

NDTV ETHNIC RETAIL LIMITED
(Formerly known as NDTV Ethnic Retail Private Limited)

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Second Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2014.

Financial Results and Operations

The summarized Financial Results of the Company for the year ended March 31, 2014 are as follows:

	Year ended March 31, 2014 Amount (In Rs. Million)	For the period February 28, 2013 to March 31,2013 Amount (In Rs. Million)
Income	63.00	-
Expenditure	309.52	2.31
Profit / (Loss) before tax	(246.52)	(2.31)
Tax expense	-	-
Interest	-	-
Profit / (Loss) after tax	(246.52)	(2.31)
Profit / (Loss) carried forward	(248.83)	(2.31)

NDTV ETHNIC RETAIL LIMITED was originally incorporated on February 28, 2013 as NDTV E - Commerce Private Limited and subsequently changed its name NDTV Ethnic Retail Private limited on March 30, 2013. The company became a part of NDTV Group with effect from March 26, 2013 and w.e.f. July 25, 2013, the Company got converted into a public limited company and is now known as 'NDTV Ethnic Retail Limited'. The Company has successfully launched their portal www.indianroots.com.

The brand NDTV, which evokes instant trust amongst the Indian diaspora, was a compelling reason for NDTV Group to branch out into a business for this audience. NDTV Group successfully launched its first e-commerce venture, www.indianroots.com, targeted at the Indian diaspora in July-August 2013. The enterprise now offers thousands of products to customers, representing over 112 of India's prominent ethnic brands and over 30 leading designers including Sabyasachi, Raw Mango, Sanjay Garg, Neeta Lulla, Anita Dongre, and Meera-Muzaffar Ali, among others.

Indianroots is working with artisans, weavers, designers and creators of ethnic products directly to ensure that the finest quality, handpicked merchandise is made available to customers. Currently, indianroots.com is working with more than 375 designers/brand across the country with over 55,000 products offering.

The primary market for Indianroots is the US, the UK, Australia, Canada and Middle East countries. Indianroots.com has been viewed by more than 225 countries, with over 29.5 million page views with a unique visitor number of 2.35 million. The e-commerce website has shipped orders to more than 70 countries across the world. Currently, it has over 25,000 registered users online and is growing rapidly. Early days, but it has created history by selling one single order worth US \$30,100 through the portal.

During the year under review, the Company has made investment in Indianroots Retail Private Limited, which is now a wholly owned subsidiary of the Company to cater Indian Customers.

Dividend

Your directors have not recommended any dividend for the year under review.

Deposits

The Company has not accepted /renewed any deposits during the year.

Directors

Mr. Shyatto Raha, Director, retire at ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Vikramaditya Chandra and Mr. Saurav Banerjee, was appointed as an Additional Director of the Company on October 22, 2013, pursuant to the provisions of the Companies Act, 1956 and Mr. Ashok Rajgopal was appointed as an Additional Director of the Company on August 6, 2014 as per Companies Act 2013 and holds office upto the date of the forthcoming Annual General Meeting. Mr. Vikramaditya Chandra, Mr. Saurav Banerjee and Mr. Ashok Rajgopal, as directors of the company retires at ensuing Annual General Meeting of the Company and being eligible for reappointment subject to the approval of the members at the ensuing Annual General Meeting and the compliance of applicable section of Companies Act, 2013.

Significant events during the year

- **Investment in the Company**

During the year under review, the Company executed the share purchase Agreement with NDTV Worldwide Limited, NDTV Convergence Limited and Rathi Strategic Ventures Private Limited (RSVPL), whereby RSVPL had agreed to purchase certain shares of the Company from NDTV Worldwide Limited and NDTV Convergence Limited. However, due to non-performance of RSVPL obligations, as agreed under the above said agreement; the Company along with other group companies terminated the said agreement with RSVPL.

The business of the Company required funding, in line with its Business Plan and had been in discussions with various parties for the same. In order to meet the fund requirement of the Company, NDTV Lifestyle Holdings, a Company from the group, has invested in the securities of the Company. Accordingly, the Company signed an agreement with NDTV Lifestyle Holdings Limited, NDTV Convergence Limited and NDTV Worldwide Limited for infusion of funds by NDTV Lifestyle Holdings Limited into the Company, up to US\$ 3 Million (equivalent to Indian rupees) by way of subscription of equity shares of the Company.

- **Issue and allotment of equity shares**

The Company have issued and allotted 24,910 equity shares of Rs. 10/- each at a premium of Rs. 7216.014/- per share to NDTV Convergence Limited and 29,833 equity shares of Rs. 10/- each at a premium of Rs. 6274.99/- per share to NDTV Lifestyle Holding Limited in the Company.

- **Acquisition of shares in Indianroots Retail Private Limited (formerly known as JA Ethnic Retail Private Limited)**

During the year the Company has acquired 100% shareholding of Indianroots Retail Private Limited, and therefore with effect from November 28, 2013 'Indianroots Retail Pvt. Ltd.' became the wholly owned subsidiary of the Company.

- **Discontinuation of domestic retail business**

The Company had been set up to operate the business of sale of ethnic wear and accessories through online platforms, with a focus on overseas markets. However, as the Company received a lot of orders from domestic customers as well. The Company had been accepting orders from within the country to establish itself and a loyal consumer base in India. However, the Company intends to retain its overseas focus and in view of the same, the Company discontinued the domestic business.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended March 31, 2014 the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- (iv) That the directors had prepared the accounts for the financial year March 31, 2014 on a going concern basis.

Auditors

The Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting (AGM) of the Company and are eligible for re-appointment. They have confirmed that their re-appointment as Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013. Your Directors recommend their re-appointment as Auditors of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to 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, the following information is provided:

A. Conservation of Energy

Our Company is not an energy intensive unit, however regular efforts are made to conserve energy.

B. Research and Development

The Company did not have any activity during the year.

C. Foreign Exchange Earnings and Outgo

During the year under review, the Company had Rs. 36.98 million (Previous year Nil) as Foreign Exchange Earnings. The Foreign Exchange Outgo on hosting expenses and other expenses amounted to Rs. 5.21 million (Previous year Nil).

Personnel under Section 217(2A) of the Companies Act, 1956

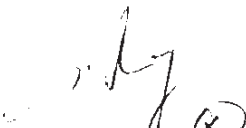
As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure forming part of this report.

Acknowledgement

Your Directors express their sincere thanks and appreciation for the cooperation received from the Investors, Shareholders, Banks and Business Associates during the year under review.

For and on behalf of the Board

Place: New Delhi
Date: 6.8.2014


Dr. Prannoy Roy
Director


Shyatto Raha
Director

**NDTV ETHNIC RETAIL LIMITED
(FORMERLY NDTV ETHNIC RETAIL PRIVATE LIMITED)**

**STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2014**

INDEPENDENT AUDITORS' REPORT

To the Members of NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of NDTV Ethnic Retail Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. 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 referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act")/ notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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

3. 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 and other applicable authoritative pronouncements 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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 March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



INDEPENDENT AUDITORS' REPORT

To the Members of NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)

Report on the Financial Statements

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Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act/ notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Partner
Membership Number 084451

Place of Signature: New Delhi

Date: May 8, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited) on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d)/(f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that, except for certain items of inventory/fixed assets which are of special nature for which suitable alternative sources do not exist, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs, clause (vii) of paragraph 4 of the Order is not applicable.



Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited) on the financial statements as of and for the year ended March 31, 2014
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- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. As the Company is registered for a period less than five years, the provisions of Clause 4(x) of the Order are not applicable to the Company.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.



Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited) on the financial statements as of and for the year ended March 31, 2014
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- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Membership Number 084451

Place of Signature: New Delhi

Date: May 8, 2014

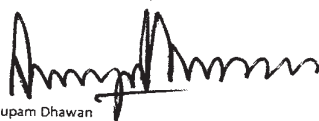
NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)

		In Rs. million	
Balance sheet	Notes	As at	
		March 31, 2014	March 31, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	0.85	0.60
Reserves and surplus	4	(69.08)	(2.31)
Share application money pending allotment		187.50	-
		<u>119.27</u>	<u>(1.71)</u>
Non-current liabilities			
Long-term provisions	5	0.30	-
		<u>0.30</u>	-
Current liabilities			
Trade payables	6	107.02	2.54
Other current liabilities	7	23.33	-
		<u>130.35</u>	<u>2.54</u>
TOTAL		<u><u>249.92</u></u>	<u><u>0.83</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	19.12	-
Intangible assets	9	4.08	-
Non-current investments	10	0.10	-
Deferred tax assets (net)	11	-	-
Long-term loans and advances	12	91.69	-
Other non-current assets	14.2	0.20	-
		<u>115.19</u>	-
Current assets			
Inventories	13	4.54	-
Trade receivables	14.1	1.79	-
Cash and bank balances	15	61.72	0.60
Short-term loans and advances	12	66.31	0.23
Other current assets	14.2	0.37	-
		<u>134.73</u>	<u>0.83</u>
TOTAL		<u><u>249.92</u></u>	<u><u>0.83</u></u>
Summary of significant accounting policies	2		

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

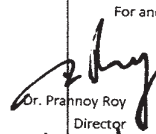
This is the Balance Sheet referred to in our report of even date

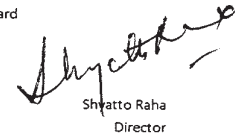
For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E



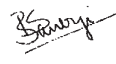
Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi
Date: May 8, 2014

For and on behalf of the Board


Dr. Prahnay Roy
Director


Shyatto Raha
Director


Vikramaditya Chandra
Group Chief Executive Officer


Saurav Banerjee
Group Chief Financial Officer
PLACE- BOSTON, USA

NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)


In Rs. million (except per share data)

Statement of Profit and Loss	Notes	Year ended	
		March 31, 2014	March 31, 2013
Income			
Revenue from operations	16	62.15	-
Other income	17	0.85	-
Total revenue		63.00	-
Expenses			
Purchase of stock in trade		33.46	-
Changes in inventories of stock in trade	18	(4.54)	-
Employee benefits expense	19	42.36	-
Operations & administration expenses	20	105.77	2.31
Marketing, distribution & promotion expenses	21	126.02	-
Depreciation and amortization expense	22	3.88	-
Finance costs	23	2.57	-
Total		309.52	2.31
Profit/(Loss) before tax		(246.52)	(2.31)
Tax Expense		-	-
Total Tax Expense		-	-
Profit/(Loss) for the period		(246.52)	(2.31)
Earnings per equity share [nominal value of share Rupees 10/-]			
	24		
Basic and Diluted			
Computed on the basis of loss for the year		(3,990.69)	(1,356.98)
Diluted			
Computed on the basis of loss for the year		(3,990.69)	(1,356.98)
Summary of significant accounting policies	2		

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

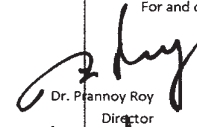
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E



Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi
Date : May 8, 2014

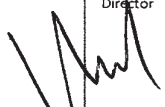
For and on behalf of the Board



Dr. Pannoy Roy
Director



Shyatto Raha
Director



Vikramaditya Chandra
Group Chief Executive Officer



Saurav Banerjee
Group Chief Financial Officer
PLACE - BOSTON, USA

NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)

		In Rs. million	
		As at	
		March 31, 2014	March 31, 2013
Cash flow statement			
	Notes		
Cash flow from operating activities			
Profit/(Loss) before tax		(246.52)	(2.31)
Profit/(Loss) before tax		(246.52)	(2.31)
Adjustments for:			
Depreciation/ amortization		3.88	-
Interest expense		2.57	-
Interest income		(0.85)	-
Operating profit/(loss) before working capital changes		(240.92)	(2.31)
Movements in working capital :			
Increase/ (decrease) in trade payables		104.48	2.54
Increase / (decrease) in long-term provisions		0.30	-
Increase/ (decrease) in other current liabilities		23.33	-
Decrease / (increase) in trade receivables		(1.79)	-
Decrease / (increase) in inventories		(4.54)	-
Decrease / (increase) in long-term loans and advances		(91.69)	-
Decrease / (increase) in short-term loans and advances		(66.30)	(0.23)
Decrease / (increase) in other current assets		0.83	(0.60)
Decrease / (increase) in other non-current assets		(0.20)	-
Cash generated from / (used in) operations		(276.52)	(0.60)
Direct taxes paid (net of refunds)		-	-
Net cash flow from/ (used in) operating activities (A)		(276.52)	(0.60)
Cash flows from investing activities			
Purchase of tangible assets, including CWIP		(21.64)	-
Purchase of intangible assets		(5.44)	-
Purchase of non-current investments		(0.10)	-
Investments in bank deposits (having original maturity of more than three months)		(27.70)	-
Interest received		0.69	-
Net cash flow from/ (used in) investing activities (B)		(54.19)	-
Cash flows from financing activities			
Proceeds from issuance of equity share capital		180.00	0.60
Proceeds from share application money		187.50	-
Proceeds from short-term borrowings		75.00	-
Repayment of short-term borrowings		(75.00)	-
Interest paid		(2.57)	-
Net cash flow from/ (used in) in financing activities (C)		364.93	0.60
Net increase/(decrease) in cash and cash equivalents (A + B + C)		34.22	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		34.22	-
Components of cash and cash equivalents			
Cash in hand		0.22	-
Cheques/ drafts on hand		-	-
With banks- on current account		1.50	-
- on deposit account		32.50	-
Total cash and cash equivalents		34.22	-
Summary of significant accounting policies	2		

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 as notified under section 211(3C) of the Companies Act, 1956.
2. Figures in brackets indicate cash outflow.
3. Previous year's figures have been rearranged wherever necessary to conform to current year's presentation.

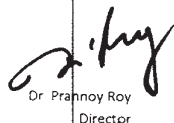
This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E

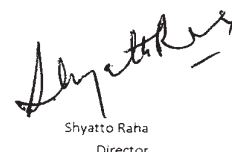

Anupam Dhawan
Partner

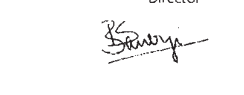
Membership Number 084451
Place of Signing : New Delhi
Date : May 8, 2014

For and on behalf of the Board


Dr. Prannoy Roy
Director


Vikramaditya Chandra
Group Chief Executive Officer


Shyatto Raha
Director


Saurav Banerjee
Group Chief Financial Officer
PLACE - BOSTON, USA

NDTV Ethnic Retail Limited (Formerly NDTV Ethnic Retail Private Limited)
Notes to financial statements for the year ended March 31, 2014

1. Corporate information

The Company was incorporated on February 28, 2013 as NDTV E-Commerce Private Limited and consequent to shareholders resolution dated March 18, 2013, the name of the Company was changed to NDTV Ethnic Retail Private Limited w.e.f. March 30, 2013 on receipt of approval from the Registrar of Companies, NCT of Delhi & Haryana. Further, the shareholders have approved, vide their resolution dated April 16, 2013 to convert the status of the Company from 'Private Limited' to 'Public Limited' w.e.f. April 16, 2013. The name of the Company was changed to NDTV Ethnic Retail Limited w.e.f. July 25, 2013. The Company operates e commerce business of sale of various products on the platform www.indianroots.com. The company started fulfilling exclusively to the customer outside India starting March 6, 2014 to comply with FDI guidelines.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between rendering of services/airing of programmes 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 Use of estimates

In the preparation of the financial statements, the management of the Company makes 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.

A provision is recognised when there is a present obligation as a result of a past event in respect of which it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made

Contingencies are disclosed when it is possible that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made of the existence of the contingent liability.

2.3 Tangible assets

Tangible assets, except in the cases mentioned below, are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment.

Fixed assets purchased under barter arrangements are stated at the fair market value as at the date of purchase.

Depreciation on tangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management's estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Plant and Machinery	5-12
Computers	3-6
Office Equipment	3-5
Furniture and Fixtures	5-8
Vehicles	5

2.4 Intangible assets

Intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit and Loss account. Intangible assets are stated at cost less accumulated amortization and impairment.

Depreciation on intangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management's estimates of useful lives for intangible assets are given below:

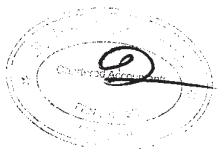
Asset Head	Useful Life (years)
Computer Software	6

2.5 Leases

As a lessee:

Assets taken under leases, where the Company assumes substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

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 Profit and Loss Account on a straight line basis over the lease term.



2.6 Impairment of tangible and intangible assets

The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.7 Revenue Recognition

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

Revenue for services provided is recognized when persuasive evidence of an arrangement exists; the consideration is fixed or determinable; and it is reasonable to expect ultimate collection. Such revenues are recognised as the services are provided.

2.8 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.9 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 date of the transaction. Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise.

2.10 Employee benefits

Short-term employee benefits are recognized as expenses at the undiscounted amounts in the Statement of Profit and Loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits: The Company's contribution to State Provident fund is charged to the Statement of Profit and Loss account. The Company provides for a long term defined benefit scheme of Gratuity on the basis of actuarial valuation on the balance sheet date based on the projected unit credit method. The actuarial valuation of the liability towards the retirement gratuity benefits of the employees is made on the basis of assumptions with respect of the variable elements like discount rate, future salary increases, etc affecting the valuation. The Company recognizes the actuarial gains and losses in the Statement of Profit and Loss account as income and expense in the period in which they occur.

2.11 Inventories

Stock in trade

Inventories related to stock in trade are stated at the lower of cost or net realisable value. Cost is determined using the first in, first out method. The cost of furnished goods comprises apparels and dresses, Net realisable value is estimated selling price in the ordinary course of business use the estimated cost to make the sale.

2.12 Earnings 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

2.13 Taxes on Income

Tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation / brought forward losses are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.14 Cash and Cash Equivalents

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

2.15 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".



3. Share capital

	In Rs. million	
	As at	
	March 31, 2014	March 31, 2013
Authorized shares		
3,300,000 Equity Shares (Previous Year 800,000) of Rs.10/- each	33.00	8.00
Issued		
84,910 Equity Shares (Previous Year 60,000 Equity Shares) of Rs.10/- each	0.85	0.60
Subscribed and fully paid-up		
84,910 Equity Shares (Previous Year 60,000 Equity Shares) of Rs.10/- each	0.85	0.60
Total issued, subscribed and fully paid-up share capital	0.85	0.60

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

Equity shares	In Rs. million (except number of shares)			
	As at March 31, 2014		As at March 31, 2013	
	Nos	INR million	Nos	INR million
Opening Balance	60,000	0.60	-	-
Issued during the period	24,910	0.25	60,000	0.60
Outstanding at the end of the year	84,910	0.85	60,000	0.60

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates Out of equity shares issued by the Company, shares held by fellow subsidiaries are as below:

	In Rs. million	
	As at	
	March 31, 2014	March 31, 2013
Equity shares of Rs. 10 each fully paid		
NDTV Worldwide Limited, fellow subsidiary & its nominees 17,020 Equity Shares(Previous year 22,528)	0.17	0.23
Equity shares of Rs. 10 each fully paid		
NDTV Convergence Limited, fellow subsidiary 34,041 Equity Shares(Previous year 19,920)	0.34	0.20

(c) Rights & Restriction attached to Equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

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

Name of the shareholder	In Rs. million (except number of shares)			
	As at March 31, 2014		As at March 31,	
	Nos	% holding	Nos	% holding
Equity shares of Rupees 10 each fully paid				
NDTV Worldwide Limited	17,020	20.04%	22,528	37.55%
NDTV Convergence Limited	34,041	40.09%	19,920	33.20%
Rathi Strategic Venture Private Limited	13,769	16.22%	-	-
Rahul Narvekar	9,000	10.60%	9,000	15.00%
Shyatto Raha	6,024	7.09%	6,024	10.04%

4. Reserves and surplus

	In Rs. million	
	As at	
	March 31, 2014	March 31, 2013
Securities premium account		
Opening Balance	-	-
Additions during the year (24,910 Equity shares issued at a premium of Rs 7,216 each)	179.75	-
Closing Balance	179.75	-
Surplus/ (deficit) in the Statement of Profit and Loss		
Balance as Per last Financial Statement	(2.31)	-
Profit/ (Loss) for the period	(246.52)	(2.31)
Net surplus/ (deficit) in Statement of Profit and Loss	(248.83)	(2.31)
Balance as at end of the period	(69.08)	(2.31)



5. Provisions

In Rs million

	As at		As at	
	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Provision For gratuity (refer note 25)	0.30	-	-	-
	0.30	-	-	-

6. Trade Payables

In Rs million

	As at	
	March 31, 2014	March 31, 2013
	Trade payables (refer note 32 for details of dues to micro and small enterprises)	107.02
	107.02	2.54

7. Other current liabilities

In Rs million

	As at	
	March 31, 2014	March 31, 2013
	Other liabilities	
Service tax payable	0.46	-
Employee benefit payable	0.58	-
Advances from customers	19.50	-
Statutory Dues	2.79	-
	23.33	-

8. Tangible assets

In Rs. millions

	Plant and Machinery	Computers	Office Equipment's	Furniture and fixtures	Total
Gross Block					
At March 31, 2013	-	-	-	-	-
Additions	7.71	5.80	3.51	4.62	21.64
Disposals	-	-	-	-	-
At March 31, 2014	7.71	5.80	3.51	4.62	21.64
Depreciation					
At March 31, 2013	-	-	-	-	-
Charge for the year	0.76	0.58	0.54	0.64	2.52
Disposals	-	-	-	-	-
At March 31, 2014	0.76	0.58	0.54	0.64	2.52
Net Block					
At March 31, 2014	6.95	5.22	2.97	3.98	19.12
At March 31, 2013	-	-	-	-	-

9. Intangible assets

In Rs. millions

	Website	Computer software	Total
Gross block			
At March 31, 2013	-	-	-
Purchase	3.00	2.44	5.44
At March 31, 2014	3.00	2.44	5.44
Amortization			
At March 31, 2013	-	-	-
Charge for the year	0.58	0.78	1.36
At March 31, 2014	0.58	0.78	1.36
Net Block			
At March 31, 2014	2.42	1.66	4.08
At March 31, 2013	-	-	-



10. Non-current investments

In Rs. millions

	As at	
	March 31, 2014	March 31, 2013
Trade Investments (valued at cost unless stated otherwise)		
<i>Unquoted</i>		
Investment in subsidiaries		
Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)	0.10	-
-10,000 (Previous Year Nil) Equity Shares of Rs.10/- each Fully Paid Up		
	0.10	-
Aggregate amount of unquoted investments	0.10	-

11. Deferred tax asset (net)

In Rs. millions

	As at	
	March 31, 2014	March 31, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(0.10)	-
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.10	-
	-	-
Net deferred tax asset	-	-

12. Loans and advances

In Rs. million

	As at		As at	
	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Security deposit				
Unsecured, considered good	6.62	-	-	-
Doubtful	-	-	-	-
	6.62	-	-	-
Provision for doubtful security deposit				
	6.62	-	-	-
Advances recoverable in cash or kind				
Unsecured considered good	85.07	-	64.98	-
Provision for doubtful advances	-	-	-	-
	85.07	-	64.98	-
Unsecured considered good, unless otherwise stated				
Advance income-tax	-	-	0.41	-
Prepaid expense	-	-	0.18	-
Advances and imprest to employees	-	-	0.74	-
	-	-	1.33	-
Total	91.69	-	66.31	-

13. Inventories

In Rs. million

	As at	
	March 31, 2014	March 31, 2013
Stock in trade (including goods in transit amounting to Rs 1.77 million)	4.54	-
	4.54	-



14. Trade receivables and other assets

14.1. Trade receivables

In Rs. million

	As at			
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
unsecured, considered good			-	-
Doubtful			-	-
Provision for doubtful receivables			-	-
Other receivables				
unsecured, considered good			1.79	-
Doubtful			-	-
Provision for doubtful receivables			1.79	-
Doubtful			1.79	-
			1.79	-

14.2. Other assets

In Rs. million

	As at			
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, considered good unless stated otherwise				
Deposits with original maturity for more than 12 months	0.20	-	-	-
Non-current bank balances (note15)	0.20	-	-	-
Others				
Interest accrued on fixed deposits	-	-	0.37	-
	0.20	-	0.37	-

15. Cash and bank balances

In Rs. million

	As at			
	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Balances with banks:				
- On current accounts	-	-	1.50	-
- Deposits with original maturity of less than three months	-	-	32.50	-
Cash in hand	-	-	0.22	-
Cheque in Hand	-	-	-	0.60
	-	-	34.22	0.60
Other bank balances				
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	27.50	-
- Deposits with original maturity for more than 12 months	0.20	-	-	-
Amount disclosed under non-current assets (note 14.2)	(0.20)	-	-	-
	-	-	61.72	0.60

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16. Revenue from operations

	In Rs. million	
	Year ended	
	March 31, 2014	March 31, 2013
Revenue from operations		
Sale of goods	55.81	-
Sale of services	3.28	-
Shared service income	3.06	-
	<u>62.15</u>	<u>-</u>

17. Other income

	In Rs. million	
	Year ended	
	March 31, 2014	March 31, 2013
Interest Income on		
-Bank deposits	0.85	-
	<u>0.85</u>	<u>-</u>

18. Changes in inventory of stock in trade

	In Rs. million	
	Year ended	
	March 31, 2014	March 31, 2013
Stock at the beginning of the year		
Less: stock at the end of the year	4.54	-
	<u>(4.54)</u>	<u>-</u>

19. Employee benefits expense

	In Rs. million	
	Year ended	
	March 31, 2014	March 31, 2013
Salaries, wages and other benefits	39.70	-
Contribution to provident and other Funds	2.08	-
Staff welfare	0.58	-
	<u>42.36</u>	<u>-</u>



20. Operations & Administration Expenses

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
Rent (refer note 26)	7.99	-
Rates and taxes	0.41	0.13
Electricity and water	0.98	-
Printing and stationery	0.46	-
Postage and courier	0.66	-
Books, periodicals and news papers	0.44	-
Local conveyance , travelling & taxi hire	8.10	-
Business promotion	0.27	-
Repair and Maintenance		
- Plant & Machinery	0.74	-
- Building	4.36	-
Auditors' remuneration*	0.52	0.20
Insurance	0.74	-
Hosting & streaming	6.07	-
Hire Charges	0.08	-
Communication	2.89	-
Vehicle	1.39	-
Medical	0.20	-
Software expense	10.39	-
Generator hire and running	0.23	-
Personnel Security	1.14	-
Staff Training	0.09	-
Legal, professional & consultancy	51.21	1.98
Foreign Exchange loss - Net	0.11	-
Brokerage & commission	0.20	-
Others	0.27	-
Bank charges	2.89	-
Miscellaneous	2.94	-
	105.77	2.31

*** Auditors' Remuneration**

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
As auditor:		
Audit fee	0.50	0.20
Reimbursement of expenses		
Out of pocket expenses	0.02	-
	0.52	0.20

21. Marketing, distribution & promotion expense

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
Advertisement expense	78.92	-
Marketing expenses	42.44	-
Shipping expense	4.66	-
	126.02	-

22. Depreciation and amortization expense

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
Depreciation of tangible assets	2.52	-
Amortisation of intangible assets	1.36	-
	3.88	-

23. Finance costs

	Year ended	
	March 31, 2014	March 31, 2013
Interest on:		
-InterCompany Loans*	2.57	-
	2.57	-

* Interest on Loan from NDTV Lifestyle Holdings Limited amounting to Rs 75,000,000.



24. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	In Rs. million (except per share data)	
	Year ended	
	March 31, 2014	March 31, 2013
Profit / (Loss) attributable to Equity Shareholders	(246.52)	(2.31)
Number of equity shares outstanding as at the beginning of the year (Nos)	60,000	10,000
Add: Fresh issue of equity shares (Nos)	24,910	50,000
Number of equity shares outstanding at year end (Nos)	84,910	60,000
Weighted average number of Equity Shares outstanding during the year for Basic EPS (Nos.)	61,774	1,699
Weighted average number of Equity Shares outstanding during the year for Diluted EPS (Nos.)	61,774	1,699
Basic and Diluted Earnings per Equity Share (Rs.)	(3,990.69)	(1,356.98)
Nominal Value per share (Rs)	10	10

25. Gratuity and other post-employment benefit plans

The Company provides for long term defined benefit schemes of gratuity on the basis of an actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. The Company recognises the actuarial gains and losses in the Statement of Profit and Loss as income and expense in the period in which they occur.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

Particulars		In Rs. million	
		For the Year ended	
		March 31, 2014	March 31, 2013
Changes in the present value of the Obligation:	I		
Obligations at year beginning		-	-
Service Cost – Current		0.30	-
Service Cost – Past		-	-
Interest Cost		-	-
Actuarial (gain) / loss		-	-
Benefit Paid		-	-
Obligations at year end		0.30	-
Reconciliation of present value of the obligation and the fair value of the plan assets:	II		
Present value of the defined benefit obligations at the end of the year		0.30	-
Fair value of the plan assets at the end of the year		-	-
Liability recognised in the Balance Sheet		0.30	-
Defined benefit obligations cost for the year	III		
Service Cost – Current		0.30	-
Service Cost – Past		-	-
Interest Cost		-	-
Expected return on plan assets		-	-
Actuarial (gain) / loss		-	-
Net defined benefit obligations cost		0.30	-
Investment details of plan assets	IV		
100% of the plan assets are lying in the Gratuity fund administered			
The principal assumptions used in determining post-employment benefit obligations are shown below:	V		
Discount Rate		9.30%	0.00%
Future salary increases		5%	0%
Expected return on plan assets		0.00%	0.00%
The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The demographic assumptions were as per the published rates of "Life Insurance Corporation of India (1994-96) Mortality Table (ultimate), which is considered a standard table.			

26. Leases

Operating lease: company as lessee

The Company has taken various residential/commercial premises/Vehicles under cancellable operating leases. The rental expense for the current year, in respect of operating leases was Rs. 7.99 million (Previous Year Nil). The Company has also taken commercial premises on lease which are non-cancellable period. The future minimum lease payments in respect of such leases are as follows:

	In Rs. million	
	Year ended	
	March 31, 2014	March 31, 2013
Within one year	10.15	-
After one year and not more than five years	13.28	-
Payable after five years	-	-
Total minimum lease payments	23.43	-



27. Related Party Transactions

I. Names of the related parties and nature of relationship

New Delhi Television Limited	:	Ultimate Holding Company
NDTV Worldwide Limited	:	Fellow Subsidiary
NDTV Lifestyle Limited	:	Fellow Subsidiary
NDTV Lifestyle Holding Limited	:	Fellow Subsidiary
NDTV Convergence Limited	:	Fellow Subsidiary
Indianroots Retail Private Limited	:	
(Formerly JA Ethnic Retail Private Limited) acquired : w.e.f November 26, 2013	:	Subsidiary Company

Key Management personnel and their relatives

Anoop Singh Juneja (Resigned with effect from April 16, 2013)	Director
Hemant Kumar Gupta (Resigned with effect from April 16, 2013)	Director
Dr. Prannoy Roy (Appointed as additional director with effect from April 16, 2013)	Director
Radhika Roy (Appointed as additional director with effect from April 16, 2013)	Director
Shyatto Raha (Appointed as additional director with effect from April 16, 2013)	Director
Saurav Banerjee (Appointed as additional director with effect from October 22, 2013)	Director
Vikram Chandra (Appointed as additional director with effect from October 22, 2013)	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 for the year ended March 31, 2014.

Nature of relationship / transaction	In Rs. million									
	Ultimate Holding Company		Fellow Subsidiary		Subsidiary		Key Management Personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Reimbursement of expenses	1.93	-	2.31	-	-	-	-	-	4.24	-
Ndtv Convergence Ltd	-	-	2.14	-	-	-	-	-	2.14	-
NDTV Worldwide Limited	1.93	-	-	-	-	-	-	-	1.93	-
New Delhi Television Limited	-	-	0.17	-	-	-	-	-	0.17	-
Services availed of	19.81	-	60.89	1.90	-	-	-	-	80.70	1.90
NDTV Convergence Limited	-	-	54.22	-	-	-	-	-	54.22	-
New Delhi Television Limited	19.81	-	-	-	-	-	-	-	19.81	-
NDTV Lifestyle Limited	-	-	4.15	-	-	-	-	-	4.15	-
NDTV Worldwide Limited	-	-	2.52	1.90	-	-	-	-	2.52	1.90
Shared service income	0.97	-	-	-	2.09	-	-	-	3.06	-
New Delhi Television Limited	0.97	-	-	-	-	-	-	-	0.97	-
Indianroots Retail Private Limited	-	-	-	-	2.09	-	-	-	2.09	-
Shared service cost	2.13	-	1.44	-	-	-	-	-	3.57	-
New Delhi Television Limited	2.13	-	-	-	-	-	-	-	2.13	-
NDTV Worldwide Limited	-	-	1.44	-	-	-	-	-	1.44	-
Salary Cost Transfer	0.31	-	1.69	-	-	-	-	-	2.00	-
NDTV Worldwide Limited	-	-	1.69	-	-	-	-	-	1.69	-
New Delhi Television Limited	0.31	-	-	-	-	-	-	-	0.31	-
Collection received on behalf of others	-	-	-	-	3.50	-	-	-	3.50	-
Indianroots Retail Private Limited	-	-	-	-	3.50	-	-	-	3.50	-
Loan received	-	-	75.00	-	-	-	-	-	75.00	-
NDTV Lifestyle Holding Limited	-	-	75.00	-	-	-	-	-	75.00	-
Loan paid	-	-	75.00	-	-	-	-	-	75.00	-
NDTV Lifestyle Holding Limited	-	-	75.00	-	-	-	-	-	75.00	-
Interest Paid	-	-	2.57	-	-	-	-	-	2.57	-
NDTV Lifestyle Holding Limited	-	-	2.57	-	-	-	-	-	2.57	-
Paid on behalf of Company	-	-	6.68	-	-	-	-	-	6.68	-
NDTV Worldwide Limited	-	-	6.68	-	-	-	-	-	6.68	-
Advance paid	-	-	145.53	-	-	-	-	-	145.53	-
NDTV Convergence Limited	-	-	145.53	-	-	-	-	-	145.53	-
Equity Share Capital Issued	-	-	0.25	0.43	-	-	-	0.06	0.25	0.49
NDTV Worldwide Limited	-	-	-	0.23	-	-	-	-	-	0.23
NDTV Convergence Limited	-	-	0.25	0.20	-	-	-	-	0.25	0.20
Shyatto Raha	-	-	-	-	-	-	0.06	-	-	0.06
Security Premium	-	-	179.76	-	-	-	-	-	179.76	-
NDTV Convergence Limited	-	-	179.76	-	-	-	-	-	179.76	-
Assignment of liability	-	-	8.50	-	-	-	-	-	8.50	-
NDTV Convergence Limited	-	-	8.50	-	-	-	-	-	8.50	-
Share Application Money**	-	-	187.50	-	-	-	-	-	187.50	-
NDTV Lifestyle Holding Limited	-	-	187.50	-	-	-	-	-	187.50	-
Sale of Goods	-	-	-	-	-	-	0.09	-	0.09	-
Shyatto Raha	-	-	-	-	-	-	0.09	-	0.09	-
Investment in Subsidiary	-	-	-	-	0.10	-	-	-	0.10	-
Indianroots Retail Private Limited	-	-	-	-	0.10	-	-	-	0.10	-
Balance at the year end										
Trade Payable	21.37	-	23.45	2.13	1.36	-	-	-	46.18	2.13
Trade Receivables	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	145.53	-	-	-	-	-	145.53	-
Other Payables	-	-	8.50	-	-	-	-	-	8.50	-

** Subsequent to the Balance Sheet date, 29,833 equity shares has been allotted vide resolution dated May 2, 2014.



28. The Company was engaged in the business of B2C e-commerce activities, both for domestic Indian customers and customers located outside India. The Company received share application money on March 6, 2014, for a minority stake in the company, from one of its group company. This investment from its group company was considered as indirect foreign investment under the FDI policy of government of India. In order to comply with the FDI policy provisions, pursuant to such indirect foreign investment being contemplated, the company decided to only undertake export e-commerce business in the company and ceased the domestic B2C e-commerce business in the company.

29. Segment Information

The Company has considered "business segment" as the primary segment. The Company is primarily in the business of sale activities to the customer in India and outside India on the platform www.indianroots.com. The other activities of the Company comprise promotion of various brands and interest income. The income from these activities, which are incidental to the Company's business, is not material in financial terms but contribute significantly in generating the demand for the products of the Company. Accordingly, the Company has considered "Business Segment" as the primary segment and thus no business segment information is required to be disclosed.

The "Geographical Segments" have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

In Rs. millions

	Year ended							
	Domestic		Overseas		Unallocated		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue from External customers	16.43	-	39.39	-	7.18	-	63.00	-
Segment assets	-	-	-	-	226.73	-	226.73	-
Capital expenditure during the year	-	-	-	-	23.20	-	23.20	-

Notes:-

- Domestic segment includes delivery of goods sold in India.
- Overseas segment includes delivery of goods sold outside India.
- Unallocated revenue includes shared service income, promotion income and interest income.
- Segment assets includes fixed assets, inventories, sundry debtors, cash and bank balances, other current assets, loans and advances.
- Capital expenditure during the year includes fixed assets.



30. Expenditure in foreign currency (accrual basis)

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
Hosting Expenses	4.01	-
Other expenses	1.20	-
	5.21	-

31. Earnings in foreign currency (accrual basis)

In Rs. million

	Year ended	
	March 31, 2014	March 31, 2013
Sale of goods	36.98	-
Total	36.98	-

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

During the year, the Company has sought status information from its vendors to be able to classify them as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the responses received from the vendors, the Company has determined that no information is required to be separately disclosed in this respect.

33. Unhedged foreign currency exposure

The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows:

(in Rs million)

Particulars	Year ended			
	March 31, 2014		March 31, 2013	
	Amount in Foreign Currency in million	INR Equivalent	Amount in Foreign Currency in million	INR Equivalent
Receivables				
USD	0.05	3.25	-	-
Grand Total	0.05	3.25	-	-
Payables				
USD	0.03	2.09	-	-
Grand Total	0.03	2.09	-	-

34. Going concern

The accounts of the Company are prepared on going concern basis on the operational and financial support letter received from NDTV Convergence Limited and NDTV Worldwide Limited to assist the Company in meeting its liabilities as and when they fall due.

35. Other commitment

The Company has given a comfort letter to Indianroots Retail Private Limited (formerly JA Ethnic Retail Private Limited) confirming that the Company shall provide financial and operational support to assist that company in meeting its liabilities as and when they fall due, to the extent of Company's proportion in the share capital of that company.

36. Transfer Pricing


The Company will appoint independent consultants for conducting a transfer pricing study to determine whether the transactions with associated enterprises entered into in the current year were undertaken at 'arms length prices'. Adjustments, if any arising from the transfer pricing study shall be accounted for as and when the study is completed. The management confirms that all relevant domestic transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms. The provisions of transfer pricing were not applicable for the year ended March 31, 2013.

37. Previous year figures

The current year figures are not comparable to previous year numbers as previous year numbers are for the period February 28, 2013 to March 31, 2013.

As per our report of even date


For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E



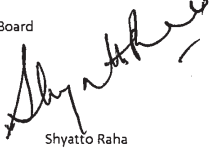
Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi

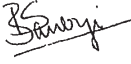
Date: May 8, 2014

For and on behalf of the Board


Dr. Pranoy Roy
Director


Vikramaditya Chandra
Group Chief Executive Officer


Shyatto Raha
Director


Saurav Banerjee
Group Chief Financial Officer
PLACE - BOSTON, USA