

**INDIANROOTS RETAIL PRIVATE LIMITED
(FORMERLY JA ETHNIC RETAIL PRIVATE LIMITED)
STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2015**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIANROOTS RETAIL PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Indianroots Retail Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.



7. 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

8. 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 March 31, 2015, and its loss and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. 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) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2015
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Partner
Membership Number 084451

Place of the Signature: New Delhi
Date: May 2, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Indianroots Retail Private Limited on the financial statements for the year ended March 31, 2015

- i. The Company does not have any fixed assets. Therefore, the provisions of Clause (i)(a) and (i)(b) of the said Order are not applicable to the Company
- 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 any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) 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 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, and for the sale of goods. 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (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, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.
(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.



Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Indianroots Retail Private Limited on the financial statements for the year ended March 31, 2015
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- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. 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 3(ix) of the Order are not applicable to the Company.
- x. 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 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. 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
Partner
Membership Number 084451

Place of the Signature: New Delhi

Date: May 2, 2015

Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)

		In Rs. million	
		As at	
		March 31, 2015	March 31, 2014
Balance sheet			
Notes			
Equity and liabilities			
Shareholders' funds			
Share capital	3	0.10	0.10
Reserves and surplus	4	(111.24)	(2.23)
		(111.14)	(2.13)
Current liabilities			
Trade payables	5	104.80	1.07
Other current liabilities	6	27.32	2.66
		132.12	3.73
		20.98	1.60
TOTAL			
Assets			
Non-current assets			
Long-term loans and advances	7	0.58	-
		0.58	-
Current assets			
Inventories	8	4.17	0.13
Trade receivables	9	15.77	1.37
Cash and bank balances	10	0.19	0.10
Short-term loans and advances	7	0.27	-
		20.40	1.60
		20.98	1.60
TOTAL			
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



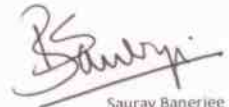
Anupam Dhawan
Partner
Membership Number: 084451
Place of Signing: New Delhi
Date: May 2, 2015

For and on behalf of the Board


Ajay Mankotia
Director


Ravi Asawa
Director


Vikramaditya Chandra
Group Chief Executive Officer


Saurav Banerjee
Group Chief Financial Officer

Place:- New Delhi

Date:- April 29, 2015

Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)

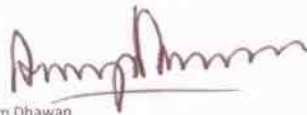
In Rs. million (except per share data)

Statement of Profit and Loss	Notes	Year Ended	
		March 31, 2015	For the period From November 14, 2013 to March 31, 2014
Income			
Revenue from operations	11	70.74	1.10
Total Revenue		70.74	1.10
Expenses			
Purchase of stock in trade		105.23	0.89
Changes in inventories of stock in trade	12	(4.04)	(0.13)
Operations & administration expenses	13	77.27	2.57
Marketing, distribution & promotion expenses	14	1.00	-
Finance costs	15	0.29	-
Total		179.75	3.33
Loss before exceptional and extra ordinary items and tax		(109.01)	(2.23)
Loss before tax		(109.01)	(2.23)
Tax expense		-	-
Loss for the period		(109.01)	(2.23)
Loss per equity share [nominal value of share Rupees 10/- (Previous Year Rupees 10/-)] Basic and Diluted			
Computed on the basis of profit from continuing operations	16	(10,901.09)	(593.61)
Diluted		(10,901.09)	(593.61)
Computed on the basis of profit from continuing operations			
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 2, 2015

For and on behalf of the Board



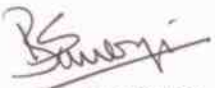
Ajay Mankotia
Director



Ravi Asawa
Director



Vikramaditya Chandra
Group Chief Executive Officer



Saurav Banerjee
Group Chief Financial Officer

Place:- New Delhi

Date:- April 29, 2015

Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)

In Rs. millions

	As at	
	March 31, 2015	March 31, 2014
Cash Flow Statement		
Cash flow from operating activities		
Loss before tax	(109.01)	(2.23)
Loss before tax	(109.01)	(2.23)
Adjustments for:	-	-
Operating loss before working capital changes	(109.01)	(2.23)
Movements in working capital:		
Increase/(decrease) in trade payables	103.73	1.07
Increase/(decrease) in other current liabilities	24.66	2.66
Decrease / (increase) in trade receivables	(14.41)	(1.37)
Decrease / (increase) in inventories	(4.04)	(0.13)
Decrease / (increase) in long-term loans and advances	(0.57)	-
Decrease / (increase) in short-term loans and advances	(0.27)	-
Cash generated from / (used in) operations	0.09	0.00
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	0.09	0.00
Net cash flow from/ (used in) investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from issuance of equity share capital	-	0.10
Net cash flow from/ (used in) financing activities (C)	-	0.10
Net increase/(decrease) in cash and cash equivalents (A + B + C)	0.09	0.10
Cash and cash equivalents at the beginning of the year	0.10	-
Cash and cash equivalents at the end of the year	0.19	0.10
Components of cash and cash equivalents		
Cash in hand	0.19	-
With banks- on current account	-	0.10
Total cash and cash equivalents	0.19	0.10
Summary of significant accounting policies	2	

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 as notified under section 211(3C) (Companies Accounting Standard Rules 2006, as amended).
- Figures in brackets indicate cash outflow.
- 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 2, 2015

For and on behalf of the Board



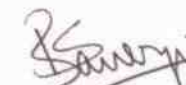
Ajay Mankotia
Director



Ravi Asawa
Director



Vikramaditya Chandra
Group Chief Executive Officer



Saurav Banerjee
Group Chief Financial Officer

Place:- New Delhi
Date:- April 29, 2015

Indianroots Retail Private Limited (Formerly JA Ethnic Retail Private Limited)

Notes to financial statements for the year ended March 31, 2015

1. Corporate information

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

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared as a going concern in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. [Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 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 applicable accounting standards [notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other relevant criteria [set out in the Schedule III to the Companies Act, 2013]. 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 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 and income tax.

2.3 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.

2.4 Revenue Recognition

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

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 recognized as the services are provided.

2.5 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the statement of profit and loss in the period in which they arise.

2.6 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 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.



2.7 Earning Per Share (EPS)

Basic EPS

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

Diluted EPS

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

2.8 Taxes on Income

Tax on income for the current 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 recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantively enacted as on the balance sheet date. Deferred tax assets are recognized 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 realized. However, in case of unabsorbed depreciation/brought forward losses, deferred tax assets are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.9 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.

2.10 Provision and Contingent Liabilities

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.



3. Share capital

	In Rs. million	
	As at	
	March 31, 2015	March 31, 2014
Authorized shares		
10,000 Equity Shares (Previous Year 10,000 Equity Shares) of Rs.10/- each	0.10	0.10
Issued		
10,000 Equity Shares (Previous Year 10,000 Equity Shares) of Rs.10/- each	0.10	0.10
Subscribed and fully paid-up		
10,000 Equity Shares (Previous Year 10,000 Equity Shares) of Rs.10/- each	0.10	0.10
Total issued, subscribed and fully paid-up share capital	0.10	0.10

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

Equity shares	In Rs. million (except number of shares)			
	As at March 31, 2015		As at March 31, 2014	
	Nos	INR million	Nos	INR million
Opening Balance	10,000	0.10	-	-
Issued during the period	-	-	10,000	0.10
Outstanding at the end of the year	10,000	0.10	10,000	0.10

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

Out of equity shares issued by the Company, shares held by its holding company and its nominee are as below:

	In Rs. million	
	As at	
	March 31, 2015	March 31, 2014
Equity shares of Rs. 10 each fully paid		
NDTV Ethnic Retail Limited, Holding Company & its nominee	0.10	0.10
10,000 Equity Shares (Previous year 10,000)		

(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 to 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, 2015		As at March 31, 2014	
	Nos	% holding	Nos	% holding
Equity shares of Rupees 10 each fully paid				
NDTV Ethnic Retail Limited & its Nominee	10,000	100%	10,000	100%

4. Reserves and surplus

	In Rs. million	
	As at	
	March 31, 2015	March 31, 2014
Surplus/ (deficit) in the Statement of Profit and Loss		
Balance as per last Financial Statement	(2.23)	-
Loss for the year/period	(109.01)	(2.23)
Net surplus/ (deficit) in Statement of Profit and Loss	(111.24)	(2.23)
Balance as at end of the period	(111.24)	(2.23)



5. Trade payables

In Rs. million

	As at	
	March 31, 2015	March 31, 2014
Trade payables (refer note 20 for details of dues to micro and small enterprises)	104.80	1.07
	104.80	1.07

6. Other current liabilities

In Rs. million

	As at	
	March 31, 2015	March 31, 2014
Other liabilities		
Book overdraft	7.86	-
Advances from customers	15.65	2.41
Statutory dues	3.81	0.25
	27.32	2.66

7. Loans and advances

In Rs. million

	As at		As at	
	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Security deposit				
Unsecured, considered good	0.58	-	-	-
Doubtful	-	-	-	-
	0.58	-	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	0.27	-
Provision for doubtful advances	-	-	-	-
	-	-	0.27	-
Total	0.58	-	0.27	-

8. Inventories

In Rs. million

	As at	
	March 31, 2015	March 31, 2014
Stock in trade (Includes stock in transit Rs 0.11 million (Previous year Nil))	4.17	0.13
	4.17	0.13



