 2 May 2015.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure A, statement on the matters specified in paragraph 3 of the order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and 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 it 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;



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- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The going concern matter described under the emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at 31 March 2016;
 - ii. The Company does not have any long-term contracts or derivative contracts outstanding as at 31 March 2016; and
 - iii. The Company does not have any dues on account of Investor Education and Protection Fund.

For B S R & Associates LLP
Chartered Accountants
Firm registration number: 116231W/ W-100024



Rakesh Dewan
Partner

Membership number: 092212

Place: Gurgaon
Date: 5 May 2016

Annexure A referred to in our Independent Auditor's Report of even date to the members of Indianroots Retail Private Limited on the financial statements for the year ended 31 March 2016.

- (i) According to the information and explanations given to us, the Company does not hold any fixed assets. Accordingly, para 3(i) of the Order is not applicable to the Company.
- (ii) Inventories have been physically verified by the management during the year. According to the information and explanations given to us, the procedures for physical verification of inventories followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, para 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not entered into any transactions related to loans, investments, guarantees and securities to which the provisions of Section 185 and Section 186 of the Act are applicable. Accordingly, para 3(iv) of the Order is not applicable to the Company.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the products sold by the Company. Accordingly, para 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, value added tax, cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of duty of excise, provident fund, employees' state insurance, service tax and duty of customs.



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According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax, value added tax, cess and other statutory dues were in arrears as at 31 March 2016, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, banks, government or debenture holders during the year. Accordingly, para 3 (viii) of the Order is not applicable to the Company
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, there has been no fraud by the Company and neither any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The provisions of section 197 of the Companies Act 2013 are not applicable to the Company. Accordingly, para 3 (xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Act. Accordingly, para 3(xv) of the Order is not applicable to the Company.



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- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024



Rakesh Dewan

Partner

Membership number: 092212

Place: Gurgaon

Date: 5 May 2016

Annexure B to the Independent Auditor's Report of even date on the financial statements of Indianroots Retail Private Limited for the year ended 31 March 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indianroots Retail Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024



Rakesh Dewan

Partner

Membership number: 092212

Place: Gurgaon

Date: 5 May 2016

Indianroots Retail Private Limited

(Amount in Rupees million)

Balance sheet	Notes	As at	
		March 31, 2016	March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	0.10	0.10
Reserves and surplus	4	(291.04)	(111.24)
		(290.94)	(111.14)
Current liabilities			
Trade payables	5	-	-
- Total outstanding dues of micro enterprises and small enterprises;		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		298.95	104.80
Other current liabilities	6	2.53	27.32
		301.48	132.12
TOTAL		10.54	20.98
Assets			
Non-current assets			
Long-term loans and advances	7	-	0.58
		-	0.58
Current assets			
Inventories	8	1.01	4.17
Trade receivables	9	-	12.23
Cash and bank balances	10	1.57	0.19
Short-term loans and advances	7	7.96	3.81
		10.54	20.40
TOTAL		10.54	20.98
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors of
Indianroots Retail Private Limited

Sd/-
Rakesh Dewan
Partner
Membership Number : 092212

Sd/-
Ajay Mankotia
Director

Sd/-
Ravi Asawa
Director

Sd/-
Vikramaditya Chandra
Group Chief Executive Officer

Sd/-
Saurav Banerjee
Director, Finance and Group CFO

Place : Gurgaon
Date : May 5, 2016

Place : New Delhi
Date : May 4, 2016

Indianroots Retail Private Limited

(Amount in Rupees million except per share data)

Statement of Profit and Loss	Notes	Year ended	
		March 31, 2016	March 31, 2015
Income			
Revenue from operations	11	68.44	70.74
Total revenue (I)		68.44	70.74
Expenses			
Purchase of stock in trade	12	83.27	105.23
Changes in inventories of stock in trade	13	3.16	(4.04)
Operations and administration expenses	14	156.08	77.27
Marketing, distribution and promotion expenses	15	5.69	1.00
Finance costs	16	0.04	0.29
Total (II)		248.24	179.75
Loss before tax (I)-(II)		(179.80)	(109.01)
Loss per equity share [nominal value of share Rs 10 (Previous Year Rs 10)] Basic and Diluted	17	(17,980.26)	(10,901.09)
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors of
Indianroots Retail Private Limited

Sd/-
Rakesh Dewan
Partner
Membership Number : 092212

Sd/-
Ajay Mankotia
Director

Sd/-
Ravi Asawa
Director

Sd/-
Vikramaditya Chandra
Group Chief Executive Officer

Sd/-
Saurav Banerjee
Director, Finance and Group CFO

Place : Gurgaon
Date : May 5, 2016

Place : New Delhi
Date : May 4, 2016

Indianroots Retail Private Limited

(Amount in Rupees million)

Cash Flow Statement	Notes	Year ended	
		March 31, 2016	March 31, 2015
Loss before tax		(179.80)	(109.01)
Adjustments for:			
Finance costs		0.04	0.29
Operating loss before working capital changes		(179.76)	(108.72)
Movements in working capital :			
Increase/ (decrease) in trade payables		194.14	103.72
Increase/ (decrease) in other current liabilities		(24.79)	24.65
Decrease / (increase) in trade receivables		12.23	(10.58)
Decrease / (increase) in inventories		3.17	(4.04)
Decrease / (increase) in long term loans and advances		0.58	(4.38)
Decrease / (increase) in short term loans and advances		(4.15)	(0.27)
Net cash flow from operating activities (A)		1.42	0.38
Cash flows from financing activities			
Finance cost		(0.04)	(0.29)
Net cash flow used in financing activities (B)		(0.04)	(0.29)
Net increase/(decrease) in cash and cash equivalents (A+B)		1.38	0.09
Cash and cash equivalents at the beginning of the year		0.19	0.10
Cash and cash equivalents at the end of the year		1.57	0.19
		As at	
Components of cash and cash equivalents		March 31, 2016	March 31, 2015
Cash in hand		0.08	0.19
With banks			
- In current account		1.49	-
Total cash and cash equivalents		1.57	0.19

Summary of significant accounting policies

2

Notes :

1. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014.
2. Figures in brackets indicate cash outflow.
3. Previous year's figures have been reclassified wherever necessary to conform to current year's presentation.

As per our report of even date attached.

For **BSR & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors of
Indianroots Retail Private Limited

Sd/-
Rakesh Dewan
 Partner
 Membership Number : 092212

Sd/-
Ajay Mankotia
 Director

Sd/-
Ravi Asawa
 Director

Sd/-
Vikramaditya Chandra
 Group Chief Executive Officer

Sd/-
Saurav Banerjee
 Director, Finance and Group CFO

Place : Gurgaon
 Date : May 5, 2016

Place : New Delhi
 Date : May 4, 2016

Indianroots Retail Private Limited

Notes to financial statements for the year ended March 31, 2016

1. Corporate information

The Company was incorporated on November 14, 2013 as JA Ethnic Retail Private Limited, the name was changed to Indianroots Retail Private Limited w.e.f. January 27, 2014 on receipt of approval from the Registrar of Companies, NCT of Delhi and Haryana. The Company was acquired by NDTV Ethnic Retail Limited on November 28, 2013. The Company operates e commerce business of sale of various products on the platform www.indianroots.in in India. The Company commenced its operations from March 6, 2014.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared and presented under the historical convention on a going concern basis, on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

All assets and liabilities have been classified as current or non-current in accordance with the Company's operating cycle and other relevant criteria. Based on the nature of the product or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Going Concern

The Company has incurred significant losses in the current year and in the previous years, as a result the net worth of the Company is substantially eroded as on March 31, 2016. Based on current business plans and projections prepared by the management and approved by the Board of Directors, operational losses are expected in the subsequent year as well. In order to meet long term and short term capital requirements, the Company is in discussion with the new investors for fresh capital infusion. Further, NDTV Worldwide Limited (fellow subsidiary) has confirmed its intention to provide financial and operational support to the Company. Accordingly, the use of going concern has been considered appropriate in the preparation of these financial statements and assets and liabilities have been recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

2.3 Use of estimates

In the preparation of the financial statements, the management of the Company makes appropriate estimates and assumptions [in conformity with the applicable accounting principles in India] that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets provisions and liabilities to be transferred and written.

Provisions: Provisions are recognised when there is a present obligation as a result of a past event's. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there it is possible and make a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to their present value.

Contingent liability: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.4 Leases

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

2.5 Revenue recognition

Revenue from online sale of goods are recognized when the goods have been delivered and all the risk and rewards of ownership has been transferred to the buyer.



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

2.6 Foreign currency transaction

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the dates of the transactions. Gains / (losses) arising out of fluctuations in the exchange rates are recognised as income / expense in the period in which they arise.

2.7 Inventories

Stock in trade

Inventories related to stock in trade are stated at the lower of cost and net realisable value. The value of stock is specific to the order placed by the customer. The stock in trade comprises apparels, dresses and fashion accessories. Net realisable value is estimated selling price in the ordinary course of business less the estimated cost of sale.

2.8 Earning per share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

2.9 Taxes on income

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.10 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

3. Share capital (Amount in Rupees million except number of shares)

	As at	
	March 31, 2016	March 31, 2015
Authorised shares		
10,000 Equity shares (Previous year 10,000 Equity shares) of Rs.10 each	0.10	0.10
Issued, subscribed and fully paid-up		
10,000 Equity shares (Previous year 10,000 Equity shares) of Rs.10 each	0.10	0.10
Total issued, subscribed and fully paid-up share capital	0.10	0.10

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

(Amount in Rupees million except number of shares)

Equity shares	As at March 31, 2016		As at March 31, 2015	
	Number	Rs in million	Number	Rs in million
Opening balance	10,000	0.10	10,000	0.10
Outstanding at the end of the year	10,000	0.10	10,000	0.10

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

(Amount in Rupees million except number of shares)

Equity shares of Rs. 10 each fully paid held by	As at March 31, 2016		As at March 31, 2015	
	Number	Rs in million	Number	Rs in million
NDTV Ethnic Retail Limited, holding company	10,000	0.10	10,000	0.10

(c) Details of shareholders holding more than 5% shares in the Company

(Amount in Rupees million except number of shares)

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	Numbers	% holding	Numbers	% holding
Equity shares of Rupees 10 each fully paid held by:				
NDTV Ethnic Retail Limited	10,000	100%	10,000	100%

(d) Rights, preferences and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion to the number of equity shares held.

4. Reserves and surplus

(Amount in Rupees million)

	As at	
	March 31, 2016	March 31, 2015
Deficit in the Statement of Profit and Loss		
Balance as at the beginning of the year	(111.24)	(2.23)
Loss for the year	(179.80)	(109.01)
Net deficit in Statement of Profit and Loss	(291.04)	(111.24)
Total Reserves and surplus	(291.04)	(111.24)



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

5. Trade payables	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Trade payables		
-total outstanding dues of micro enterprises and small enterprises, (refer note 20)	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	298.95	104.80
	<u>298.95</u>	<u>104.80</u>

6. Other current liabilities	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Book overdraft	-	7.86
Advances from customers	1.97	15.65
Statutory dues	0.56	3.81
	<u>2.53</u>	<u>27.32</u>

7. Loans and advances	(Amount in Rupees million)			
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Long-term		Short-term	
Unsecured and considered good, unless otherwise stated				
Security deposit	-	0.58	0.58	-
Advances recoverable in cash or kind	-	-	0.52	0.27
Recoverable from logistics partners	-	-	6.73	3.54
Due from government authorities	-	-	0.13	-
Total	<u>-</u>	<u>0.58</u>	<u>7.96</u>	<u>3.81</u>

8. Inventories (lower of cost and net realisable value)	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Stock-in-trade (includes stock in transit Rs. 0.02 million (Previous year Rs. 0.11 million)*)		
Apparels	1.01	4.17
Others	-	-
	<u>1.01</u>	<u>4.17</u>

* Net off provision for inventory of Rs 1.39 million (Previous year Rs Nil).

9. Trade receivables	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	-	12.23
	<u>-</u>	<u>12.23</u>

10. Cash and bank balances	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Cash and cash equivalents		
Balances with banks:		
- On current accounts	1.49	-
Cash in hand	0.08	0.19
	<u>1.57</u>	<u>0.19</u>



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

11. Revenue from operations	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Revenue from operations		
Sale of goods	68.44	70.74
	68.44	70.74

12. Purchases of stock in trade	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Stock in trade		
Apparels	61.62	77.87
Others	21.65	27.36
	83.27	105.23

13. Changes in inventories of stock in trade	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Stock at the beginning of the year	4.17	0.13
Less: stock at the end of the year	1.01	4.17
	3.16	(4.04)

14. Operations and administration expenses	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Rent	1.23	0.92
Rates and taxes	-	0.05
Auditors remuneration*	0.25	0.24
Legal, professional and consultancy	153.75	75.97
Foreign exchange loss	0.34	0.05
Bank charges	0.11	0.04
Postage and courier	0.40	-
	156.08	77.27

* Auditors remuneration	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
As auditors:		
Audit fee	0.20	0.20
Reimbursement of expenses		
Out of pocket expenses	0.05	0.04
	0.25	0.24

15. Marketing, distribution and promotion expenses	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Marketing expense	0.03	0.03
Shipping expense	5.66	0.97
	5.69	1.00

16. Finance costs	(Amount in Rupees million)	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
-Others	0.04	0.29
	0.04	0.29



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

17. Loss per equity share (LPS)

(Amount in Rupees million except per share data)

	Year ended	
	March 31, 2016	March 31, 2015
Loss attributable to equity shareholders	(179.80)	(109.01)
Number of equity shares outstanding at year end (Nos)	10,000	10,000
Weighted average number of equity shares outstanding during the year for basic and diluted loss per share (Nos.)	10,000	10,000
Basic and diluted loss per equity share (Rs)	(17,980.26)	(10,901.09)
Nominal value per share (Rs)	10	10

18. Operating leases

The Company has taken commercial premises under non-cancellable operating leases. The rental expense for the current year, in respect of operating leases was Rs. 1.23 million (Previous year 0.92 million). The future minimum lease payments in respect of such leases are as follows:

	(Amount in Rupees million)	
	As at	
	March 31, 2016	March 31, 2015
Within one year	0.39	1.23
After one year and not more than five years	-	0.39
Total minimum lease payments	0.39	1.62



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

19. Related party disclosures

Names of related parties, where control exists or with whom transactions were carried out during each year and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

I. Names of the related parties and nature of relationship

New Delhi Television Limited	:	Ultimate Holding Company
NDTV Ethnic Retail Limited	:	Holding Company

Key management personnel and their relatives

Vikramaditya Chandra	Group Chief Executive Officer
Saurav Banerjee	Director, Finance and Group CFO
Ajay Mankotia	Director
Ravi Asawa	Director

II. Disclosure of related party transactions

The following table provides the total amount of transactions that have been entered into with related parties, in the ordinary course of business.

(Amount in Rupees million)

Nature of relationship / transaction	Holding company		Key managerial personnel		Total	
	Year ended		Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Payment made on behalf of company						
NDTV Ethnic Retail Limited	-	0.67	-	-	-	0.67
Shared service cost *						
NDTV Ethnic Retail Limited	153.11	75.53	-	-	153.11	75.53
Collection on behalf of company						
NDTV Ethnic Retail Limited	48.19	73.06	-	-	48.19	73.06
Receipt against collection on behalf of company						
NDTV Ethnic Retail Limited	120.02	64.50	-	-	120.02	64.50
Sale of Goods						
Ravi Asawa	-	-	-	0.03	-	0.03
Balance at the year end	As at		As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Trade payable	283.39	59.56	-	-	283.39	59.56

* Includes service tax charged by Holding Company.

20. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Amount in Rupees million)

Particulars	As at	
	March 31, 2016	March 31, 2015
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	Nil	Nil
- Interest	Nil	Nil
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006.	Nil	Nil



Indianroots Retail Private Limited
Notes to financial statements for the year ended March 31, 2016

21. Segment Information

The Company operates in a single primary segment of e-commerce selling outside India. Accordingly, there is no separate reportable segment.

22. Previous year figures

The previous years figures have been reclassified to conform to the current year's classification.

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors of
Indianroots Retail Private Limited

Sd/-
Rakesh Dewan
Partner
Membership Number : 092212

Sd/-
Ajay Mankotia
Director

Sd/-
Ravi Asawa
Director

Sd/-
Vikramaditya Chandra
Group Chief Executive Officer

Sd/-
Saurav Banerjee
Director, Finance and Group CFO

Place : Gurgaon
Date : May 5, 2016

Place : New Delhi
Date : May 4, 2016