INDEPENDENT AUDITOR'S REPORT

To The Members of Work Store Limited (Formerly known as Staples Future Office Products Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Work Store Limited (Formerly known as Staples Future Office Products Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 Standalone 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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 standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us dated 18th May, 2016 wherein we had expressed an unmodified audit opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

The opening balance sheet as at the transition date 1st April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2015 dated 23rd May, 2015 expressed an unmodified audit opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

(e) In our opinion, there are no matters that may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

(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 standalone Ind AS financial statements – Refer Note 32 to the standalone 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 Company.

iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 42 to the standalone Ind AS financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of Section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MZSK & Associates
Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No.: 108053

Place: Mumbai
Date: 10th May, 2017

'ANNEXURE A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF WORK STORE LIMITED (FORMERLY KNOWN AS STAPLES FUTURE OFFICE PRODUCTS LIMITED)

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 Work Store Limited (Formerly known as Staples Future Office Products Limited) ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS 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 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MZSK & Associates
Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place: Mumbai
Date: 10th May, 2017

'ANNEXURE B' TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Work Store Limited (Formerly known as Staples Future Office Products Limited) on the standalone Ind AS financial statements for the year ended 31st March, 2017]

i.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year. However, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable property. Accordingly, the requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loans granted to the company listed in the register maintained under Section 189 of the Act, schedule of repayment of principal has not been stipulated and therefore, the loans are repayable on demand. In the absence of stipulation of principal repayment terms, we are unable to comment on the regularity of repayment of principal. However, the term related to payment of interest has been stipulated and the borrower is regular in the payment of interest.

(c) There are no amounts overdue for more than ninety days in respect of the loans granted to the company listed in the register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, 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.

vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Sales Tax – Delhi	11.03	F.Y. 2012-13	Court of Assistant Collector	Letter of Objection dated 14th Feb, 2017 is filed and hearing date is awaited.
Central Sales Tax Act, 1956	Sales Tax- Andhra Pradesh	1.52	F.Y. 2011-12	Assessing Officer	Letter for rectification of order is filed on 10th February, 2017 and hearing date is awaited.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, 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 not come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has made preferential allotment of equity shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi) of the Order are not applicable to the Company.

For MZSK & Associates
Chartered Accountants
Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No.: 108053

Place: Mumbai
Date: 10th May, 2017

Work Store Limited (formerly Staples Future Office Products Limited)
Balance Sheet as at March 31, 2017

	Note No.	As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs	
ASSETS							
Non-Current Assets							
(a) Property, Plant & Equipment	**3**		177.84		288.24		351.89
(b) Other Intangible Assets	**3**		98.90		75.22		12.20
(d) Financial Assets:							
(i) Investments	**4**	2.13		2.13		2.13	
(ii) Others	**5**	62.59	64.72	63.68	65.81	3,585.58	3,587.71
(e) Deferred Tax Assets (Net)	**40**		-		-		-
(f) Other Non Current Assets	**6**		66.98		189.02		306.45
Total Non-Current Assets			**408.44**		**618.29**		**4,258.25**
Current Assets							
(a) Inventories	**7**		957.82		713.94		577.38
(b) Financial Assets:							
(i) Investments	**4**	1,000.85		-		-	
(ii) Trade Receivables	**8**	2,110.03		1,650.28		1,562.17	
(iii) Cash & Cash equivalents	**9**	109.47		904.90		95.70	
(iv) Bank Balances	**10**	1,440.82		3,799.00		800.00	
(iv) Loans	**11**	2,993.00		1,525.00		1,321.99	
(v) Others	**12**	191.32	7845.49	227.84	8107.02	192.24	3,972.10
(c) Other Current Assets	**13**		415.18		509.41		123.27
(d) Assets classified as held for Sale	**14**		9.55		-		-
Total Current Assets			**9,228.04**		**9,330.37**		**4,672.75**
Total Assets			**9,636.48**		**9,948.66**		**8,931.00**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	**15**	560.84		536.69		536.69	
(b) Other Equity	**16**	6,620.67		6,881.03		6,945.16	
Total Equity			**7,181.51**		**7,417.72**		**7,481.85**
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities:							
Others	**17**		-		0.17		2.44
(b) Provisions	**18**		18.66		26.89		19.73
Total Non-Current Liabilities			**18.66**		**27.06**		**22.17**
Current Liabilities							
(a) Financial Liabilities:							
(i) Borrowings	**19**	596.14		1,047.62		157.05	
(ii) Trade Payables	**20**	1,134.06		1,129.39		923.24	
(iii) Other Financial Liabilities	**21**	18.19	1,748.39	2.55	2,179.56	2.54	1,082.83
(b) Other Current Liabilities	**22**		686.33		320.91		340.33
(c) Provisions	**23**		1.59		3.41		3.82
Total Current Liabilities			**2,436.31**		**2,503.88**		**1,426.98**
Total Equity & Liabilities			**9,636.48**		**9,948.66**		**8,931.00**

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For MZSK & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Work Store Limited

Abuali Darukhanawala
Partner
Membership No: 108053

Place : Mumbai
Date : May 10, 2017

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date : May 10, 2017

Work Store Limited (formerly Staples Future Office Products Limited)
Statement of Profit and Loss for the Year ended March 31, 2017

	Note No.	Year Ended March 31, 2017 Rs. in Lacs		Year Ended March 31, 2016 Rs. in Lacs	
Revenue					
Revenue from operations	**24**		8,886.41		8,181.23
Other Income	**25**		597.59		570.70
Total Revenue			**9,484.00**		**8,751.93**
Expenses					
Purchase of Stock in trade	**26**	7,256.81		6,172.31	
Changes of Inventories of Stock in trade	**27**	(167.30)		(130.68)	
Employee benefits expense	**28**	1,021.47		1,170.13	
Finance costs	**30**	57.49		48.97	
Depreciation and amortization expense	**3**	131.19		138.32	
Other expenses	**29**	1,446.72		2,214.05	
Total Expenses			**9,746.38**		**9,613.10**
Profit/(Loss) before Tax			**(262.38)**		**(861.17)**
Less: Tax Expense			**-**		**-**
Profit/(Loss) for the year			**(262.38)**		**(861.17)**
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	**31**				
Items that will not be reclassified to profit or loss					
(a) Remeasurement of defined employee benefit plans		16.18		(2.96)	
Less: Income Tax Impact on (a) above		-		-	
			16.18		**(2.96)**
Total Comprehensive Income / (Expense) for the year			**(246.20)**		**(864.13)**
Earnings Per Share (Basic and Diluted) (Rs.) (Face value of Rs. 10/- each) (Refer Note 37)			**(4.68)**		**(16.05)**

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For MZSK & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Work Store Limited

Abuali Darukhanawala
Partner
Membership No: 108053

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

Work Store Limited (formerly Staples Future Office Products Limited)
Cash Flow Statement for the Year ended March 31, 2017

		Year Ended March 31, 2017 Rs. in Lacs	Year Ended March 31, 2016 Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Total Comprehensive Income / (Expense) for the year		(246.20)	(864.13)
Adjustments for:			
Depreciation and amortisation expense		131.19	138.32
Interest Income on Loans and Bank Deposits		(420.42)	(524.51)
Profit on Sale of Investments		(2.35)	-
Gain on reinstatement of investments		(48.49)	-
Loss on Sale of Fixed Assets (Net)		16.34	7.19
Provision for Inventories		3.79	(51.01)
Sundry Balance written back		(54.81)	(20.96)
Sundry Balance written off		19.54	0.23
Provision for Doubtful Debts and Advances		(27.60)	52.94
Interest Expense and Finance Cost		57.49	48.97
Unrealised foreign exchange (gain) / loss		(0.12)	0.39
Operating Profit Before Working Capital Changes		**(571.64)**	**(1,212.57)**
Adjustments For Changes In Working Capital:			
Adjustments for (increase) / decrease in operating assets			
- Trade receivables		(432.15)	(141.05)
- Other Non-current Assets		122.04	117.43
- Other Current Assets		74.69	(386.37)
- Other Financial Assets - Non Current		1.09	21.90
- Inventories		(247.67)	(85.55)
- Other Financial Assets - Current		36.52	(35.60)
- Assets held for Sale		(9.55)	-
Adjustments for increase / (decrease) in operating liabilities			
- Trade Payables		59.60	226.72
- Other long-term financial liabilities		(0.17)	(2.27)
- Long-term provisions		(8.23)	7.16
- Other current financial liabilities		15.64	0.01
- Other current liabilities		365.42	(19.42)
- Short-term provisions		(1.82)	(0.41)
Net Cash (Used in) Operating Activities	**(A)**	**(596.23)**	**(1,510.02)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Purchase of Fixed Assets		(66.30)	(145.96)
Proceeds from Sale of Tangible / Intangible Assets		5.49	1.08
Payment for Purchase of Mutual Funds Investments		(1,000.00)	-
Proceed from Sale of Mututal Funds Investments		47.64	-
Profit on Sale of Investments		2.35	-
Investment in bank deposits		(5,044.34)	(3,849.00)
Redemption / maturity of bank deposits		7,402.52	4,350.00
Interest received from Bank Deposits		267.94	361.74
Interest received from Loans		152.48	162.77
Loans to related parties		(218.00)	(203.01)
Loans to other Corporate entities		(1,250.00)	-
Net Cash Generated from / (Used in) Investing Activities	**(B)**	**299.78**	**677.62**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital		9.99	800.00
Finance Costs Paid (other than those attributable to financial services operations)		(57.49)	(48.97)
Net Cash Generated from / (Used In) Financing Activities	**(C)**	**(47.50)**	**751.03**
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]		**(343.95)**	**(81.37)**
Cash and Cash Equivalents as at April 1		**(142.72)**	**(61.35)**
Cash and Cash Equivalents as at March 31		**(486.67)**	**(142.72)**
Cash and Cash Equivalents Comprise of :			
Cash on Hand		0.17	0.53
Balance with Scheduled Banks in Current Accounts		109.30	904.37
Bank Overdraft		(596.14)	(1,047.62)
		(486.67)	**(142.72)**

Notes :

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7.

2 Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.

As per our Report of even date

For MZSK & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

Abuali Darukhanawala
Partner
Membership No: 108053

Place : Mumbai
Date : May 10, 2017

For and on behalf of the Board of Directors of
Work Store Limited

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date : May 10, 2017

Work Store Limited (formerly Staples Future Office Products Limited)
Statement of Changes in Equity for the Year ended March 31, 2017

A.Equity Share Capital:

Particulars	**Equity Shares**
Balance as at April 1, 2015	**536.69**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2016	**536.69**
Changes in Equity Share Capital during the year	24.15
Balance as at March 31, 2017	**560.84**

B. Other Equity: **(Rs. in Lacs)**

Particulars	**Compulsory Convertible Participating Preference shares (CCPS)**	**Reserves & Surplus**		**Share Application Money Pending allotment**	**Other Comprehensive Income (OCI)**	**Total**
		Securities Premium Account	**Retained Earnings**			
Balance as at April 1, 2015	80.50	19,916.98	(13,058.66)	-	6.34	6,945.16
Less: Loss for the year	-	-	(861.17)	-	-	(861.17)
Less: Actuarial loss on Gratuity transferred to OCI	-	-	-	-	(2.96)	(2.96)
Add: Share application money received	-	-	-	800.00	-	800.00
Balance as at March 31, 2016	**80.50**	**19,916.98**	**(13,919.83)**	**800.00**	**3.38**	**6,881.03**
Balance as at April 1, 2016	80.50	19,916.98	(13,919.83)	800.00	3.38	6,881.03
Add : Addition In Security Premium on account of issuance of share capital		785.84	0			785.84
Less: Loss for the year			(262.38)		-	(262.38)
Less: Actuarial loss on Gratuity charged to OCI		-	-		16.18	16.18
Add: Application Money received				10.00		10.00
Less: Shares allotted during the year				(810.00)		(810.00)
Balance as at March 31, 2017	**80.50**	**20,702.82**	**(14,182.21)**	**-**	**19.56**	**6,620.67**

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended March 31, 2017

1. GENERAL INFORMATION

Work Store Limited (formerly known as Staples Future Office Products Limited) ('WSL' or 'the Company') is a public limited Company domiciled in India and incorporated under the provisions of The Companies Act, 1956. WSL is a subsidiary of Future Enterprises Limited (formerly known as Future Retail Limited). The address of its registered office is at Knowledge House, Shyam Nagar Jogeshwari Vikhroli Link Road, Jogeshwari (East) Mumbai MH 400060

Work Store limited is engaged into 'Office Supplies' business which is aimed at large Indian businesses, spanning multiple locations, requiring seamless ordering & fulfillment and savings through consolidated buying & improved consumption information.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The separate financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS separate financial statements. The date of transition to Ind AS is April 1, 2015.

The separate financial statements are presented in addition to the consolidated financial statements presented by the Company.

ii) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Investments in subsidiaries

Subsidiaries:

Subsidiaries are all entities over which the Company has control, including through its subsidiaries. Control is achieved when the Company has power over the investee, is exposed , or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in Subsidiaries are accounted at cost.

iv) Property, Plant and Equipment

All Property, Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditures related to an item of Fixed Assets are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Fixed Assets are recognised in the Statement of Profit and Loss

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Useful lives estimated by the management (years)

Computers-End user devices	3
Computers- Servers and networks	6
Office Equipment	5
Furniture and Fittings	10
Leasehold Improvements	Over the life of lease period
Vehicles on lease	8

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

v) **Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible Assets, namely Software are amortised from the date of acquisition or commencement of commercial services. The period of these are as follows:

a) Software development, ERP Development and implementation, Firewall and Antivirus Software are amortised over a period of three years
b) Other softwares are amortised over a period of four years.

vi) **Impairment of Assets**
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

vii) **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.

Financial assets

(i) Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in following category:

(i) Debt instruments that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(ii) Debt instruments that meet the following conditions are subsequently measured at FVTOCI (Fair Value Through Other Comprehensive Income)
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(iii) Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
(i) The rights to receive cash flows from the asset have expired, or
(ii) The Company has transferred its rights to receive cash flows from the asset

(iv) 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 and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., net cash shortfalls), discounted at the original EIR

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. In balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of financial assets.

b) Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings.

(ii) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

(iii) 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.

c) 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.

viii) **Inventories**

Inventories of Trading Goods and consumables are accounted at the lower of cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost is determined weighted average basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix) **Employee Benefits**

(i) Short-term obligations

Short term employee benefits are recognised as expenditure at the undiscounted value in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Post-employment obligations

Defined Contribution Plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

Leave obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined Benefit Plan

The Company operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under these plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for plan using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

x) **Provisions and Contingent Liabilities**

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are determined based on the best estimate required to settle the obligation at the reporting date.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 recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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 the obligation or a reliable estimate of the amount cannot be made.

xi) **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. The following specific recognition criteria must also be met before revenue is recognized:

i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

ii) Income from Gift Vouchers

Revenue in respect of sale of gift voucher is recognised at the gross amount when the said gift vouchers are activated and sold to customers on principal to principal basis and recognised at net amount in case the substance of the transaction is of Principal to agent basis.

iii) Income from services

Service Revenue is recognised as and when the services are performed. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

iv) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

v) Claims, rebate and marketing income

Claims, rebate and marketing incomes are accounted only when there is reasonable certainty of its ultimate collection.

xii) **Foreign Currency Transactions**

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange Difference

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

xiii) **Leases**

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

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 unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xiv) **Taxes on Income**

Deferred income taxes reflects the impact of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws

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.

xv) **Earnings per Share**

Basic and diluted earnings per share are calculated by dividing the total comprehensive income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period

For the purpose of calculating diluted earnings per share, total comprehensive income for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, including for changes effected prior to the approval of the financial statements by the Board of Directors.

xvi) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xvii) **First-time adoption – mandatory exceptions, optional exemptions**

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

Deemed cost for property, plant and equipment and other intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xviii) **Rounding of amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest Lakh with 2 decimal as per the requirements of schedule III, unless otherwise stated.

2b. Critical accounting judgements and key sources of estimation uncertainties

Fair Valuation:

Some of the company’s assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages thirty party qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company’s historical experience and credit assessment and including forward-looking information.

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended March 31, 2017

3. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLES

Property, Plant & Equipment (Rs.in lacs)

Particulars	Computers	Leasehold Improvements	Office Equipment[1]	Furniture and fixtures	Vehicles on Lease	Total
Cost or Valuation						
At 1 April 2015	229.16	187.09	165.81	159.31	6.68	748.05
Addition	18.38	13.92	2.83	18.04	-	53.17
Disposals	(43.66)	(26.83)	(27.55)	(16.18)	(6.68)	(120.90)
At 31 March 2016	**203.88**	**174.18**	**141.09**	**161.17**	**-**	**680.32**
Additions	6.43	0.01	8.77	2.92	-	18.13
Disposals	(39.97)	(45.76)	(23.97)	(14.39)	-	(124.09)
Asset held for Sale[2]	(8.17)	(13.18)	(10.09)	(30.33)		(61.77)
At 31 March 2017	**162.17**	**115.25**	**115.80**	**119.37**	**-**	**512.59**
Depreciation						
At 1 April 2015	144.99	66.43	109.09	68.97	6.68	396.16
Charge for the year	35.23	29.56	17.61	26.17	-	108.57
Disposals	(42.50)	(26.83)	(26.35)	(10.28)	(6.68)	(112.64)
At 31 March 2016	**137.72**	**69.16**	**100.35**	**84.86**	**-**	**392.09**
Charge for the year	31.18	28.21	14.81	22.93	-	97.13
Disposals	(38.19)	(34.35)	(22.18)	(7.54)	-	(102.26)
Asset held for Sale[2]	(7.51)	(8.69)	(10.06)	(25.96)		(52.22)
At 31 March 2017	**123.20**	**54.33**	**82.92**	**74.29**	**-**	**334.74**
Net Block						
At 1 April 2015	**84.17**	**120.66**	**56.72**	**90.34**	**-**	**351.89**
At 31 March 2016	**66.16**	**105.02**	**40.74**	**76.31**	**-**	**288.23**
At 31 March 2017	**38.97**	**60.92**	**32.88**	**45.08**	**-**	**177.85**

1. Office Equipment includes assets taken on finance lease:
Gross block Rs.6.91 Lacs (31 March 2016: Rs. 6.91) (31 March 2015: Rs. 6.91)
Depreciation charge for the year Rs. 2.12 Lacs (31 March 2016: Rs. 2.31) (31 March 2015: Rs. 2.32)
Accumulated depreciation Rs. 6.75 Lacs (31 March 2016: Rs. 4.63) (31 March 2015: Rs. 2.32)
Net book value Rs. 0.16 Lacs (31 March 2016: Rs. 2.28) (31 March 2015: Rs. 4.59)

2. In Mar 2017, Company outsourced its Warehousing Operations in Bangalore, Karnataka to a Third Party service provider and closed its Own Operated Warehouse to improve its service capability and create flexibility to address space constraint it faces during peak season. The realisable value is expected to be higher than the carrying value of Assets held for sale. Hence, above value is measured at carrying value as per Ind AS 105: " Non Current Assets Held for sale and discontinuing operations"

Other Intangible assets (Rs.in lacs)

Particulars	Software
Cost	
At 1 April 2015	324.69
Additions	93.80
Disposals	-
At 31 March 2016	**418.49**
Additions	70.15
Disposals	-
At 31 March 2017	**488.64**
Amortisation	
At 1 April 2015	312.49
Charge for the year	30.78
At 31 March 2016	**343.27**
Charge for the year	46.48
At 31 March 2017	**389.75**
Net Block	
At 1 April 2015	**12.20**
At 31 March 2016	**75.22**
At 31 March 2017	**98.89**

Refer Note 32 for the contractual capital commitments for purchase of Property, Plant & Equipment and other Intangibles

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended March 31, 2017

4. INVESTMENTS

Particulars	Quantity (In Nos/Unit)	As at March 31, 2017 Rs. in Lacs	Quantity (In Nos/Unit)	As at March 31, 2016 Rs. in Lacs	Quantity (In Nos/Unit)	As at April 1, 2015 Rs. in Lacs
Non-current investments						
Equity instruments of Subsidiary - Unquoted (Valued at cost)						
Office Shop Private Limited	9,999	1.00	9,999	1.00	9,999	1.00
Govt. securities (At fair value through Profit or loss)						
National Saving Certificates deposited with Sales Tax Authorities		1.13		1.13		1.13
Sub Total A)		**2.13**		**2.13**		**2.13**
Current investments						
Liquid mutual fund units - Quoted ((At fair value through Profit or loss))						
HDFC Short Term plan - Regular Plan - Growth	1,622,265	525.78		-		-
IDFC Super Saver Income Fund - Medium Term - Regular Plan - Growth	1,713,373	475.07		-		-
Sub Total B)		**1,000.85**		**-**		**-**
Total Investments (A+B)		**1,002.98**		**2.13**		**2.13**
Non-current investments						
Aggregate amount of qouted investment and market value thereoff		1.13		1.13		1.13
Aggregate amount of unqouted investment		1.00		1.00		1.00
Aggregate amount of inpairment in the value of investments		-		-		-
Current investments						
Aggregate amount of qouted investment and market value thereoff		1,000.85		-		-
Aggregate amount of unqouted investment		-		-		-
Aggregate amount of inpairment in the value of investments		-		-		-

5. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Bank deposits with more than 12 months maturity*	3.52	3.52	3,503.52
Security Deposits	59.07	60.16	82.06
TOTAL	**62.59**	**63.68**	**3,585.58**

*3.52 Lacs is earmarked FDs with Sales Tax Authorities

Note 1 : Security Deposit is valued at fair value through Profit or loss

6. OTHER NON-CURRENT ASSETS

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Advance tax	46.61	128.35	165.72
Capital Advances	-	15.30	44.74
Balance with Government Authorities	20.37	45.37	95.99
TOTAL	**66.98**	**189.02**	**306.45**

7. INVENTORIES

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Stock in trade	856.01	688.70	558.03
Stock-in-Transit	99.40	22.46	18.76
Consumable goods	2.41	2.78	0.59
TOTAL	**957.82**	**713.94**	**577.38**
Details of Stock in trade			
Office Supplies	698.46	527.88	461.82
Technology Products	42.82	133.37	83.46
Promotional Products	1.88	1.79	3.60
Furniture	112.85	25.66	9.15
TOTAL	**856.01**	**688.70**	**558.03**

Note:
1. Inventories of Stock in trade and consumables are accounted at the lower of cost or net realisable value, after making due allowance for any obsolete/ slow moving items.

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year Ended March 31, 2017

8. TRADE RECEIVABLES

		As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs
Secured, Considered Good		-		-		-
Unsecured - Considered Good	2,109.78		1,650.10		1,560.47	
Unsecured - Considered Doubtful	84.63		214.03		260.85	
Less: Provision for Doubtful debts	(84.63)	2,109.78	(214.03)	1,650.10	(260.85)	1,560.47
Receivable from related parties -Unsecured - Considered Good (refer Note 35A)		0.25		0.18		1.70
TOTAL		**2,110.03**		**1,650.28**		**1,562.17**

Note:
1. Trade Receivables are valued at the transaction value after making due allowance for any expected credit loss. Credit Period largely varies between 30 to 60 days which is in line with general industry practice. Trade Receivables do not include any financing component
2. Receivables from related party pertains to entities where Company's directors is holding a position of director

9. CASH AND CASH EQUIVALENTS

- Cash and Cash equivalents

		As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs
i. Balance with Banks						
- Current Accounts	109.30		904.37		95.22	
- Deposit Accounts (less than 3 months original maturity)	-	109.30	-	904.37	-	95.22
ii. Cash on Hand		0.17		0.53		0.48
TOTAL		**109.47**		**904.90**		**95.70**

For the purpose of the statement of cash flows, cash and cash equivalent comprises the following :

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Cash on Hand	0.17	0.53	0.48
Balance with Scheduled Banks in Current Accounts	109.30	904.37	95.22
Bank Overdraft	(596.14)	(1,047.62)	157.05
TOTAL	**(486.67)**	**(142.72)**	**252.75**

10. BANK BALANCES - CURRENT

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Bank deposits with less than 12 months but more than 3 months maturity	1,440.82	3,799.00	800.00
TOTAL	**1,440.82**	**3,799.00**	**800.00**

11. LOANS - CURRENT

		As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs
Loans Unsecured and Considered Good						
Inter Corporate Deposits	1,250.00		-		-	
Loan to Related Party (refer note 35A)	1,743.00		1,525.00		1,321.99	-
TOTAL		**2,993.00**		**1,525.00**		**1,321.99**

Note:
1. The above loan and advances are intended to be used by the recipient for working capital purpose.
2. No loans are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively, in which any director is a partner, a director or a member.

12. OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Advances recoverable in cash or in kind or for value to be received			
Advance to Related party (refer note 35A)	62.55	42.14	90.90
Advance to employees	8.17	2.05	1.09
Other Advances	-	35.25	-
Security Deposits	19.70	48.69	23.93
Claims Receivable	22.51	9.26	7.69
Interest Accrued	78.39	90.45	68.63
TOTAL	**191.32**	**227.84**	**192.24**

Note : These Financial Assets are carried at Fair value

13. OTHER CURRENT ASSETS

		As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs
Advances to Suppliers						
Unsecured and Considered Good	375.93		430.72		76.82	
Considered Doubtful	2.96		34.37		102.85	
	378.89		465.09		179.67	
Less: Provision for doubtful advances	(2.96)	375.93	(34.37)	430.72	(102.85)	76.82
Balance with Government Authorities		0.34		43.50		-
Prepayments		38.91		35.19		46.45
TOTAL		**415.18**		**509.41**		**123.27**

14. ASSETS CLASSIFIED AS HELD FOR SALE

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Property Plant & Equipment	9.55		
TOTAL	**9.55**	**-**	**-**

Note:
In Mar 2017, Company outsourced its Warehousing Operations in Bangalore, Karnataka to a Third Party service provider and closed its Own Operated Warehouse to improve its service capability and create flexibility to address space constraint it faces during peak season. The realisable value is expected to be higher than the carrying value of Assets held for sale. Hence, above value is measured at carrying value as per Ind AS 105: " Non Current Assets Held for sale and discontinuing operations"

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
15. SHARE CAPITAL			
AUTHORISED			
65,00,000 (Previous Year: 65,00,000) Equity Shares of Rs 10/- each	650.00	650.00	650.00
10,00,000 (Previous Year: 10,00,000) Preference Shares of Rs 10/- each	100.00	100.00	100.00
	750.00	**750.00**	**750.00**
ISSUED, SUBSCRIBED AND PAID UP			
56,08,389 (Previous Year: 53,66,888) Equity Shares of Rs. 10/- each fully paid-up	560.84	536.69	536.69
8,05,033 (Previous Year: 8,05,033) Preference Shares of Rs. 10/- each fully paid-up	80.50	80.50	80.50
TOTAL	**641.34**	**617.19**	**617.19**

Reconciliation of number of shares

Equity Shares

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Particulars	**No. of shares**	**Rs. in Lacs**	**No. of shares**	**Rs. in Lacs**	**No. of shares**	**Rs. in Lacs**
At the beginning of the year	5,366,888	536.69	5,366,888	536.69	5,366,888	536.69
Add: Issued during the year	241,501	24.15	-	-	-	-
Less: Shares cancelled during the year	-	-	-	-	-	-
At the end of the year	**5,608,389**	**560.84**	**5,366,888**	**536.69**	**5,366,888**	**536.69**

Preference Shares

Particulars	**No. of shares**	**Rs. in Lacs**	**No. of shares**	**Rs. in Lacs**	**No. of shares**	**Rs. in Lacs**
At the beginning of the year	805,033	80.50	805,033	80.50	805,033	80.50
Add: Issued during the year	-	-	-	-	-	-
Less: Shares cancelled during the year	-	-	-	-	-	-
At the end of the year	**805,033**	**80.50**	**805,033**	**80.50**	**805,033**	**80.50**

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

Particulars	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
Equity Share Capital						
Future Enterprises Limited (formerly Future Retail Limited)	3,458,654	61.67%	3,220,133	60.00%	3,220,133	60.00%
Mr.Shailesh Karwa	860,192	15.34%	858,702	16.00%	858,702	16.00%
Mr.Sharad Dalmia	860,192	15.34%	858,702	16.00%	858,702	16.00%
Weavette Business Ventures Limited (formerly Future Ideas Realtors India Limited) (Tirumal Trading & Investment Consultants Private Limited merged with Future Ideas Realtors India Limited)	429,351	7.66%	429,351	8.00%	429,351	8.00%
Preference Share Capital						
Staples Asia Investment Limited			805,033	100.00%	805,033	100.00%
Future Enterprises Limited (formerly Future Retail Limited)	558,088.0	69.32%				
Value Tree India Private Limited	246,945.0	30.68%				

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.

Rights, preferences and restrictions attached to shares

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares
During the year ended 31st March 2013, the Company had issued 805,033 Compulsory Convertible Participating Preference shares (CCPS) to Staples Asia Investment Limited ('SAIL') having par value of Rs. 10 per share issued at a premium of Rs 1,698.005 per share. The following are the rights, preference and restriction of CCPS:-

The CCPS has a lock-in period of 5 years from the date of issuance.

Dividend Rights: The CCPS shall be participating, i.e. the holder of a CCPS shall be entitled to receive dividends, as and when declared on the Shares, as if each CCPS represented 1 (one) equity share. Further, no dividend is required to be accrued as these share are non accumulative.

Preferential Rights: In the event of liquidation of the Company, the holders of preference shares have the preference rights over the equity share holder in respect of repayment of capital.

Voting Rights: Holder of Preference share do not carry any voting rights.

Conversion option/ Rights: Each CCPS shall be convertible into 1 (one) fully paid up equity share anytime within a period of 20 years from the date of its issue and allotment only in the following situations:

a) if SAIL exercises its Tag Along Right pursuant to Article 9.4 of the Articles of Association; and
b) Prior to an initial public offering of the Shares

During the year ended 31st March 2017, Staples Asia Investment Limited ("SAIL") sold its entire CCPS holding to Future Enterprises Limited and Value Tree limited

16. OTHER EQUITY	As at March 31, 2017 Rs. in Lacs		As at March 31, 2016 Rs. in Lacs		As at April 1, 2015 Rs. in Lacs	
PREFERENCE SHARE CAPITAL						
At the beginning of the year	80.50		80.50		80.50	
Add: Issued during the year	-		-		-	
Less: Shares cancelled during the year	-	80.50	-	80.50	-	80.50
SECURITIES PREMIUM ACCOUNT						
As per last Balance Sheet	19,916.98		19,916.98		19,916.98	
Add: Premium received during the year	785.84	20,702.82	-	19,916.98	-	19,916.98
Other Comprehensive Income						
As per last balance sheet	3.38		6.34		6.34	
Add/(less): Actuarial loss on Gratuity transferred to OCI	16.18	19.56	(2.96)	3.38	-	6.34
Surplus/(Deficit) in the statement of profit and loss						
As per Last Balance Sheet	(13,919.83)		(13,058.66)		(12,566.28)	
Less: Loss for the year	(262.38)	(14,182.21)	(861.17)	(13,919.83)	(492.38)	(13,058.66)
Share Application Money pending allotment						
As per Last Balance Sheet	800.00		-		-	
Add: Application Money received	10.00					
Less: Shares allotted during the year	(810.00)	-	800.00	800.00	-	-
TOTAL		**6,620.67**		**6,881.03**		**6,945.16**

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
17. OTHER NON-CURRENT FINANCIAL LIABILITIES			
Finance lease obligation	-	0.17	2.44
TOTAL	**-**	**0.17**	**2.44**
18. NON-CURRENT PROVISIONS			
Provision for employee benefits	18.66	26.89	19.73
TOTAL	**18.66**	**26.89**	**19.73**
19. CURRENT BORROWINGS			
Loan Repayable on Demand			
Secured Loans from banks			
Bank Overdraft - Axis Bank	561.81	868.46	157.05
Bank Overdraft - HDFC Bank	34.33	179.16	-
TOTAL	**596.14**	**1,047.62**	**157.05**

Note:

Overdraft facility is secured by Fixed Deposit and is repayable on 12 months or maturity of fixed deposit, whichever is earlier. The outstanding Overdraft with Axis Bank amount carries interest rate of 8.15% and Overdraft with HDFC Bank carried interest rate of 7.70%

20. TRADE PAYABLES			
Current			
Trade Payables	1,126.93	1,092.60	869.80
Trade Payables to related parties (refer note 35A)	7.13	36.79	53.44
TOTAL	**1,134.06**	**1,129.39**	**923.24**

Note : Trade Payables do not include any financing component and are normally settled in 30- 60 days which is in line with general Industry Practice

21. OTHER CURRENT FINANCIAL LIABILITIES			
Payables on Purchase of Property Plant & Equipments	16.40	-	-
Finance lease obligation (refer note 36)	1.79	2.55	2.54
TOTAL	**18.19**	**2.55**	**2.54**

Note: Other Current Financial Liabilities do not include any financing component

22. OTHER CURRENT LIABILITIES			
Employee related liabilities	147.93	160.79	158.79
Advances from Customers	485.36	104.60	156.34
Statutory Dues	53.04	55.52	25.20
TOTAL	**686.33**	**320.91**	**340.33**
23. CURRENT PROVISIONS			
Provision for employee benefits	1.59	3.41	3.82
TOTAL	**1.59**	**3.41**	**3.82**

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended March 31, 2017

		Year Ended March 31, 2017 Rs. in Lacs		Year Ended March 31, 2016 Rs. in Lacs
24. REVENUE FROM OPERATIONS				
Sale of products	8,467.01		7,283.44	
Sale of Services	328.90	8,795.91	804.54	8,087.98
Other operating revenues				
Income on sale of gift vouchers		90.50		93.25
TOTAL		**8,886.41**		**8,181.23**
Details of Product sold (Net of Tax)				
Office Supplies		5,952.69		4,450.79
Technology Products		852.24		1,862.46
Promotional Products		1,465.01		937.21
Furniture		197.07		32.99
TOTAL		**8,467.01**		**7,283.45**
Details of Services rendered (Net of Tax)				
Rentals		265.04		661.99
Print Services		35.45		104.31
Others		28.41		38.25
		328.90		**804.55**

	Year Ended March 31, 2017 Rs. in Lacs	Year Ended March 31, 2016 Rs. in Lacs
25. OTHER INCOME		
Interest Income		
Bank Deposits and Loans	420.42	524.51
Income Tax refunds	16.72	10.17
Others	-	4.91
Profit on Sale of Investments	2.35	-
Gain on reinstatement of investments	48.49	-
Foreign Exchange Gain (Net)	2.67	-
Sundry Balances Written Back	54.81	20.96
Provision for Doubtful Debts and Advances (net off bad debts written off)	27.60	
Unwinding of discount on Security Deposit	8.81	7.97
Miscellaneous Income	15.72	2.18
TOTAL	**597.59**	**570.70**

	Year Ended March 31, 2017 Rs. in Lacs	Year Ended March 31, 2016 Rs. in Lacs
26. PURCHASES OF STOCK-IN-TRADE		
Office Supplies	5,091.45	3,636.68
Technology Products	704.15	1,610.96
Promotional Products	1,251.12	880.98
Furniture	210.09	43.69
TOTAL	**7,256.81**	**6,172.31**

	Year Ended March 31, 2017 Rs. in Lacs	Year Ended March 31, 2016 Rs. in Lacs
27. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at the beginning of the year	688.71	558.03
Less: Inventories at the end of the year	856.01	688.71
TOTAL	(167.30)	**(130.68)**
Details of Inventory		
Office Supplies	698.46	527.89
Technology Products	42.82	133.37
Promotional Products	1.88	1.79
Furniture	112.85	25.66
TOTAL	**856.01**	688.71

	Year Ended March 31, 2017 Rs. in Lacs	Year Ended March 31, 2016 Rs. in Lacs
28. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	953.39	1,092.97
Contribution to Provident and Other Funds	38.09	39.43
Gratuity Expenses	8.05	10.01
Employee Welfare and Other Amenities	21.94	27.72
TOTAL	**1,021.47**	**1,170.13**

29. OTHER EXPENSES		Year Ended March 31, 2017 Rs. in Lacs		Year Ended March 31, 2016 Rs. in Lacs
Consumption of Stores and Spares Parts		34.07		76.46
Power, Fuel and Water Charges		35.60		40.96
Repairs and Maintenance - Others		110.73		135.72
Rent				
Premises	321.12		276.47	
On Equipments	212.42	533.54	521.57	798.04
Rates & Taxes (includes Excise Duty)		9.08		34.60
Insurance		3.69		5.10
Travelling Expenses		80.57		91.19
Provision for Doubtful Debts and Advances (net off bad debts written off)		-		52.94
Sundry Balances Written Off		19.54		0.23
Advertisement and Marketing Expenses		122.57		496.61
Freight & Forwarding Expenses		213.53		148.02
Communication and Postage		53.15		61.82
Contract Labour cost		116.52		142.98
Legal & Professional Charges		37.84		31.08
Franchisee fees		14.16		45.92
Payment to Auditors		9.95		9.66
Loss on Disposal/discard of Assets		16.34		7.19
Bank Charges		9.32		7.40
Foreign Exchange Loss (Net)		-		2.04
Miscellaneous Expenses		26.52		26.09
TOTAL		**1,446.72**		**2,214.05**

Payment to Statutory Auditors (including Service Tax)

Statutory Auditors:		
a) Statutory Audit	8.63	8.63
b) Tax Audit	1.15	0.86
c) Reimbursement of Out of pocket Expenses	0.17	0.17

30. FINANCE COSTS

Interest Expense on financial liabilities measured at amortised cost	57.44	48.71
Other borrowing costs	0.05	0.26
TOTAL	**57.49**	**48.97**

31. OTHER COMPREHENSIVE EXPENSE / (INCOME)

Remeasurement of defined benefit obligations	(16.18)	2.96
TOTAL	(16.18)	2.96

	As at March 31, 2017 Rs. in Lacs	**As at March 31, 2016 Rs. in Lacs**	**As at April 1, 2015 Rs. in Lacs**
32 Contingent liabilities and commitments			
A Contingent liabilities			
1 Claims against the Company not acknowledged as debt:	Nil	Nil	Nil
2 Others			
i. Appeals filed in respect of disputed demands:			
Income Tax			
- where the Company is in appeal(#)	-	3.35	0.07
- where the Department is in appeal	-	-	-
Sales Tax(@)	12.55	-	154.11

Note: Future cash outflows in respect of 2(i) above are determinable only on receipt of judgments /decisions pending with various forums/authorities.

\# In Year 2015-16, Appeal filed with CIT(A) subsequent to year end.
\# In Year 2014-15, Appeals filed in respect of disputed demands of Income Tax.

@ In Year 2014-15, Sales tax department had completed assessment for AY 2008-09 and raised demand of Rs. 154.11 Lacs (including interest of Rs. 64.51 Lacs and penalty of Rs. 17.92 Lacs). This Demand is raised on sale of gift vouchers and encashment considering it as taxable item. The Company went into appeal against the order with the Dy. Commissioner of Sales Tax, wherein the matter was decided in favour of the Company citing ruling by Honb'le Supreme Court in this relation.
@ In Year 2016-17, Delhi Sales Tax department has raised demand of INR 11.03 lacs relating to FY 2012-13 due to mismatch of input taken by the Company & Output tax shown by vendors in their returns. Against which objection has been filed on 14th Feb 2017 and awaiting hearing date.
@ In Year 2016-17, Andhra Pradesh Sales Tax department has raised errorneous demand of INR 1.52 lacs relating to FY 2011-12 citing non submission of C Forms. Against which request letter has been

B Commitments			
a. Estimated amount of contracts remaining to be executed on capital account and not provided for;	6.33	10.31	42.46
b. Other Commitments	Nil	Nil	Nil

33 Disclosures as required by the **Micro, Small and Medium Enterprises Development Act, 2006** are as under:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i. the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year			
Principal Amount	2.70	7.14	11.66
Interest Due thereon	0.28	0.13	0.03
ii. the amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
iii. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	0.14	0.70	-
iv. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.36	4.94	4.11
v. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-

There are suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2017, March 31, 2016 and March 31, 2015. The information regarding micro, small or medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year Ended March 31, 2017

34 Employee Benefits :

(A) Defined Benefit Plan

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.

Disclosure as required by Ind Accounting Standard (AS) - 19 are given below:

Table 1. Total Expense Recognised in the Statement of Profit & Loss Account

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Service cost			
a. Current service cost	7.38	9.68	7.49
b. Past service cost	-	-	-
c. (Gain) / loss on settlements	-	-	-
d. Total service cost	**7.38**	**9.68**	**7.49**
Net interest cost			
a. Interest expense on DBO	2.23	1.77	2.50
b. Interest (income) on plan assets	(1.57)	(1.44)	(1.34)
c.Interest (income) on reimbursement rights	-	-	-
d. Interest expense on effect of (asset ceiling)	-	-	-
e. Total net interest cost	**0.66**	**0.33**	**1.16**
Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	-	-
Administrative expenses and taxes	-	-	-
Defined benefit cost included in P&L	**8.05**	**10.01**	**8.65**

Table 2. Remeasurement Effects Recognized in Other Comprehensive Income (OCI)

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-	-
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	1.34	-	-
c. Actuarial (Gain) / Loss due to Experience on DBO	(17.33)	3.14	(6.38)
d. Return on Plan Assets (Greater) / Less than Discount rate	(0.20)	(0.18)	0.04
e. Return on reimbursement rights (excluding interest income)	-	-	-
f. Changes in asset ceiling/onerous liability (excluding interest income)	-	-	-
Total Actuarial (Gain)/Loss included in OCI	**(16.19)**	**2.96**	**(6.34)**

Table 3. Total Cost Recognised in Comprehensive Income

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Cost Recognised in P&L	8.05	10.01	8.65
Remeasurements Effects Recognised in OCI	(16.19)	2.96	(6.34)
Total Cost Recognised in Comprehensive Income	**(8.14)**	**12.97**	**2.31**

Table 4 Change in Defined Benefit Obligation

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Defined Benefit Obligation as of Prior Year	36.27	26.27	25.45
Service Cost			
a. Current service cost	7.38	9.68	7.49
b. Past service cost	-	-	-
c. (Gain) / loss on settlements	-	-	-
Interest Cost	2.23	1.77	2.50
Benefit payments from plan assets	-	-	-
Benefit payments directly by employer	(4.04)	(4.59)	(2.79)
Settlements	-	-	-
Participant contributions			
Acquisition / Divestiture	-	-	-
Actuarial (Gain) / Loss - Demographic	-	-	-
Actuarial (Gain) / Loss - Financial	1.34	-	-
Actuarial (Gain) / Loss - Experience	(17.33)	3.14	(6.38)
Effect of changes in foreign exchange rates	-	-	
Defined Benefit Obligation as of Current Year	**25.85**	**36.27**	**26.27**

Table 5. Changes in the Fair Value of Plan Assets

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Fair value of plan assets at end of prior year	19.61	17.99	16.69
Expected Return on Plan Assets	1.57	1.44	1.34
Employer contributions	-	-	-
Participant contributions	-	-	-
Benefit payments from plan assets	-	-	-
Settlements	-	-	-
Acquisition / Divestiture	-	-	-
Actuarial Gain/(Loss) on Plan Assets	0.20	0.18	(0.04)
Fair Value of Plan Assets as at the end of the year	**21.38**	**19.61**	**17.99**

Table 6. Net Defined Benefit Asset / (Liability)

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Defined Benefit Obligation	25.85	36.27	26.27
Fair value of Plan Assets	21.38	19.61	17.99
Surplus / (Deficit)	4.47	16.66	8.28
Effect of Asset Ceiling	-	-	-
Net Defined Benefit Liability / (Asset)	**4.47**	**16.66**	**8.28**
Expected Company Contributions for the Next Year	**2.77**	**16.66**	**8.28**

Table 7. Reconciliation of Amounts in Balance Sheet

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Net defined benefit liability (asset) at prior year end	16.66	8.28	8.76
Defined benefit cost included in P&L	8.05	10.01	8.65
Total remeasurements included in OCI	(16.19)	2.96	(6.34)
Other significant events/One time IND AS 19 Adjustment	-	-	-
Acquisition / Divestiture	-	-	-
Amounts recognized due to plan combinations	-	-	-
Employer contributions	-	-	-
Direct benefit payments by Employer	(4.04)	(4.59)	(2.79)
Effect of changes in foreign exchange rates	-	-	-
Net defined benefit liability (asset) - end of period	**4.48**	**16.66**	**8.28**

Table 8. Reconciliation of Statement of Other Comprehensive Income

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Cumulative OCI - (Income)/Loss, Beginning of Period	(3.38)	(6.34)	-
Total remeasurements included in OCI	(16.19)	2.96	(6.34)
Cumulative OCI - (Income)/Loss, End of Period	**(19.57)**	**(3.38)**	**(6.34)**

Table 9.Current / Non Current Liability

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Current Liability	-	-	-
Non Current Liability	4.48	16.66	8.28
Non Current asset	-	-	-
Net defined benefit liability (asset) - end of period	**4.48**	**16.66**	**8.28**

Table 10. Expected Future Cashflows (As on 31st March 2017)

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Year 1	2.77	NA	NA
Year 2	2.75	NA	NA
Year 3	2.73	NA	NA
Year 4	2.94	NA	NA
Year 5	2.91	NA	NA
Years 6 to 10	11.57	NA	NA

Table 11.Components of Defined Benefit Cost for Next Year

	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Service cost	-	-	NA
a. Current service cost	5.22	7.38	NA
b. Past service cost	-	-	NA
c. (Gain) / loss on settlements	-	-	NA
d. Total service cost	5.22	7.38	NA
Net interest cost	-	-	NA
a. Interest expense on DBO	1.76	2.23	NA
b. Interest (income) on plan assets	(1.54)	(1.57)	NA
c. Interest (income) on reimbursement rights	-	-	NA
d. Interest expense on effect of (asset ceiling)	-	-	NA
e. Total net interest cost	0.22	0.67	NA
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits	-	-	NA
Administrative expenses and taxes	-	-	NA
Defined benefit cost included in P&L	**5.44**	**8.05**	

Table 12. Plan Assets (%)

Particulars	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Equities	-	-	-
Bonds	-	-	-
Gilts	-	-	-
Pooled assets with an insurance company	100.00	100.00	100.00
Other	-	-	-
Total	**100.00**	**100.00**	**100.00**
Actual Return of Plan Assets (In Lacs)	**1.76**	**1.62**	**1.29**

Table 13. Principal actuarial assumptions used: (%)

Financial Assumption	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Discount Rate (per annum)	7.20	8.00	7.20
Salary escalation rate	5.00	5.00	5.00

Demographic Assumption	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	10% to 2% age wise	10% to 2% age wise	10% to 2% age wise
Retirement age	58 years	58 years	58 years

As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds

Table 14. Membership data:

Particulars	Gratuity (Funded)		
	Year Ended March 31,		
	2017	2016	2015
No of Active Members	136	182	189
Total Monthly Salary	2,188,670	2,418,399	2,202,729
Per Month Salary For Active Members	16,093	13,288	11,655
Average Age	30.0	30.4	30.0
Average Expected Future Service (Years)	9.22	24.00	23.0
Average Past Service (Years)	2.43	2.52	2.4

Leave Obligations

N. The liability for Leave Encashment (Non – Funded) as at year end is Rs. 15.76 Lacs (As at March 31, 2016 - Rs.13.63 Lacs, As at April 1, 2015 - Previous year Rs. 15.27 Lacs)

(B) Defined Contribution Plans (Provident Fund)

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The fund is recognized by the Income tax authorities.

The Company has recognised the following amounts in the statement of Profit and loss:

Particular	Year Ended March 31,		
	2017	2016	2015
Employer's contribution to Provident Fund	33.44	34.94	29.76

35 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

(i) List of related parties

a) Enterprises that directly, or indirectly through one or more intermediaries, control the reporting enterprise.

Future Enterprises Limited (formerly known as Future Retail Limited) - Holding Company

b) Enterprises that directly, or indirectly through one or more intermediaries are controlled by reporting enterprise.

Office Shop Private Limited - Subsidiary Company

c) Enterprises that directly, or indirectly through one or more intermediaries are under common control with the reporting enterprise.

1 Future E-Commerce Infrastructure Limited
2 Future Supply Chain Solutions Limited

d) Enterprise over which any Key Management Personnel and their relatives are able to exercise significant influence.

1 Value Tree Logistics Private Limited
2 Officedge India Private Limited

e) Key Managerial Personnel and their relatives

1 Mr. Shailesh Karwa - Director
2 Mr. Sharad Dalmia - Director

The list includes only those related parties with whom transactions have been entered during the year.

Transactions with Key Managerial Personnel for the Period April 16 - March 17

Nature of transaction	For the year ended 31st March, 2017 Rs. in Lacs	For the year ended 31st March, 2016 Rs. in Lacs
Employee Benefits for Key Managerial Personnel		
Sharad Dalmia	59.96	66.28
Shailesh Karwa	59.96	66.28
Shared alloted during the year		
Sharad Dalmia (alloted equity share qty - 1490)	5.00	-
Shailesh Karwa (alloted equity share qty - 1490)	5.00	-

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	For the year ended 31st March, 2017 Rs. in Lacs	For the year ended 31st March, 2016 Rs. in Lacs
Short-term employee benefits	119.92	132.56
Other long-term benefits	-	-
Total	**119.92**	**132.56**

Work Store Limited (formerly Staples Future Office Products Limited)
Notes forming part of the financial statements

The following transaction were carried out with the related parties in the ordinary course of business: **(Rs in lacs)**

Relationship		Holding Company		Subsidiary		Enterprises over which any KMPI /or their relatives have significant influence		Other Related Parties		Total	
Nature of Transaction		**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016
1	**Sales (net)**										
	Future Enterprises Limited	-	9.85	-	-	-	-	-	-	-	9.85
	Officedge India Private Limited	-	-	-	-	**0.92**	**0.82**	-	-	**0.92**	0.82
	Office Shop Private Limited	-	-	**38.80**	20.92	-	-	-	-	**38.80**	20.92
	Value Tree Logistics Private Limited	-	-	-	-	**1.47**	**2.09**	-	-	**1.47**	2.09
2	**Purchases**										
	Future Enterprises Limited	-	2.61	-	-	-	-	-	-	-	2.61
	Office Shop Private Limited	-	-	**54.31**	**47.83**	-	-	-	-	**54.31**	47.83
3	**Purchase of Fixed Assets**										
	Office Shop Private Limited	-	-	-	0.09	-	-	-	-	-	0.09
4	**Advances repaid**										
	Future E-Commerce Infrastructure Limited	-	-	-	-	-	-	-	12.97	-	12.97
5	**Interest payment received**										
	Office Shop Private Limited	-	-	**152.48**	162.77	-	-	-	-	**152.48**	162.77
6	**Reimbursement of expenses**										
	Office Shop Private Limited	-	-	**18.58**	11.41	-	-	-	-	**18.58**	**11.41**
7	**Advance transfer**										
	Office Shop Private Limited	-	-	**84.25**	106.42	-	-	-	-	**84.25**	**106.42**
	Future Enterprises Limited	-	14.27	-	-	-	-	-	-	-	**14.27**
8	**Reimbursement of statutory dues paid by the Company**										
	Office Shop Private Limited	-	-	**63.88**	36.44	-	-	-	-	**63.88**	**36.44**
9	**Repayment of Loan**										
	Office Shop Private Limited	-	-	**31.00**	821.99	-	-	-	-	**31.00**	**821.99**
10	**Share application money received**										
	Future Enterprises Limited	-	800.00	-	-	-	-	-	-	-	**800.00**
11	**Loan given**										
	Office Shop Private Limited	-	-	**249.00**	1,025.00	-	-	-	-	**249.00**	**1,025.00**
12	**Net Margin on GV Sale**										
	Future Enterprises Limited*	-	85.74	-	-	-	-	-	-	-	**85.74**
13	**Reimbursement of vendor payments**										
	Office Shop Private Limited	-	-	**37.81**	0.33	-	-	-	-	**37.81**	**0.33**
14	**Shared alloted during the year**	**800.00**	-	-	-	-	-	-	-	**800.00**	-
	Future Enterprises Limited										

* Gross value of GV purchased Rs. Nil Lacs (previous year Rs. 5,182.99 lacs)

OUTSTANDING AT THE YEAR END **(Rs in lacs)**

Relationship		Holding Company		Subsidiary		Enterprises over which any KMPI /or their relatives have significant influence		Other Related Parties		Total	
Nature of Transaction		**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016	**31st March, 2017**	31st March, 2016
1	**Payable**										
	Future Enterprises Limited	-	36.79	-	-	-	-	-	-	-	36.79
	Future Supply Chain Solutions Limited	-	-	-	-	-	-	**7.13**	-	**7.13**	-
2	**Receivable**										
	Officedge India Private Limited	-	-	-	-	**0.08**	0.08	-	-	**0.08**	0.08
	Value Tree Logistics Private Limited	-	-	-	-	**0.17**	0.10	-	-	**0.17**	0.10
3	**Advance to Vendor**										
	Office Shop Private Limited	-	-	**62.55**	42.14	-	-	-	-	**62.55**	42.14
4	**Interest Receivable**										
	Office Shop Private Limited	-	-	**73.21**	83.43	-	-	-	-	**73.21**	83.43
5	**Loan Receivable**										
	Office Shop Private Limited	-	-	**1,743.00**	1,525.00	-	-	-	-	**1,743.00**	1,525.00
6	**Share Application Money pending allotment**										
	Future Enterprises Limited	-	800.00	-	-	-	-	-	-	-	800.00

36 Leases

(i) Operating Lease :

Office premises, warehouse and equipments are obtained on Operating lease. The lease term is for 1 year to 5 years with escalation ranging from 5% to 15% and renewable for further 1 year to 3 years at the option of the Company. There are no restrictions imposed by lease arrangements. Part of equipments are given on sub-lease.

Operating Lease taken: Office premises, warehouses and equipments are obtained on operating lease.

	For the year ended 31st March, 2017 Rs. in Lacs	For the year ended 31st March, 2016 Rs. in Lacs
Lease Rentals for the year	321.12	276.47
Equipment rent for the year	212.42	521.57
Minimum Lease Payments for Non cancellable Lease		
Not later than one year	-	61.27
Later than one year but not later than five year	-	-
Operating Lease given: Equipments given on operating lease		
Sub-lease rent on equipment recognised in Statement of Profit and loss	265.04	661.99

(i) Finance Lease :

The company has finance leases for Security cameras & related hardware installed at Warehouses.

Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Within one year	1.68	2.57
After one year but not more than five year	-	0.17
Total Minimum Lease Payments	**1.68**	**2.74**
Less: Amount Representing finance charges	0.04	0.02
Present Value of Minimum Lease Payments	**1.64**	**2.72**

37 **Earnings Per Share (EPS)** – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Profit/(Loss) from Continuing Operations of Company after tax	(262.38)	(861.17)
Weighted Average Number of Equity Shares (nos.)	5,608,356	5,366,888
Weighted average number of Equity for Diluted EPS (nos.)	6,413,389	6,172,574
Basic Earnings per share (in Rs.)	(4.68)	(16.05)
Basic and Diluted Earnings per share (in Rs.)	(4.68)	(16.05)
Face value per share (Rs.)	10.00	10.00

(Note: The effect of anti dilution potential equity shares are ignored in calculating diluted earning per share, since their conversion would decrease loss per share from continuing ordinary activities.)

38 Segment reporting

In accordance with IndAS 108, Operating Segmets are to be reported in a manner consistent with the internal reporting provided to the cheif decision makers. The Company is exclusively engaged in wholesale trading activity supplying office supplies goods to business customers. The trading business is considered to constitute one single segment. There are no geographical reportable segments since the Company sells goods to the Corporate consumers in the Indian market only and does not distinguish any reportable regions within India.

39 Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Foreign Creditors (for goods and services)	Rs. 2.00 (US $ 3,084 @ 64.85)	Rs. 6.89 (US $ 10,399 @ 66.255)

40 Deferred Tax Liability and asset

	31st March, 2017 Rs.in Lacs	31st March, 2016 Rs.in Lacs
The Balance Comprises temporary differences attributable to:		
Deferred Tax Assets		
Carry forward of losses	3,172.45	3,328.51
Unabsorbed Depreciation	524.38	480.12
Provision for doubtful debts	33.10	66.14
Property, Plant & Investment Proporty	108.03	102.84
Bonus Provision	42.14	45.09
Leave Encashment Provision	4.87	4.21
Gratuity Provision	7.99	11.21
Gross Deferred Tax Assets (A)	**3,892.96**	**4,038.12**
Deferred Tax Liabilities	-	0
Gross Deferred Tax Liabilities (B)	-	0
Deferred Tax Asset (Net) (A-B)	**3,892.96**	**4,038.12**

Note: 1 - As per Ind-AS 12, Deferred Tax Asset shall be recognised to the extent that it is probable that Taxable Profit will be available against which The deductible temporary difference can be utilised. Company has net deffered tax asset situation on account of accumulated losses and in absence of reasonable certainity to generate adequate taxable income in near future to set-off the accumulated losses, the Company has not recognised deffered tax asset.

Note: 2 - Since Effective tax rate is nil, numerical reconciliation between average effective rate and applicable tax rate is not given

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended March 31, 2017

41a. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		**7,418.37**	**7,481.85**
Adjustment for interest free rental deposit		(0.66)	-
Remeasurements of defined benefit obligation			-
Total adjustments to equity		**(0.66)**	**-**
Total equity under Ind AS		**7,417.71**	**7,481.85**

41b. Reconciliation of total comprehensive income for the year ended March 31, 2016:

Particulars	Notes	Year ended 3/31/2016 (latest period presented under previous GAAP)
Profit as per previous GAAP		**(863.47)**
Adjustments:		
Recognition of lease rent expense on straight-line method		-
Remeasurements of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	31	2.96
Adjustment for interest free rental deposit		(0.66)
Total effect of transition to Ind AS		**2.30**
Profit for the year as per Ind AS		**(861.17)**
Other comprehensive income for the year (net of tax)		2.96
Total comprehensive income under Ind AS		**(858.21)**

Notes

a) Under previous GAAP, there was no specific guidance on accounting for interest free rental deposits. Whereas in Ind AS, the prepaid rent is measured as the difference between the initial carrying amount of the deposit determined in accordance with Ind AS 109 and the amount of deposit given. The Company has given interest free security deposit of Rs. 131.31 Lacs as on March 31, 2015 and the fair value on initial recognition was estimated to be Rs. 105.47 Lacs. The difference of Rs. 25.83 Lacs has been treated as prepaid rent under Ind AS and is recognised in Statement of Profit and Loss over the period of lease. After initial recognition, the rental deposit has been subsequently carried at amortized cost i.e. interest based on market rate has been recognised under the effective interest rate method as part of finance cost. The net effect of these changes is a decrease in total equity of Rs. 0.66 Lacs as at March 31, 2016

42 Disclosure of Specified Bank Notes (SBN)

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

Amt in lacs

Particular	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	1.54	1.46	2.99
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	(3.44)	(3.44)
(-) Amount withdraw from Banks	-	3.72	3.72
(-) Amount deposited in Banks	(1.54)	-	(1.54)
Closing cash in hand as on 30.12.2016	**-**	**1.73**	**1.73**

43 Previous Year Comparatives
Previous year figures have been regrouped/rearranged wherever necessary.

Signature to note 1 to 43 of financial statements.

As per our Report of even date

For MZSK & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Work Store Limited

Abuali Darukhanawala
Partner
Membership No: 108053

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017