

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NDTV ETHNIC RETAIL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NDTV Ethnic Retail Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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 (hereinafter referred to as the 'financial statements').

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 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 2017, 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 substantially eroded as on 31 March 2017. 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. Subsequent to the year-end, subject to the approval of the shareholders of the Company, the board of directors of the Company have approved the sale of entire equity stake held by NDTV Lifestyle Holdings Limited, NDTV Convergence Limited and NDTV Worldwide Limited to an external investor pursuant to which the complete business of the Company will be transferred to the external investor.

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.

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, a statement on the matters specified in paragraph 3 and 4 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;
 - (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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 2017;
 - ii. The Company did not have any long-term contracts including derivative contracts outstanding as at 31 March 2017 for which there were any material foreseeable losses;
 - iii. The Company does not have any dues on account of Investor Education and Protection Fund; and
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. Refer Note 35 to the financial statements.

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

Place: Gurgaon
Date: 12 May 2017

Rakesh Dewan
Partner
Membership number: 092212

Annexure A referred to in our Independent Auditor's Report of even date to the members of NDTV Ethnic Retail Limited on the financial statements for the year ended 31 March 2017.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year. As informed to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (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, paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not entered into any transactions relating to loans, investments, guarantees and securities to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (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, paragraph 3(v) of the Order is not applicable.
- (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 and services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

- (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 provident fund, income-tax, sales tax, service tax, value added tax, cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities though there has been a slight delay in a few cases pertaining to service tax. As explained to us, the Company did not have any dues on account of duty of excise, employees' state insurance and duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, service tax, value added tax, cess and other statutory dues were in arrears as at 31 March 2017, 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, service 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 loans or borrowings from financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (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) during the year. In our opinion and according to the information and explanations given to us, the term loans obtained has been applied for the purpose for which it was obtained. Accordingly, para 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration as stipulated under the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 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 Companies Act, 2013 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, paragraph 3(xiv) of the Order is not applicable.

- (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 Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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

Place: Gurgaon
Date: 12 May 2017

Rakesh Dewan

Partner

Membership number: 092212

Annexure B to the Independent Auditor's Report of even date on the financial statements of NDTV Ethnic Retail Limited for the year ended 31 March 2017

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 NDTV Ethnic Retail Limited ("the Company") as of 31 March 2017 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.

Auditor's 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 generally 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 2017, 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

Place: Gurgaon
Date: 12 May 2017

Rakesh Dewan

Partner

Membership number: 092212

NDTV Ethnic Retail Limited

(Amount in Rupees million)

Balance sheet	Notes	As at	
		March 31, 2017	March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	1.42	1.42
Reserves and surplus	4	236.38	300.36
		237.80	301.78
Non-current liabilities			
Long-term provisions	5	0.29	0.73
		0.29	0.73
Current liabilities			
Short-term borrowings	7	56.60	-
Trade payables	6		
- Total outstanding dues of micro enterprises and small enterprises; and		0.18	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		134.77	123.60
Other current liabilities	8	12.94	12.58
		204.49	136.18
TOTAL		442.58	438.69
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	15.35	21.57
Intangible assets	10	-	0.39
Non-current investments	11	0.10	0.10
Long-term loans and advances	13	8.03	9.21
Other non-current assets	16	0.50	0.24
		23.98	31.51
Current assets			
Inventories	14	0.48	1.86
Trade receivables	15	309.85	283.50
Cash and bank balances	17	0.94	6.91
Short-term loans and advances	13	107.33	114.88
Other current assets	16	-	0.03
		418.60	407.18
TOTAL		442.58	438.69
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

Firm Registration No. 116231W / W-100024

Rakesh Dewan

Partner

Membership Number : 092212

For and on behalf of Board of Directors

NDTV Ethnic Retail Limited

Saurav Banerjee

*Director, NDTV Ethnic Retail Limited
Director, Finance and Group CFO*

Shyatto Raha

Managing Director

K V L Narayan Rao

Group Chief Executive Officer

Place : Gurgaon

Date : 12 May 2017

Place : New Delhi

Date : 02 May 2017

NDTV Ethnic Retail Limited

(Amount in Rupees million except per share data)

Statement of Profit and Loss	Notes	Year ended	
		March 31, 2017	March 31, 2016
Income			
Revenue from operations	18	39.82	209.68
Other income	19	0.15	1.99
Total (I)		39.97	211.67
Expenses			
Purchase of stock in trade	20	2.59	61.30
Changes in inventories of stock in trade	21	1.38	2.48
Employee benefits expense	22	14.15	35.06
Operations and administration expenses	23	64.81	135.47
Marketing, distribution and promotion expenses	24	11.73	109.78
Depreciation and amortisation expense	25	6.61	6.55
Finance costs	26	2.68	1.50
Total (II)		103.95	352.14
Loss for the year (I)-(II)		(63.98)	(140.47)
Loss per equity share [nominal value of share Rs 10 (Previous year Rs 10)] Basic and diluted	27	(450.98)	(1,011.76)
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
Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors
NDTV Ethnic Retail Limited

Rakesh Dewan
Partner
Membership Number : 092212

Saurav Banerjee
Director, NDTV Ethnic Retail Limited
Director, Finance and Group CFO

Shyatto Raha
Managing Director

K V L Narayan Rao
Group Chief Executive Officer

Place : Gurgaon
Date : 12 May 2017

Place : New Delhi
Date : 02 May 2017

NDTV Ethnic Retail Limited

(Amount in Rupees million)

Cash flow statement	Notes	Year ended	
		March 31, 2017	March 31, 2016
Loss before tax		(63.98)	(140.47)
Adjustments for:			
Depreciation and amortisation		6.61	6.55
Finance cost		2.68	1.50
Liabilities written back		(2.70)	-
Profit on sales of Fixed Assets		(0.04)	-
Interest income on bank deposits		(0.03)	(0.68)
Provision for gratuity		(0.44)	(0.20)
Operating loss before working capital changes		(57.90)	(133.30)
Movements in working capital :			
Increase in trade payables		12.47	5.60
(Decrease) /Increase in long-term provisions		-	0.20
Increase/ (decrease) in other current liabilities		(0.74)	(20.77)
Increase in trade receivables		(26.34)	(227.55)
Decrease in inventories		1.38	2.48
Decrease in long-term loans and advances		0.14	137.91
Decrease/ (increase) in short-term loans and advances		7.55	(78.78)
Increase in other non-current assets		(0.20)	-
Cash used in operations		(63.64)	(314.22)
Direct taxes paid		1.03	(1.23)
Net cash used in operating activities (A)		(62.61)	(315.45)
Cash flows from investing activities			
Purchase of tangible assets, including capital work in progress		-	(10.59)
Proceeds from sale of tangible fixed assets		0.04	-
Redemption/ maturity of bank deposits (having original maturity of more than three months)		0.20	132.50
Bank deposits made during the year		-	(115.00)
Interest received		-	1.47
Net cash generated from investing activities (B)		0.24	8.38
Cash flows from financing activities			
Proceeds from issuance of equity share capital		-	315.06
Loan received		-	300.00
Loan repaid		-	(300.00)
Proceeds from short-term borrowings		56.60	-
Interest paid		-	(1.50)
Net cash generated from financing activities (C)		56.60	313.56
Net (decrease)/increase in cash and cash equivalents (A + B + C)		(5.77)	6.49
Cash and cash equivalents at the beginning of the year		6.71	0.01
Cash and cash equivalents at the end of the year		0.94	6.50
		As at	
Components of cash and cash equivalents		March 31, 2016	March 31, 2016
Cash in hand		0.01	0.07
With banks- on current accounts		0.93	6.64
Total cash and cash equivalents		0.94	6.71

Significant accounting policies

NDTV Ethnic Retail Limited

Cash flow statement

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 "Cash Flow Statement" 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.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W / W-100024

Rakesh Dewan

Partner

Membership Number : 092212

For and on behalf of Board of Directors

NDTV Ethnic Retail Limited

Saurav Banerjee

Director, NDTV Ethnic Retail Limited

Director, Finance and Group CFO

Shyatto Raha

Managing Director

K V L Narayan Rao

Group Chief Executive Officer

Place : Gurgaon

Date : 12 May 2017

Place : New Delhi

Date : 02 May 2017

NDTV Ethnic Retail Limited

Notes to financial statements for the year ended March 31, 2017

1. Corporate information

The Company was incorporated on February 28, 2013 as NDTV E-Commerce Private Limited and the name of the Company was changed to NDTV Ethnic Retail Private Limited w.e.f. March 30, 2013. 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 orders exclusively to the customers outside India starting 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 as per the Company's operating cycle and other relevant criteria. Based on the nature of product and the time between the acquisition of assets for processing and their realization 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, 2017. 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. Subsequent to the year-end, subject to the approval of the shareholders of the Company, the board of directors of the Company have approved the sale of entire equity stake held by NDTV Lifestyle Holdings Limited, NDTV Convergence Limited and NDTV Worldwide Limited to an external investor pursuant to which the complete business of the Company will be transferred to the external investor.

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 Tangible assets

Tangible assets 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.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on tangible assets is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets. The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used. The estimated useful lives of the assets used by the Company are lower than those specified in the Companies Act, 2013.

Asset head	Useful life (years)
Plant and machinery	5-12
Computers	5
Office equipment	3
Furniture and fixtures	8
Vehicles	5

The estimates of useful lives of the assets are based on the technical evaluation.

Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% in the year of aquisition.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

Loss arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

2.5 Intangible assets

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

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss .

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

Asset head	Useful life (years)
Computer software	6
Website	3

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

2.6 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.

2.7 Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment, using external and internal sources. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. Impairment occurs where the carrying value of the asset or its cash generating unit exceeds the present value of future cash flows expected to arise from the continuing use of the asset or its cash generating unit 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 of future cash flows from use of the assets as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Revenue recognition

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

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.

2.9 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

2.10 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.

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

2.11 Employee benefits

Short-term employee benefits

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

Defined contribution plans

The Company's provident fund scheme is a defined contribution plan. The Company's contribution paid/ payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; the benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed usually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in the employee benefits expense in the Statement of Profit and Loss. When benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

2.12 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 has been 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 to make the sale.

2.13 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, except when the results will be anti-dilutive.

2.14 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.

2.15 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.

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

3. Share capital

(Amount in Rupees million)

	As at	
	March 31, 2017	March 31, 2016
Authorised shares		
3,300,000 Equity Shares (Previous year 3,300,000 Equity Shares) of Rs.10 each	33.00	33.00
Issued, subscribed and fully paid-up		
141,862 Equity Shares (Previous year 141,862 Equity Shares) of Rs.10 each	1.42	1.42
Total issued, subscribed and fully paid-up share capital	1.42	1.42

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

(Amount in Rupees million except number of shares)

Equity shares	As at March 31, 2017		As at March 31, 2016	
	Numbers	Rs in millions	Numbers	Rs in millions
Opening balance	141,862	1.42	133,517	1.34
Issued during the year	-	-	8,345	0.08
Outstanding at the end of the year	141,862	1.42	141,862	1.42

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

(Amount in Rupees million)

Equity shares	As at March 31, 2017		As at March 31, 2016	
	Numbers	Rs in millions	Numbers	Rs in millions
Equity shares of Rs. 10 each fully paid NDTV Worldwide Limited, fellow subsidiary and its nominee 26,694 Equity Shares (Previous year 20,000)	26,694	0.27	20,000	0.20
Equity shares of Rs. 10 each fully paid NDTV Convergence Limited, fellow subsidiary 45,700 Equity Shares (Previous year 32,314)	45,700	0.46	32,314	0.32
Equity shares of Rs. 10 each fully paid NDTV Lifestyle Holdings Limited, fellow subsidiary 61,123 Equity Shares (Previous year 61,123)	61,123	0.61	61,123	0.61

(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, 2017		As at March 31, 2016	
	Numbers	% holding	Numbers	% holding
Equity shares of Rupees 10 each fully paid held by NDTV Worldwide Limited and its nominees	26,694	18.82%	20,000	14.10%
NDTV Convergence Limited	45,700	32.21%	32,314	22.78%
NDTV Lifestyle Holdings Limited	61,123	43.09%	61,123	43.09%
Kawaljeet Singh Ahluwalia	8,345	5.88%	8,345	5.88%
Rahul Narvekar	-	-	9,000	6.34%

(d) Rights, preferences and restrictions 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, 2017	March 31, 2016
Securities premium account		
Balance as at the beginning of the year	845.36	530.38
Addition during the year	-	314.98
Closing balance	845.36	845.36
Deficit in the Statement of Profit and Loss		
Balance as at the beginning of the year	(545.00)	(404.53)
Loss for the year	(63.98)	(140.47)
Net deficit in Statement of Profit and Loss	(608.98)	(545.00)
Balance as at end of the year	236.38	300.36

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

5. Long term provisions	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Provision for employee benefits		
Provision for gratuity (refer note 28)	0.29	0.73
	0.29	0.73

6. Trade payables	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Trade payables		
-total outstanding dues of micro enterprises and small enterprises; and (refer note 33)	0.18	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	134.77	123.60
	134.95	123.60

7. Short-term borrowings	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Unsecured:		
Loan from related party*	20.00	-
Loan from director**	36.60	-
	56.60	-

* Unsecured loan of Rs. 20 million (Previous year Rs. Nil) taken for the period of 1 year at an interest rate of 8% per annum from NDTV Worldwide Limited.

** Unsecured loan of Rs 36.60 million (Previous year Rs. Nil) taken for the period of 6 months at an interest rate of 8% per annum from a director. The loan may be converted with mutual consent into equity shares capital of the Company on the fair market value upon report from Category 1 merchant bankers.

8. Other current liabilities	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Employee benefit payable	0.55	0.59
Advances from customers	10.58	10.07
Statutory dues payable	0.71	1.92
Interest accrued and due on borrowings	1.10	-
	12.94	12.58

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017
9. Tangible assets (Amount in Rupees million)

	Plant and machinery	Computers	Office equipments	Furniture and fixtures	Vehicles	Total
Gross Block						
As at April 01, 2016	7.85	7.81	3.73	4.65	9.11	33.15
Disposals	-	-	-	0.05	-	0.05
At March 31, 2017	7.85	7.81	3.73	4.60	9.11	33.10
Depreciation						
As at April 01, 2016	2.95	2.91	2.12	2.44	1.16	11.58
Charge for the year	1.06	1.41	0.74	1.49	1.52	6.22
Disposals	-	-	-	0.05	-	0.05
At March 31, 2017	4.01	4.32	2.86	3.88	2.68	17.75
Net Block						
At March 31, 2017	3.84	3.49	0.87	0.72	6.43	15.35
At March 31, 2016	4.90	4.90	1.61	2.21	7.95	21.58

	Plant and machinery	Computers	Office equipments	Furniture and fixtures	Vehicles	Total
Gross Block						
As at April 01, 2015	7.85	6.55	3.51	4.65	-	22.56
Additions	-	1.26	0.22	-	9.11	10.59
At March 31, 2016	7.85	7.81	3.73	4.65	9.11	33.15
Depreciation						
As at April 01, 2015	1.84	1.57	1.30	1.54	-	6.25
Charge for the year	1.11	1.34	0.82	0.90	1.16	5.34
At March 31, 2016	2.95	2.91	2.12	2.44	1.16	11.57
Net Block						
At March 31, 2016	4.90	4.90	1.61	2.21	7.95	21.58
At March 31, 2015	6.01	4.98	2.21	3.11	-	16.31

10. Intangible assets (Amount in Rupees million)

	Website	Computer software	Total
Gross block			
As at April 01, 2016	3.00	2.44	5.44
At March 31, 2017	3.00	2.44	5.44
Amortisation			
As at April 01, 2016	2.61	2.44	5.05
Charge for the year	0.39	-	0.39
At March 31, 2017	3.00	2.44	5.44
Net Block			
At March 31, 2017	-	-	-
At March 31, 2016	0.39	-	0.39
Gross block			
At April 01, 2015	3.00	2.44	5.44
At March 31, 2016	3.00	2.44	5.44
Amortisation			
At April 01, 2015	1.59	2.26	3.85
Charge for the year	1.02	0.18	1.20
At March 31, 2016	2.61	2.44	5.05
Net Block			
At March 31, 2015	1.41	0.18	1.59
At March 31, 2016	0.39	-	0.39

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

11. Non-current investments	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Trade investments (valued at cost unless stated otherwise)		
Unquoted		
Investment in subsidiaries		
Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)	0.10	0.10
-10,000 (Previous year 10,000) Equity Shares of Rs.10 each Fully Paid Up		
	0.10	0.10
Aggregate amount of unquoted investments	0.10	0.10

12. Deferred tax asset	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged in the books of accounts	-	(0.50)
Deferred tax liability (A)	-	(0.50)
Deferred tax asset		
Carry forward losses and unabsorbed depreciation	-	0.50
Deferred tax asset (B)	-	0.50
Net deferred tax asset (A+B)*	-	-

* In view of carry forward tax loss / unabsorbed depreciation and absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, the Company has recognised deferred tax asset only to the extent of the deferred tax liability.

13. Loans and advances	(Amount in Rupees million)			
	As at		As at	
	Long-term		Short-term	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Unsecured and considered good, unless otherwise stated				
Security deposit	-	0.15	0.57	4.82
Advances recoverable in cash or kind *	-	-	89.64	97.87
Advance income tax and tax deducted at source	8.03	9.06	-	-
Prepaid expense	-	-	0.26	0.99
Advances and imprest to employees	-	-	0.06	0.27
Payment gateway receivables	-	-	0.58	0.79
Due from government authorities	-	-	16.22	10.14
Total	8.03	9.21	107.33	114.88

* Includes advance of Rs. 87.89 million (previous year Rs. 89.48) given to NDTV Convergence Limited, related party.

14. Inventories (lower of cost and net realisable value)	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Stock in trade (Includes stock in transit Rs Nil (Previous year Rs 0.05 million))*		
Apparels	0.44	1.41
Others	0.04	0.45
	0.48	1.86

* Includes provision for inventory of Rs 0.17 million (Previous year Rs. 2.67 million).

15. Trade receivables	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment	280.34	218.96
Other receivables	29.51	64.54
	309.85	283.50

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

16. Other assets	(Amount in Rupees million)			
	As at			
	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Unsecured, considered good unless stated otherwise				
Bank deposit due to mature after 12 months of reporting date	0.40	0.20	-	-
Non-current bank balances (refer note 17)	0.40	0.20	-	-
Others				
Interest accrued on fixed deposits	0.10	0.04	-	0.03
	0.50	0.24	-	0.03

17. Cash and bank balances	(Amount in Rupees million)			
	As at			
	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cash and cash equivalents				
Cash on hand	-	-	0.01	0.07
Balances with banks:				
– On current accounts	-	-	0.93	6.64
	-	-	0.94	6.71
Other bank balances				
– Deposits due to mature within 12 months of reporting date	-	-	-	0.20
– Deposits due to mature after 12 months of reporting date	0.40	0.20	-	-
Amount disclosed under non-current assets (refer note 16)	(0.40)	(0.20)	-	-
	-	-	0.94	6.91

18. Revenue from operations	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Revenue from operations		
Sale of goods	10.58	73.81
Sale of services	-	0.08
Other operating revenue		
Shared service income	26.54	135.79
Liabilities written back	2.70	-
	39.82	209.68

19. Other income	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Interest income on		
– Bank deposits	0.03	0.65
– Others	0.07	0.03
Profit on sale of fixed assets	0.04	-
Foreign exchange fluctuation	-	0.60
Rental income	-	0.45
Miscellaneous income	0.01	0.26
	0.15	1.99

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

20. Purchases of stock in trade

	Year ended	
	March 31, 2017	March 31, 2016
Stock in trade		
Apparels	1.94	44.75
Others	0.65	16.55
	2.59	61.30

21. Changes in inventory of stock in trade

	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Stock at the beginning of the year	1.86	4.34
Less: stock at the end of the year (includes stock in transit Nil (Previous year Rs 0.05 million))*	0.48	1.86
	1.38	2.48

* Includes provision for inventory of Rs 0.17 million (Previous year Rs Rs 2.67 million).

22. Employee benefits expense

	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Salaries, wages and other benefits	12.55	31.67
Contribution to provident fund	0.77	1.77
Staff welfare	0.83	1.62
	14.15	35.06

23. Operations and administration expenses

	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Rent (refer note 29)	4.85	9.32
Rates and taxes	0.61	1.84
Electricity and water	0.54	1.89
Printing and stationery	0.06	0.22
Postage and courier	0.08	0.23
Books, periodicals and news papers	0.07	0.16
Local conveyance, travelling and taxi hire	0.29	6.91
Business promotion	0.08	0.23
Repair and maintenance		
- Plant and machinery	0.35	0.75
Office maintenance	1.44	6.46
Auditors' remuneration*	0.60	0.70
Insurance	0.74	1.41
Website hosting and streaming	10.99	16.92
Hire charges	0.06	-
Communication	2.50	2.81
Vehicle maintenance	0.54	0.68
Software expense	1.43	2.42
Generator hire and running	0.25	0.34
Personnel security	0.56	1.19
Staff training	-	0.07
Legal, professional and consultancy	13.36	33.62
Manpower hire charges	19.23	32.21
Foreign exchange loss	2.80	-
Bank charges	0.59	2.72
Payment gateway charges	0.74	5.09
Trade mark/Licence fee	0.11	0.46
Website maintenance charges	1.94	5.19
Miscellaneous	-	1.63
	64.81	135.47

*** Auditors' remuneration**

	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
As auditors:		
Audit fees	0.50	0.65
Reimbursement of expenses:		
Out of pocket expenses	0.10	0.05
	0.60	0.70

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

24. Marketing, distribution and promotion expense	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Advertisement expense	1.53	43.01
Marketing expense	7.48	43.92
Shipping expense	2.72	22.85
	11.73	109.78

25. Depreciation and amortisation expense	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Depreciation of tangible assets	6.22	5.33
Amortisation of intangible assets	0.39	1.20
	6.61	6.53

26. Finance costs	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Interest on:		
-Loan from related party*	1.52	1.46
- Loan from director**	1.16	0.04
	2.68	1.50

* Interest on loan of Rs 1.52 million (Previous year Rs 1.46) taken from NDTV Worldwide Limited, related party.
** Interest on loan of Rs 1.16 million (Previous year Rs 0.04) taken from Karan Pal Singh (director).

27. Loss per share (LPS)	(Amount in Rupees million except per share data)	
	Year ended	
	March 31, 2017	March 31, 2016
Loss attributable to equity shareholders	(63.98)	(140.47)
Number of equity shares outstanding as at the beginning of the year (Nos)	141,862	133,517
Add: Fresh issue of equity shares (Nos)	-	8,345
Number of equity shares outstanding at year end (Nos)	141,862	141,862
Weighted average number of equity shares outstanding during the year for basic LPS (Nos.)	141,862	138,834
Weighted average number of equity shares outstanding during the year for diluted LPS (Nos.)	141,862	138,834
Basic and diluted loss per equity share (Rs.)	(450.98)	(1,011.76)
Nominal value per share (Rs)	10	10

NDTV Ethnic Retail Limited

Notes to financial statements for the year ended March 31, 2017

28. Post-employment benefit plan (Gratuity)

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:

(Amount in Rupees million)

Particulars	As at	
	March 31, 2017	March 31, 2016
Changes in the present value of the obligation:		
Obligations at year beginning	0.73	0.53
Service cost – Current	0.09	0.27
Interest cost	0.06	0.04
Actuarial (gain) / loss	(0.59)	(0.11)
Obligations at year end	0.29	0.73
Particulars	Year ended	
	March 31, 2017	March 31, 2016
Defined benefit obligations cost for the year		
Service Cost – Current	0.09	0.27
Interest Cost	0.06	0.04
Actuarial (gain) / loss	(0.59)	(0.11)
Net defined benefit obligations cost	(0.44)	0.20
Particulars	As at	
	March 31, 2017	March 31, 2016
Discount rate	7.50%	7.70%
Future salary increases	5%	5%

Experience adjustment:

(Amount in Rupees million)

Particulars	March 31,		
	2017	2016	2015
(Gain) / Loss on Plan Liabilities	(0.60)	(0.13)	(0.13)

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 (2006-08) Mortality Table (ultimate) which is considered a standard table.

Expected contribution to gratuity fund for next financial year is Nil (previous year Rs. 0.26 million).

29. Operating lease

Company as lessee

The Company has taken various commercial premises under non-cancellable operating leases. The rental expense for the current year, in respect of operating leases was Rs. 4.85 million (Previous year Rs. 9.32 million). The future minimum lease payments in respect of such leases are as follows:

(Amount in Rupees million)

	As at	
	March 31, 2017	March 31, 2016
Within one year	-	2.73
After one year and not more than five years	-	-
Payable after five years	-	-
Total minimum lease payments	-	2.73

30. Related Party Transactions

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 management:

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)	:	Subsidiary Company

Key Management personnel and their relatives

Saurav Banerjee	Director, Finance and Group CFO
K V L Narayan Rao	Group Chief Executive Officer
Shyatto Raha	Managing 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	Ultimate Holding Company		Fellow Subsidiaries		Subsidiary		Key Management Personnel		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Reimbursement of expenses										
NDTV Convergence Limited	-	-	-	0.41	-	-	-	-	-	0.41
New Delhi Television Limited	0.19	0.17	-	-	-	-	-	-	0.19	0.17
Services availed of										
NDTV Convergence Limited	-	-	1.39	58.76	-	-	-	-	1.39	58.76
New Delhi Television Limited	-	0.61	-	-	-	-	-	-	-	0.61
NDTV Lifestyle Limited	-	-	-	0.45	-	-	-	-	-	0.45
Shared service income										
New Delhi Television Limited	0.56	1.67	-	-	-	-	-	-	0.56	1.67
OnArt Quest Limited	-	-	0.24	-	-	-	-	-	0.24	-
Indianroots Retail Private Limited	-	-	-	-	25.74	134.12	-	-	25.74	134.12
Shared service cost										
New Delhi Television Limited	4.42	4.21	-	-	-	-	-	-	4.42	4.21
NDTV Worldwide Limited	-	-	2.92	3.41	-	-	-	-	2.92	3.41
Rental Income										
New Delhi Television Limited	-	0.45	-	-	-	-	-	-	-	0.45
Rental Expense										
NDTV Worldwide Limited	-	-	2.17	-	-	-	-	-	2.17	0.45
Trade Mark / Royalty Fees										
New Delhi Television Limited	0.11	0.44	-	-	-	-	-	-	0.11	0.44
Collection received on behalf of others										
Indianroots Retail Private Limited	-	-	-	-	8.63	48.19	-	-	8.63	48.19
Payment against collection received on behalf of others										
Indianroots Retail Private Limited	-	-	-	-	5.62	120.02	-	-	5.62	120.02
Loan received										
NDTV Worldwide Limited	-	-	20.00	30.00	-	-	-	-	20.00	30.00
Loan paid										
NDTV Worldwide Limited	-	-	-	30.00	-	-	-	-	-	30.00
Interest Expenses										
NDTV Worldwide Limited	-	-	1.52	1.46	-	-	-	-	1.52	1.46
Balance at the year end										
Trade Payable	46.08	41.71	41.20	34.47	-	-	-	-	87.28	76.18
Trade Receivables	-	-	-	-	309.47	283.39	-	-	309.47	283.39
Other Receivables/Loans and advances	-	-	87.89	89.48	-	-	-	-	87.89	89.48
Other Payables (Loan)	-	-	20.00	-	-	-	-	-	20.00	-
Remuneration to key managerial personnel										
Shyatto Raha	-	-	-	-	-	-	0.24	0.04	0.24	0.04

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

31. Expenditure in foreign currency	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Website hosting and streaming charges	9.86	11.61
Other expenses	1.35	2.45
	11.21	14.06

32. Earnings in foreign currency	(Amount in Rupees million)	
	Year ended	
	March 31, 2017	March 31, 2016
Sale of goods	10.58	73.81
	10.58	76.82

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

Particulars	(Amount in Rupees million)	
	As at	
	March 31, 2017	March 31, 2016
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	0.18	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

34. Unhedged foreign currency exposure

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

Particulars	(Amount in Rupees million)			
	As at			
	March 31, 2017		March 31, 2016	
	Amount in Foreign Currency in million	Rupees equivalent	Amount in Foreign Currency in million	Rupees equivalent
Receivables				
USD	-	0.19	0.10	6.40
Payables				
USD	0.10	6.33	0.37	24.71

35. Segment Information

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

NDTV Ethnic Retail Limited
Notes to financial statements for the year ended March 31, 2017

36. Disclosure on Specified bank notes (SBNs) :

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 30, 2017 on the details of Specified Bank Notes(SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below :

(Amount in Rupees million)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	0.03	0.02	0.05
(+) Permitted receipts	-	0.10	0.10
(-) Permitted payments	-	0.07	0.07
(-) Amount deposited in banks	0.03	-	0.03
Closing cash in hand as on December 30, 2016	-	0.05	0.05

* For the purpose of this clause, the term "specified bank notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated November 8, 2016.

37. 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
Firm Registration No. 116231W / W-100024

For and on behalf of Board of Directors
NDTV Ethnic Retail Limited

Rakesh Dewan
Partner
Membership Number : 092212

Saurav Banerjee
Director, NDTV Ethnic Retail Limited
Director, Finance and Group CFO

Shyatto Raha
Managing Director

Place : Gurgaon
Date : 12 May 2017

K V L Narayan Rao
Group Chief Executive Officer

Place : New Delhi
Date : 02 May 2017