

INDEPENDENT AUDITOR'S REPORT

To the Members of Future E-Commerce Infrastructure Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Future E-Commerce Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2017, its profit and its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to note 29 to the financial statements. As indicated therein, the Company's accumulated losses of Rs. 18,552.22 lacs as at March 31, 2017 (Previous year Rs. 18,674.70 lacs) has fully eroded its net worth of Rs. 14,571.23 lacs as at March 31, 2017 (Previous year Rs. 14,571.23 lacs). The Company has negative cash flows from operating activities for the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. The above matters indicate material uncertainty that gives rise to substantial doubts regarding the Company's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its Holding Company. These mitigating factors have been more fully discussed in note 29 of the accompanying financial statements. In view of the above, the management has prepared the financial statements on a going concern basis, and consequently, no adjustments have been made to the carrying values or classification of balance sheet account. Our opinion is not qualified in respect of this matter.

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 give in the Annexure 1 a statement on the matters specified in paragraphs 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
 - (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company¹⁰.

- iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: 17th May 2017

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and Regulatory Requirement” of our report of even date

Re: Future E-Commerce Infrastructure Limited ('the Company')

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (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, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. The provisions relating to excise duty, employees' state insurance and customs duty are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, , service tax, sales-tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
Commercial Tax Department, Karnataka	VAT Liability	9.37	2011-12	Deputy Commissioner (Appeals)
Sales Tax Department, Maharashtra	VAT Liability	156.06	2007-08	Assistant Commissioner

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the Company has not paid/provided for managerial remuneration. Accordingly, provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: 17th May 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 Future E-Commerce Infrastructure Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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. 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 the 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 as specified 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 Institute of Chartered Accountants of India. 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 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 Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Future E-Commerce Infrastructure Limited, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May XX, 2017 expressed an unqualified opinion thereon.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-
per Anil Jobanputra
Partner

Membership Number: 110759
Place of Signature: Mumbai
Date: 17th May 2017

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Lakhs)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	-	-	-
(b) Intangible assets	5	-	-	-
(c) Financial assets				
(i) Loans	6	-	209.33	209.33
(ii) Other financial assets	7	5.27	4.13	4.07
(d) Others non current assets	8	93.85	103.96	206.06
(e) Deferred tax assets (net)	9	-	-	-
Total non-current assets		99.12	317.42	419.46
Current assets				
(a) Financial assets				
(i) Trade receivables	10	211.13	259.54	299.92
(ii) Cash and cash equivalent	11	57.64	8.98	7.40
(iii) Loans	12	-	0.40	2.80
(b) Other current assets	13	0.79	0.93	1.35
Total current assets		269.56	269.85	311.47
Total assets		368.68	587.27	730.93
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	2,413.81	2,413.81	2,413.81
(b) Convertible preference share capital	14	2,684.46	2,684.46	2,684.46
(c) Other equity	15	(9,079.25)	(9,201.73)	(9,189.09)
Total Equity		(3,980.98)	(4,103.46)	(4,090.82)
Current Liabilities				
(a) Financial liabilities				
(i) Trade payables	16	4,339.12	4,680.16	4,724.71
(b) Provisions	17	-	-	0.62
(c) Other current liabilities	18	10.54	10.57	96.42
Total current liabilities		4,349.66	4,690.73	4,821.75
Total equity and liabilities		368.68	587.27	730.93
Significant accounting policies	3			

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

As per our Report of even date attached

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E / E300003
Chartered Accountants

For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

per Anil Jobanputra
Partner
Membership No: 110759
Place: Mumbai
Date: May 17, 2017

Vivek Biyani
Director
DIN: 01977838

Dinesh Maheshwari
Director
DIN: 00088451

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Lakhs)

	Notes	Year ended March 31,2017	Year ended March 31,2016
Income			
Revenue from operation	19	1,164.83	1,018.68
Other income	20	129.05	4.56
Total Income		1,293.88	1,023.24
Expenses			
Purchases of gift vouchers & others	21	1,152.34	1,007.85
Employee benefits expense	22	-	4.41
Other expenses	23	19.06	23.62
Total expenses		1,171.40	1,035.88
Profit/(Loss) before tax		122.48	(12.64)
Tax expense	9		
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
Profit/(Loss) after tax for the year		122.48	(12.64)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		122.48	(12.64)
Earnings per share	24		
Basic		0.51	(0.05)
Diluted		0.39	(0.05)

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

As per our Report of even date attached

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E / E300003
Chartered Accountants

Sd/-
per Anil Jobanputra
Partner
Membership No: 110759
Place: Mumbai
Date: May 17, 2017

For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

Sd/-
Vivek Biyani
Director
DIN: 01977838

Sd/-
Dinesh Maheshwari
Director
DIN: 00088451

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities		
Profit before tax	122.48	(12.64)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Finance income (including fair value change in financial instruments)	(2.38)	(0.72)
Sundry balances written back	(126.67)	-
<i>Working capital adjustments</i>		
Decrease in loans and advances	0.55	2.81
Decrease in trade and other receivables and prepayments	48.40	40.38
Repayment of financial liabilities	(0.03)	(85.85)
Decrease in trade and other payables	(214.38)	(45.18)
Income tax paid	-	-
Net cash flows used in operating activities	(172.03)	(101.20)
Cash flow from investing activities		
Deposits received back	219.46	102.10
Interest received (finance income)	2.38	0.72
Fixed Deposits with Banks	(0.80)	(0.39)
Net cash flows from investing activities	221.04	102.43
Net increase in cash and cash equivalents	49.01	1.24
Cash and cash equivalents at the beginning of the year	5.16	3.92
Cash and cash equivalents at year end (Refer Note 11)	54.17	5.16

The accompanying notes are an integral part of the financial statements.
There are no cash flows from financing activities

As per our Report of even date attached

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E / E300003
Chartered Accountants

Sd/-
per Anil Jobanputra
Partner
Membership No: 110759
Place: Mumbai
Date: May 17, 2017

For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

Sd/-	Sd/-
Vivek Biyani	Dinesh Maheshwari
Director	Director
DIN: 01977838	DIN: 00088451

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Lakhs)

	As at March 31, 2017	As at March 31, 2016
(A) EQUITY SHARE CAPITAL		
Opening balance	2,413.81	2,413.81
Change during the year	-	-
Closing balance	<u>2,413.81</u>	<u>2,413.81</u>
(B) CONVERTIBLE PREFERENCE SHARE CAPITAL		
Opening balance	2,684.46	2,684.46
Change during the year	-	-
Closing balance	<u>2,684.46</u>	<u>2,684.46</u>
(C) OTHER EQUITY		
<u>(I) Capital Reserve</u>		
Opening balance *	-	-
Change during the year	-	-
Closing balance	<u>-</u>	<u>-</u>
* denotes - Rs. 321/-		
<u>(II) Securities Premium Reserve</u>		
Opening balance	9,472.96	9,472.96
Change during the year	-	-
Closing balance	<u>9,472.96</u>	<u>9,472.96</u>
<u>(III) Retained Earning*</u>		
Opening balance	(18,674.69)	(18,662.05)
Profit/(Loss) for the year	122.48	(12.64)
Other comprehensive income/(loss) for the year	-	-
Closing balance	<u>(18,552.21)</u>	<u>(18,674.69)</u>
*This represents balance in the Statement of Profit and Loss		
Total Other Equity	(9,079.25)	(9,201.73)

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

As per our Report of even date attached

For S R B C & CO LLP
ICAI Firm Reg. No. 324982E / E300003
Chartered Accountants

Sd/-
per Anil Jobanputra
Partner
Membership No: 110759
Place: Mumbai
Date: May 17, 2017

For and on behalf of Board of Directors
of Future E-commerce Infrastructure Limited

Sd/-
Vivek Biyani
Director
DIN: 01977838

Sd/-
Dinesh Maheshwari
Director
DIN: 00088451

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financials statements for the Year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

1 Corporate Information

Future E- Commerce Infrastructure Limited ('FECIL' or 'the Company') is a public company domiciled in India. The Company is engaged in the business of facilitating an online Company in its operations and marketing activities. The Company is currently providing backend support to Future Bazaar India Limited which is in retail trading internet business through its web site called www.futurebazaar.com. The Company also operates on B2B (Business to Business) models where they sell its products to corporate customers.

2 Basis of Preparation

First-time adoption of Ind AS

These financial statements, for the year ended March 31 2017, are the first financial statements the company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31 2017, together with the comparative period data as at and for the year ended March 31 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1 2015 and the financial statements as at and for the year ended March 31 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Use of Estimates

Application of Ind AS, like other GAAPs, requires the use of estimation. Ind AS 101 provides that an entity may need to make estimates in accordance with Ind AS at the date of transition to Ind AS that were not required at that date under previous GAAP. To achieve consistency with Ind AS 10 Events after the Reporting Period, those estimates in accordance with Ind AS must reflect conditions that existed at the date of transition to Ind AS. In particular, estimates at the date of transition to Ind AS of market prices, interest rates or foreign exchange rates will reflect market conditions at that date. Care should be taken to identify previous GAAP estimates that are also required under Ind AS and adjust only for policy differences rather than adjusting the previous GAAP estimates.

3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts, VAT and Sales Tax. The company collects value added tax on the commodity on behalf of the government. Accordingly, value added tax is excluded from revenue.

a. Revenue from Sale of Gift Vouchers is recognized when the vouchers are delivered and title has been passed to the customer on principal to principal basis.

b. Interest income for all financial instruments measured at amortised cost, it is recorded using Effective Interest Rate(EIR).EIR is the rate which exactly discounts the estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset. Interest income is included in the head "Other Income" in the Statement of Profit and Loss.

3.3 Taxation

a. Current Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. The tax currently payable is based on taxable profit for the year. Taxable profits differ from Profit before Tax as reported in the statement of Profit and Loss account because of items of expenses and income deductible or taxable in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted for the reporting period. Current Tax is recognized in Profit and Loss except when they relate to items that are recognized in Other Comprehensive Income.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financial statements for the Year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED**Notes to Financials statements for the Year ended March 31, 2017***(All Amounts in Lakhs only unless stated otherwise)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred Tax is recognized in Profit and Loss except when they relate to items that are recognized in Other Comprehensive Income. Where deferred tax arises from the initial accounting of Business Combination, the tax effect is included in the accounting for business combination.

3.4 Property, Plant and Equipment

Property, Plant and Equipment and Capital Work in Progress are stated at cost, less net of accumulated depreciation. The cost comprises the purchase price and costs directly attributable to bring the asset to its location and working condition for its intended use.

Gain or Losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the assets is derecognised.

3.5 Depreciation on Tangible Fixed Assets

Depreciation on Property, Plant and Equipment is provided on straight line method based on higher of their estimated useful lives and rates prescribed by Schedule II of the Companies Act, 2013 . Depreciation is provided pro-rata to the period of use on all additions.

Assets	Useful Lives Estimated by the Management (Years)
Air - Conditioner	5
Office Equipment	5
Computers	3
Server	6
Leased hold Improvements	Over the life of Lease Period

3.6 Impairment of Non Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.7 Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.8 Earnings per Share

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

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

3.9 Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered. Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and loss in respect of defined benefit plan are charged to Other comprehensive income and other long term benefits are charged to Statement of Profit and Loss.

3.10 Contingent Liabilities and Contingent Assets

Contingent Liabilities are not recognized, but are disclosed in the notes.

3.11 Leases

Where the company is lessee

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financials statements for the Year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financials statements for the Year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.12 Cash Flow Statements

Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash flows and item of income and expenses associated with investing or financing cash flows. The cash flows from Operating , Financing and Investing are segregated.

3.13 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.14 Current versus Non-Current

The Company presents Assets and Liabilities in the Balance Sheet based on Current/ Non-Current classification.

An Asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

3.15 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.16 Convertible Preference Shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3.17 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Financial assets of the Company comprise of trade receivables and cash and cash equivalent. Accordingly, the said financial assets are initially & subsequently measured at fair value.

Derecognition

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financials statements for the Year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

:- The rights to receive cash flows from the asset have expired, or

:- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

b. Impairment of Financial Assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets (trade receivables) and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The provision is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Since trade receivables are all from the "Future Group" Companies, they do not have any historical default rates and are neither expected to have any default in the future.

c. Financial Liabilities

Financial liabilities of the Company comprises of trade payables. Accordingly, the said trade payables are initially & subsequently measured at fair value

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.19 Segment reporting

The Company is engaged in the business of facilitating an online Company for e-commerce activity and operating on B2B (Business to Business) models where they sell its products to corporate customers. The said business is considered to constitute one single primary segment. There are no geographical reportable segments since the Company sells goods to the customers in the Indian market only and does not distinguish any reportable regions within India.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
4 Tangible assets

	Air Conditioner	Office equipment	Furniture and fixtures	Plant and Machinery	Leasehold improvements	Computer hardware	Total
At Deemed Cost							
As At April 1, 2015	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At March 31, 2016	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At March 31, 2017	-	-	-	-	-	-	-
Depreciation							
As At April 1, 2015	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At March 31, 2016	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As At March 31, 2017	-	-	-	-	-	-	-
Impairment loss							
As At April 1, 2015	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
As At March 31, 2016	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
As At March 31, 2017	-	-	-	-	-	-	-
Net Block							
As At April 1, 2015	-	-	-	-	-	-	-
As At March 31, 2016	-	-	-	-	-	-	-
As At March 31, 2017	-	-	-	-	-	-	-

#Assets have been impaired during the year ended March 2015. Written down value as at March 2015 has been considered as deemed cost under IND AS. Hence the assets are stated at nil balance as at April 1, 2015.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
5 Intangible assets

	Computer software and website	Goodwill	Total
At Deemed Cost			
Gross block			
As At April 1, 2015	-	-	-
Purchase	-	-	-
Internal development	-	-	-
As At March 31, 2016	-	-	-
Purchase	-	-	-
Internal development	-	-	-
As At March 31, 2017	-	-	-
Amortization & Impairment			
As At April 1, 2015	-	-	-
Charge for the year	-	-	-
As At March 31, 2016	-	-	-
Charge for the year	-	-	-
As At March 31, 2017	-	-	-
Net Block			
As At April 1, 2015	-	-	-
As At March 31, 2016	-	-	-
As At March 31, 2017	-	-	-

#Assets have been impaired during the year ended March 2015. Written down value as at March 2015 has been considered as deemed cost under IND AS. Hence the assets are stated at nil balance as at April 1, 2015.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
6 Non Current Financial Assets - Loans			
<u>Unsecured, considered good, unless otherwise stated</u>			
Security Deposits	-	209.33	209.33
	-	209.33	209.33
7 Non Current Financial Assets - Others			
Deposits with remaining maturity of more than twelve months	5.27	4.13	4.07
	5.27	4.13	4.07
8 Others Non Current Assets			
TDS Receivable	2.83	5.08	4.98
<u>Balances with statutory / government authorities</u>			
-Unsecured, considered good	91.02	98.88	201.08
-Unsecured, considered doubtful	23.43	23.43	23.43
Less: Provision for Doubtful VAT receivable	(23.43)	(23.43)	(23.43)
	93.85	103.96	206.06

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
9 Income Tax
Income Tax in profit or loss during the year :

	2016-17	2015-16
Current Income tax charge	-	-
Deferred tax expense / (benefit) :	-	-
Relating to origination and reversal of temporary differences		
Total	-	-

Reconciliation of Tax Expense

	2016-17	2015-16
Accounting Profit/(Loss) before tax	122.48	(12.64)
Computed tax expense (Statutory Income tax Rate of 32.445%, PY 30.09%)	39.74	-
Additional allowances for tax purpose	(0.21)	-
Carried forward losses utilised	(39.53)	-
Income tax expense charged to the statement of profit & loss	0.00	0.00

Items related to Deferred tax

	Balance Sheet			Recognised in statement of profit or loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1,2015	Year ended March 31,2017	Year ended March 31,2016
Unused tax losses / depreciation	4,049.51	5,113.79	4,060.12	-	-
Deferred tax asset / (liability)	4,049.51	5,113.79	4,060.12	-	-
Deferred tax asset / (liability) recognised as on March 31	-	-	-	-	-

Reconciliation of deferred tax assets / (liabilities) net

	As at March 31, 2017	As at March 31, 2016
Opening balance	-	-
Tax income/ (expense) during the period recognised in profit or loss	-	-
Closing Balance	-	-

* The Company has a Net Deferred Tax Asset situation on account of accumulated tax losses, Deferred tax assets are recognised to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the carry forward of unused tax credits and unused tax losses can be utilised, therefore the Company has not recognized deferred tax asset as at March 31, 2017.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financial Statements for the year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10	Trade Receivables			
	Unsecured, considered good			
	– Receivables from related parties	211.13	259.54	299.92
		211.13	259.54	299.92
11	Cash & Cash equivalents			
	a. Cash and Cash Equivalents			
	Balances with banks:			
	– On current accounts	54.16	5.16	3.90
	Cash on Hand	-	-	0.02
	b. Bank Balance other than Cash and Cash Equivalents			
	– Deposits with remaining maturity of more than three months but less than twelve months	3.48	3.82	3.48
		57.64	8.98	7.40
12	Loans			
	<u>Deposits</u>			
	Unsecured, considered good	-	0.40	2.80
	Unsecured, considered doubtful	4.75	4.75	4.75
	Less: Provision for doubtful Deposit	(4.75)	(4.75)	(4.75)
		-	0.40	2.80
13	Other Current Assets			
	Prepaid Expense	-	-	0.39
	Interest accrued	0.79	0.93	0.96
		0.79	0.93	1.35

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)

14 Share Capital and Other Equity

Authorised Share Capital	Equity Shares		Preference Shares	
	No. In Lakhs	Amount	No. In Lakhs	Amount
At April 1, 2015	270.00	2,700.00	268.45	2,684.46
Increase/(decrease) during the year	-	-	-	-
At March 31, 2016	270.00	2,700.00	268.45	2,684.46
Increase/(decrease) during the year	-	-	-	-
At March 31, 2017	270.00	2,700.00	268.45	2,684.46

(a) Terms/ rights attached to Equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts as per the Shareholders Agreement. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Terms/ rights attached to preference shares

The Company has two classes of capital i.e. Equity and Preference.

Voting rights:

Holders of preference shares do not carry any voting rights.

Preferential rights:

In the event of liquidation of the Company, the holders of preference shares have the preferential rights over the equity holders in respect of repayment of capital in terms of Shareholders Agreement.

Conversion options/ rights

All the preference shares in the Company are compulsorily convertible into equity shares of the Company.

Series I: Every 12 Non Cumulative convertible preference shares of Rs. 10 each are convertible into 1 equity share in the Company at the option of the holders but within a period of 20 years from the date of issue i.e. 24th October, 2007.

Series II: Every 1 Non Cumulative convertible preference shares of Rs. 10 each are convertible into 1 equity share in the Company at the option of the holders but within a period of 20 years from the date of issue i.e. 28th January, 2011.

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. in Lakhs	Amount
At April 1, 2015	241.38	2,413.81
Changes during the period	-	-
At March 31, 2016	241.38	2,413.81
Changes during the period	-	-
At March 31, 2017	241.38	2,413.81

Equity component of convertible preference shares of INR 10 each issued and fully paid - Series I

	No. in Lakhs	Amount
As at April 1, 2015	215.19	2,151.85
Changes during the period	-	-
At March 31, 2016	215.19	2,151.85
Changes during the period	-	-
At March 31, 2017	215.19	2,151.85

Equity component of convertible preference shares of INR 10 each issued and fully paid - Series II

	No. in Lakhs	Amount
As at April 1, 2015	53.26	532.61
Changes during the period	-	-
At March 31, 2016	53.26	532.61
Changes during the period	-	-
At March 31, 2017	53.26	532.61

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
(c) Shares held by holding Company

Name of the shareholder	March 31, 2017 Amount	March 31, 2016 Amount	April 1, 2015 Amount
Future Enterprises Limited(f/k/a Future Retail Limited)*16,998,000 (Previous Year: 16,998,000) Equity Shares of Rs. 10 each fully paid up (The Holding Company)	1,699.80	1,699.80	1,699.80

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

Name of the shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
<i>Equity shares of Rs.10 each fully paid</i>						
Future Enterprises Limited(f/k/a Future Retail Limited)	169.98	70.42%	169.98	70.42%	169.98	70.42%
Indivision India Partners	39.32	16.29%	39.32	16.29%	39.32	16.29%
Lightbox Ventures I	23.61	9.78%	23.61	9.78%	23.61	9.78%
<i>Convertible preference shares of Rs.10 each fully paid of Series I & II</i>						
Indivision India Partners	81.23	30.26%	81.23	30.26%	81.23	30.26%
Gyanmay investment advisors LLP	-	-	-	-	35.64	13.28%
Future Enterprises Limited(f/k/a Future Retail Limited)	35.64	13.28%	35.64	13.28%	-	-
Lightbox Ventures I	150.91	56.22%	150.91	56.22%	150.91	56.22%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Shares reserved for issue

1. ESOS

a. ESOS -2011: This ESOS 2011 has been formulated by the Board of Directors of the Company (as defined hereinafter) and approved at Extra Ordinary General meeting held on 24.11.2010 in accordance with the with the Applicable law. The objective of the ESOS 2011 is to reward the Employees as defined hereinafter for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. Following are the terms of ESOS 2011.

	ESOP
Date of grant	July 20, 2012
Date of Board Approval	October 20, 2010
Date of Shareholder's approval	November 24, 2010
Number of options granted	419,000
Exercise Price	10.00
Method of Settlement (Cash/Equity)	Equity
Vesting Period	Immediate
Exercise Period	Subject to vesting conditions, (i) Prior to the listing of securities of the company on any recognized stock exchange, vested (ii) Within 2 months from the date of liquidity event as specified in the scheme or; (iii) If there is no occurrence of any event specified under (i) and (ii) above, then within 2 months from the expiry of 10 years of issue of grants

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financial Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)

a. The details of activity under ESOS 2011 have been summarized below:

	ESOS 2011
Outstanding at the beginning of the year	4,19,000
Granted during the year	NIL
Exercised during the year	NIL
Outstanding during the year	4,19,000
Exercisable at on March 31, 2017	4,19,000

There is no charge in the current year with respect to the vested options. Disclosure for dilutive effect on earnings per share has been made under note no . 23

2. Under Conversion of preference share

For details of shares reserved for issue on conversion of Cumulative Convertible Preference Share, refer note 14 (b) regarding terms of conversion/ redemption of preference shares.

15 OTHER EQUITY

	Amount
(I) Capital Reserve	
As At April 1, 2015 *	*
Change during the year	
As At March 31, 2016	*
Increase/(decrease) during the year	
As At March 31, 2017	*
* denotes Rs. 321/-	
(II) Securities Premium Reserve	
As At April 1, 2015	9,472.96
Change during the year	-
As At March 31, 2016	9,472.96
Increase/(decrease) during the year	-
As At March 31, 2017	9,472.96
(III) Retained Earning	
As At April 1, 2015	(18,662.05)
Profit/(Loss) for the year	(12.64)
As At March 31, 2016	(18,674.69)
Profit/(Loss) for the year	122.48
Other Comprehensive Income/(Loss) for the year	-
As At March 31, 2017	(18,552.21)
Total Other Equity	(9,079.25)

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED**Notes to Financials Statements for the year ended March 31, 2017***(All Amounts in Lakhs only unless stated otherwise)*

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
16	Trade payables			
	Trade payables to related parties	4,339.12	4,500.97	4,521.06
	Other Payables	-	179.19	203.65
		4,339.12	4,680.16	4,724.71
17	Provisions			
	Provision for Leave Encashment	-	-	0.25
	Provision for Gratuity	-	-	0.37
		-	-	0.62
18	Other Current Liabilities			
	Statutory dues	10.54	10.57	96.42
		10.54	10.57	96.42

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED

Notes to Financials Statements for the year ended March 31, 2017

(All Amounts in Lakhs only unless stated otherwise)

		Year ended March 31, 2017	Year ended March 31, 2016
19	Revenue from Operations		
	Sale of Gift Vouchers	1,164.83	1,018.68
	Total	1,164.83	1,018.68
20	Other income		
	Interest income	2.38	0.72
	Excess Provision of earlier years written back	-	3.84
	Sundry Balances Written Back	126.67	-
		129.05	4.56
21	Purchases of Gift Vouchers and Others		
	Purchase of Gift Vouchers	1,152.34	1,007.85
		1,152.34	1,007.85
22	Employee benefit expenses		
	Salaries, wages and bonus	-	3.54
	Company's contribution to provident and other funds	-	0.17
	Staff welfare expenses	-	0.04
	Gratuity Expenses	-	0.36
	Leave Encashment Expenses	-	0.30
		-	4.41
23	Other expense		
	Auditors remuneration (Refer Details below)	11.64	11.73
	Legal and professional fees	6.44	6.95
	Rates and Taxes	0.12	0.17
	Insurance and Other Charges	-	0.78
	Telephone charges	0.65	3.54
	Advertising and sales promotion	-	0.19
	Miscellaneous expenses	0.21	0.26
		19.06	23.62
	Payment to Auditors		
	Audit fee	11.50	11.45
	Out of Pocket Expenses	0.14	0.28
		11.64	11.73

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
24 Earning Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	Unit	Year ended March 31, 2017	Year ended March 31, 2016
Profit/(Loss) attributable to Equity Shareholders	(` in Lakhs)	122.48	-12.64
Weighted average number of equity shares outstanding	(in Nos.)	24,138,145.00	24,138,145.00
Basic earnings per share (Face value - ` 10/- each)	(in `)	0.51	(0.05)
Weighted average number of dilutive equity shares outstanding			
Weighted average number of equity shares outstanding	(in Nos.)	24,138,145	24,138,145
Weighted average number of equity shares under equity stock option scheme		419,000	-
Weighted average number of convertible preference shares outstanding	(in Nos.)	7,119,343	-
Weighted average number of dilutive equity shares outstanding		31,676,488	24,138,145
Diluted earnings per share (Face value - ` 10/- each)	(in `)	0.39	(0.05)

Note: The effect of anti dilutive potential equity shares are ignored in calculating dilutive earning per share, since their conversion would decrease loss per share from continuing ordinary activities for the year ended March 31, 2016

25 Related Party Disclosure
a. List of Related Party :

Name of Company	Nature Of Relationship
Future Enterprises Limited (Formerly Known as Future Retail Limited)	Holding Company
Future Bazaar India Limited	Fellow Subsidiary
Future Supply Chain Solutions Limited	Fellow Subsidiary
Future Media (India) Limited	Fellow Subsidiary
Work Shop Limited (Formerly known as Staples Future Office Products Limited)	Fellow Subsidiary

Key Management Personnel

1. Vivek Biyani - Director
2. Atul Kapur - Director
3. Sandeep Murthy - Director
4. C P Toshniwal - Director (Up to December 30, 2016)
5. Dinesh Maheshwari - Additional Director (From December 30, 2016)

b. Related Party Transactions

Nature of Transaction	Holding Company	Fellow Subsidiaries
Sale of Goods		
Year ended March 31, 2017	-	1,164.83
Year ended March 31, 2016	-	1,018.68
Purchase of Goods		
Year ended March 31, 2017	-	-
Year ended March 31, 2016	1,007.85	-
Outstanding Balances		
Receivables		
As at March 31, 2017	-	211.13
As at March 31, 2016	-	259.54
As at April 1, 2015	-	299.92

Payables		
As at March 31, 2017	-	-
As at March 31, 2016	3,726.25	172.87
As at April 1, 2015	3,694.58	187.09

26 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes receivables, payables, loans, borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any Interest Rate Risk as at the reporting dates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ` 211.13 Lakhs and ` 259.54 Lakhs as of March 31, 2017 and March 31, 2016 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	March 31, 2017	March 31, 2016
Trade Payables	4,339.12	4,500.97
Other Financial Liabilities	-	179.19

27 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company does not have borrowings and trade payables are majorly comprised in Net Debt. The Company has a defined policy of gearing ratio. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016. Also refer Note 31 of the financial statements.

	March 31, 2017	March 31, 2016	April 1, 2015
Net Debt	4,292.02	4,681.75	4,813.73
Capital and Net Debt	311.04	578.29	722.91
Gearing Ratio	1379.89%	809.58%	665.88%

28 Other Comprehensive Income

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. However, there are no items pertaining to OCI. Accordingly, Indian GAAP profit or loss is matching with total comprehensive income as per Ind AS.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)

29 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31st March, 2015. Accordingly, no disclosures are required to be made under said Act and Schedule III to the Companies Act, 2013.

31 Going Concern

There has been substantial erosion in the net worth of the Company as at March 31, 2017. The Company has accumulated losses of ` 18,552.4 Lakhs (Previous year: ` 18,674.70 Lakhs) as against the net worth of ` 14,571.23 Lakhs (Previous year: ` 14,571.23 Lakhs). The Company has negative cash flows from operating activities for the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. Management is of the opinion that there are long-term prospects in view of acceptance of the Company's products as evidenced by sales in current year and previous years. Under the circumstances, the accounts of the Company for the year ended March 31, 2017 have been prepared on the basis of a going concern, as the Company is assured of continuous financial and operational support from its Holding Company.

32 Employee Benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Valuations in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Assumption	March 31,2017	March 31,2016
Discount Rate (per annum)	NA	NA
Rate of increase in compensation levels (per annum)	NA	NA
Rate of return on Plan Assets (for Funded Scheme)	NA	NA
Expected Average remaining working lives of the employees (years)	NA	NA

Since there are no employees as on 31st March 2016 & 2017, it is shown as NIL

A. Change in present value obligation

	March 31,2017	March 31,2016
Present Value of Defined Benefit Obligation as at beginning of the period	-	0.37
Interest Cost	-	-
Current Service Cost	-	0.36
Benefits Paid	-	(0.73)
Actuarial (Gain)/loss on obligations	-	-
Present Value of Defined Benefit Obligation as at the end of the period (Un-funded)	-	-

B. Amount recognized in the statement of Profit and Loss (Non-Funded)

	March 31,2017	March 31,2016
Current Service Cost	-	0.36
Past Service Cost		
Interest Cost	-	-
Expected Return on plan Assets		
Curtailment Cost / (Credit)		
Settlement Cost / (Credit)		
Net Actuarial (gain) / Loss recognized in the period	-	-
Total Expenses recognized in the statement of profit and loss Account	-	0.36

C. Actual Return on Plan Assets – None since no funding was done

33 Contingent Liability

	March 31,2017	March 31,2016
Value Added Tax (refer Note A and B)	214.92	-
Others (refer Note C)	5.95	5.95

A) The Company has received demand notice from Department of Commercial Taxes, Government of Karnataka for the year 2010-11 of ` 53.84 Lakhs. The Company has initiated Appeal proceedings for the same .

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED**Notes to Financial Statements for the year ended March 31, 2017**

(All Amounts in Lakhs only unless stated otherwise)

B) The Company has received demand notice from Sales Tax Department, Government of Maharashtra for the year 2008-09 of ` 161.07 Lakhs. The Company has filed the Appeal for the same .

C) The Landlord of one of the office premise has commenced a legal action against the Company and has filed a claim of ` 5.95 Lakhs comprises of ` 0.75 Lakhs License Fees and interest and ` 5.20 Lakhs for Damages

34 Disclosure of Cash transactions during the specified period in Specified bank notes

The Company does not have any cash balance or cash transactions during the year. Hence the said disclosure is not applicable for the company.

35

The Company does not have a Whole-time director, Company Secretary and an independent director as required under section 203(1) and section 149 (4) of the Companies Act, 2013. The management is taking reasonable effort to comply with the aforesaid section.

36 First Time Adoption of Ind AS and Exemptions applied

These financial statements, for the year ended March 31 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31 2017, together with the comparative period data as at and for the year ended March 31 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the opening balance sheet was prepared as at April 1 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1 2015 and the financial statements as at and for the year ended March 31 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

(i) Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered businesses under Ind AS that occurred before April 1 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

(ii) The company has considered previous GAAP carrying amount for Property, Plant and Equipment and Intangible Assets as deemed cost as on the date of transition to Ind AS.

Reconciliation

The Company has issued 2 series of fully convertible non-cumulative preference shares and is the only GAAP conversion item. Under Indian GAAP, the preference shares were classified as Share Capital. Under Ind AS, convertible preference shares is treated as equity based on the terms of the contract.

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED
Notes to Financials Statements for the year ended March 31, 2017
(All Amounts in Lakhs only unless stated otherwise)
Effect on Balance Sheet as at March 31, 2016 and April 1, 2015

	As at March 31, 2016			As at April 1, 2015		
	End of Last period presented under GAAP			Date of Transition		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non Current Assets						
Property, plant and equipment	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-
Financial Assets						
(i) Loans	209.33	-	209.33	209.33	-	209.33
(ii) Other financial assets	4.13	-	4.13	4.07	-	4.07
Other Non Current Assets	103.96	-	103.96	206.06	-	206.06
Deferred Tax Assets(Net)	-	-	-	-	-	-
Total Non Current Assets	317.42	-	317.42	419.46	-	419.46
Current Assets						
Financial Assets						
(i) Trade Receivables	259.54	-	259.54	299.92	-	299.92
(ii) Cash and Cash Equivalents	8.98	-	8.98	7.40	-	7.40
(iii) Loans	0.40	-	0.40	2.80	-	2.80
Other Current Assets	0.93	-	0.93	1.35	-	1.35
Total Current Assets	269.85	-	269.85	311.47	-	311.47
Total Assets	587.27	-	587.27	730.93	-	730.93
Equity						
Equity Share Capital	2,413.81	-	2,413.81	2,413.81	-	2,413.81
Preference Share Capital	2,684.46	(2,684.46)	-	2,684.46	(2,684.46)	-
Convertible non participating preference shares capital	-	2,684.46	2,684.46	-	2,684.46	2,684.46
Other Equity	(9,201.74)	-	(9,201.74)	(9,189.09)	-	(9,189.09)
Equity attributable to owners of the company	(4,103.47)	-	(4,103.47)	(4,090.82)	-	(4,090.82)
Total Equity(Shareholders funds under Previous GAAP)	(4,103.47)	-	(4,103.47)	(4,090.82)	-	(4,090.82)
Current Liabilities						
Financial Liabilities						
(i) Trade Payables	4,680.16	-	4,680.16	4,724.71	-	4,724.71
Provisions	-	-	-	0.62	-	0.62
Other Current Liabilities	10.57	-	10.57	96.42	-	96.42
Total Current Liabilities	4,690.73	-	4,690.73	4,821.75	-	4,821.75
Total Liabilities	4,690.73	-	4,690.73	4,821.75	-	4,821.75
Total Equity and Liabilities	587.26	-	587.26	730.93	-	730.93

FUTURE E-COMMERCE INFRASTRUCTURE LIMITED**Notes to Financials Statements for the year ended March 31, 2017***(All Amounts in Lakhs only unless stated otherwise)***Effect on Profit and Loss Account as at March 31, 2016**

	As at March 31, 2016		
	End of Last period presented under GAAP		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Revenue from Operations	1,018.68		1,018.68
Other Income	4.56		4.56
Total Income(A)	1,023.24	-	1,023.24
Expenses			
Purchases of Stock in trade	1,007.85		1,007.85
Changes in Inventories of	-		-
--Stock in trade	-		-
Employee Benefits expense	4.41		4.41
Other Expenses	23.62		23.62
Total Expenses (B)	1,035.88	-	1,035.88
Profit before Tax (A-B+C+D)	(12.64)	-	(12.64)
Tax Expense			
i) Current Tax	-		-
ii) Deferred Tax	-		-
	-	-	-
Profit for the period	(12.64)	-	(12.64)

37 Figures for the previous year have been regrouped wherever necessary.

As per our Report of even date attached

For S R B C & CO LLP

ICAI Firm Reg. No. 324982E / E300003

Chartered Accountants

Sd/-

per Anil Jobanputra

Partner

Membership No: 110759

Place: Mumbai

Date: May 17, 2017

For and on behalf of Board of Directors

of Future E-commerce Infrastructure Limited

Sd/-

Vivek Biyani

Director

DIN: 01977838

Sd/-

Dinesh Maheshwari

Director

DIN: 00088451