INDEPENDENT AUDITOR'S REPORT

To the Members of Future Media India Limited

Report on the Ind AS financial statements

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

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements ;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company10.

   iv. As per books of accounts of the Company and as represented by the management of the Company, the Company had cash balance as on November 8, 2016 which was of specified notes and Deposited in bank before December 30, 2016 and has no other cash dealings during this period

For R S AJWANI & Co
Chartered Accountants
ICAI Firm Regn No: 131853W

SD/-
Proprietor
Membership Number: 035574
Place : Mumbai
Date:17th May 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Future Media (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Future Media (India) Limited, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 17, 2017 expressed an unqualified opinion thereon.

For R S AJWANI & Co
Chartered Accountants
ICAI Firm Regn No: 131853W

SD/-
Proprietor
Membership Number: 035574

Place of Signature: Mumbai
Date:17th May 2017

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and Regulatory Requirement" of our report of even date
Re: Future Media India Ltd

(i)

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. The provisions relating to excise duty, employees' state insurance and customs duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, , service tax, sales-tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues of income-tax, sales-tax, service tax, value added tax and cess on account of any dispute

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the Company has not paid/provided for managerial remuneration. Accordingly, provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For R S AJWANI & Co
Chartered Accountants
ICAI Firm Regn No: 131853W

SD/-
Proprietor
Membership Number: 035574
Place : Mumbai
Date:17th May 2017

FUTURE MEDIA (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(in ₹)

	Note No.	As at March 31, 2017	As at March 31,2016	As at April 1,2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	-	22,14,558	31,45,526
(b) Intangible Assets	5	-	-	4,43,25,305
(c) Financial Assets		-	-	-
(d) Other Non Current Assets	6	97,96,358	3,21,00,863	4,10,53,672
Total Non-Current Assets		**97,96,358**	**3,43,15,421**	**8,85,24,503**
Current assets				
(a) Financial Assets				
(a) Trade Receivables	7	1,05,86,302	20,42,73,941	19,55,97,352
(b) Cash and cash equivalent	8	7,45,640	2,88,459	86,05,538
(c) Loans	9	-	23,80,00,000	13,80,00,000
(b) Other Current Assets	10	38,911	2,97,948	3,02,824
Total Current Assets		**1,13,70,853**	**44,28,60,348**	**34,25,05,714**
Total Assets		**2,11,67,211**	**47,71,75,769**	**43,10,30,217**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	29,40,90,400	29,40,90,400	29,40,90,400
(b) Instruments Entirely Equity in Nature	11	-	48,00,00,000	48,00,00,000
(c) Other equity	12	(27,65,43,593)	(34,59,50,765)	(35,68,54,241)
Total Equity		**1,75,46,807**	**42,81,39,635**	**41,72,36,159**
Current liabilities				
(a) Financial Liabilities				
(a) Trade Payables	13	33,48,690	31,70,692	29,96,121
(b) Borrowings	14	-	3,90,14,405	18,08,467
(b) Other Current Liabilities	15	2,71,714	44,07,180	65,94,589
(c) Provisions	16	-	24,43,857	23,94,881
Total Current liabilities		**36,20,404**	**4,90,36,134**	**1,37,94,058**
Total Equity and Liabilities		**2,11,67,211**	**47,71,75,769**	**43,10,30,217**

The accompanying Notes form an integral part of financial statements.

As per our Report attached

For R. S. Ajwani & Co.
Chartered Accountants

SD/-
per Ravi Ajwani
Proprietor
Membership No. 35574
Place: Mumbai
Date: 17 May 2017

For and on behalf of Board of Directors of
Future Media (India) Limited

SD/-	SD/-
Anil Kumar Bagri	Kishore Biyani
Director	Director
[DIN:00014338]	[DIN:00005740]

FUTURE MEDIA (INDIA) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(in ₹)

	Note No.	Year Ended March 31,2017	Year Ended March 31,2016
Income			
(a) Revenue from Operations	17	24,19,75,807	32,25,77,090
(b) Other Income	18	2,45,85,362	2,54,43,642
Total Income		**26,65,61,169**	**34,80,20,732**
Expenses			
(a) Cost of Service and Others	19	16,63,25,340	19,36,85,579
(b) Employee Benefit Expenses	20	2,61,13,045	3,09,68,761
(c) Finance Costs	21	32,11,375	48,77,807
(d) Depreciation and Amortization Expense	22	6,20,752	4,52,56,273
(e)Other Expenses	23	6,04,98,555	6,27,13,766
Total Expenses		**25,67,69,067**	**33,75,02,186**
Profit/(Loss) Before Tax		97,92,102	1,05,18,546
Tax expense			
(a) Current Tax		-	-
(b) Deffered Tax		-	-
		-	-
Profit/(Loss) After Tax		**97,92,102**	**1,05,18,546**
Other Comprehensive Income		(3,84,930)	3,84,930
Total Comprehensive Income/(Loss)		**94,07,172**	**1,09,03,476**
Earnings per Share for Continuing Operations			
Basic		0.33	0.36
Diluted		0.24	0.24

The accompanying Notes form an integral part of financial statements.

As per our Report attached

For R. S. Ajwani & Co.
Chartered Accountants

SD/-

Proprietor
Membership No. 35574
Place: Mumbai
Date: 17 May 2017

For and on behalf of Board of Directors of
Future Media (India) Limited

SD/- SD/-

Anil Kumar Bagri
Director
[DIN:00014338]

Kishore Biyani
Director
[DIN:00005740]

FUTURE MEDIA (INDIA) LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(in ₹)

	Year Ended March 31, 2017	Year Ended March 31, 2016
(A) EQUITY SHARE CAPITAL		
Opening Balance	29,40,90,400	29,40,90,400
Change during the year	-	-
Closing Balance	29,40,90,400	29,40,90,400
(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE		
Opening Balance	48,00,00,000	48,00,00,000
On Account of Capital Reduction	(48,00,00,000)	-
Closing Balance	-	48,00,00,000
(C) OTHER EQUITY		
(I)Capital Reserve		
Opening Balance	-	-
On Account of Capital Reduction	6,00,00,000	-
Closing Balance	6,00,00,000	-
(II) Securities Premium Reserve		
Opening Balance	10,08,00,000	10,08,00,000
Change during the year	-	-
Closing Balance	10,08,00,000	10,08,00,000
(III) Retained Earnings		
Opening Balance	(44,67,50,765)	(45,76,54,241)
Profit/(Loss) for the Year	97,92,102	1,05,18,546
Other Comprehensive Income/(Loss) for the Year	(3,84,930)	3,84,930
Closing Balance	(43,73,43,592)	(44,67,50,765)
Total Other Equity	**(27,65,43,592)**	**(34,59,50,765)**

The accompanying Notes form an integral part of financial statements.

As per our Report attached

For R. S. Ajwani & Co.
Chartered Accountants

SD/-

Proprietor
Membership No. 35574
Place: Mumbai
Date: 17 May 2017

For and on behalf of Board of Directors of
Future Media (India) Limited

SD/-

Anil Kumar Bagri
Director
[DIN:00014338]

SD/-

Kishore Biyani
Director
[DIN:00005740]

FUTURE MEDIA (INDIA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(in ₹)

	Year Ended March 31,2017	Year Ended March 31,2016
Cash Flows from Operating Activities		
Profit before tax & extraordinary Items	97,92,102	1,05,18,546
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Impairment of Property, Plant & Equipment	6,20,752	4,52,56,273
Gain on disposal of Property, Plant and Equipment	(2,50,947)	(1,19,999)
Finance income	(2,33,69,108)	(2,44,20,899)
Finance costs	31,91,488	47,77,807
Income tax paid	-	-
Cash generated from Operations	**(1,00,15,713)**	**3,60,11,728**
Change in Assets and Liabilities:		
Loans and Advances	23,82,59,037	(9,99,95,124)
Trade Receivables	19,36,87,639	(86,76,589)
Trade Payables,Other Liabilities and Provisions	(67,86,255)	(15,78,932)
Net Cash Flows generated from Operating Activities	**41,51,44,708**	**(7,42,38,917)**
Cash Flows from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	19,93,859	1,19,999
Purchase of Property, Plant and Equipment	(1,49,106)	-
Interest received (finance income)	2,33,69,108	2,44,20,899
Net Cash Flows used in Investing Activities	**2,52,13,861**	**2,45,40,898**
Cash Flows from Financing Activities		
Interest paid	(31,91,488)	(47,77,807)
Repayment of Short Term Borrowings	(3,90,14,405)	3,72,05,938
Repayment of Convertible Preference Share Capital	(42,00,00,000)	-
Non Current Assets - Loans and Advances received back	2,23,04,505	89,52,809
Net Cash Flows from/used in Financing Activities	**(43,99,01,388)**	**4,13,80,940**
Cash and Cash Equivalent at the beginning of the year	2,88,459	86,05,538
Net increase in Cash and Cash Equivalent	4,57,181	(83,17,079)
Cash and Cash Equivalent at year end	**7,45,640**	**2,88,459**

The accompanying Notes form an integral part of financial statements.

As per our Report attached

For R. S. Ajwani & Co.
Chartered Accountants

SD/-

Proprietor
Membership No. 35574
Place: Mumbai
Date: 17 May 2017

For and on behalf of Board of Directors of
Future Media (India) Limited

SD/-	SD/-
Anil Kumar Bagri	Kishore Biyani
Director	Director
[DIN:00014338]	[DIN:00005740]

FUTURE MEDIA (INDIA) LIMITED

Notes to the Financial Statements for the Year Ended March 31, 2017

1 Corporate Information

Future Media (India) Limited (the Company) is a public company domiciled in India and incorporated under the provisions of The Companies Act. It is a Future Group's media venture, aimed at creation of media properties in the 'ambience of consumption™' and thus offers active engagement to brands and consumers. Enriched with a bouquet of varied consuming audience and powered with the knowledge of consumer behavior, the Company offers relevant engagement through its media properties like Future Visual Spaces, Future TV and Future Activation.

2 Basis of Preparation

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year March 31, 2016, the financial statements of the company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) which includes Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. These are the company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

3 Summary of Significant Accounting Policies

a) Use of estimates

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

b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss if any. Cost comprises of purchase price and cost directly attributable for bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on Property, Plant and Equipment

Depreciation on Property, plant and equipment 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 Property, plant and equipment.

Electronic Equipment	5 Years
Office Equipment	4 Years
Computers	3 Years
Other IT Equipments	5 - 7 Years
Furniture and Fittings	4 Years

Except Computers, useful life of other Property, Plant and Equipment is higher from those prescribed under Schedule II of the Act. These rates are based on evaluation of useful life by internal technical expert.

d) Intangible Assets

Advertisement Rights, Patents and Trade Marks and Television Software are considered as Intangible Assets. The Intangible Assets are stated at cost less accumulated amortisation. The cost of the Intangibles comprise of amount paid for acquiring such rights.

Advertisement Rights are amortised over the contract term on straight line basis. Television Software is amortied on straight line basis over 5 -7 years.

e) Leases

In case of 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 recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

f) Borrowing Cost

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period they occur in the statement of profit and loss.

g) Impairment of Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is greater of asset net selling price and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Previously recognised impairment loss is increased or reversed depending upon the changes in the circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation as if there was no impairment.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Revenue Recognition

Revenue is recognised on fair value basis to the extent it is probable that the economic benefits will flow to the company and the revenue can be realised.

Sale of Services

Revenue is recognised upon display or publication of advertisements and to the extent that it is probable that the economic benefits will flow to the Company and it can be reliably measured.

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.

Interest Income

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

i) Current versus Non-Current

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

An Asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

j) Cost of Services

Cost of services comprises the license fees recorded basis the revenue share earned from advertising rights as per the terms of arrangement.

k) Retirement and other employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

l) Income Tax

Tax expense comprises of deferred tax. Deferred income tax reflects the impact of current year temporary differences between taxable income and accounting income for the year and reversal of temporary differences of earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainity that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will not be available.

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 taxes relate to the same taxable entity and the same taxation authority.

m) Provisions

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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

n) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements

o) Cash and Cash Equivalents:

Cash and Cash Equivalent for the purpose of Cash Flow Statement comprises of Cash at Bank and Cash in Hand and Short Term Investment with an original maturity of three months or less.

p) **Earnings Per Share**

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

q) **Segment Reporting**

The Company's operating segments are based on nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segment is based on location of its customers. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

FUTURE MEDIA (INDIA) LIMITED
Notes to the Financial Statements for the Year Ended March 31, 2017

(r) First Time Adoption of Ind AS

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

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

Exemptions applied

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

a. The company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible Assets recognised as of transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

A reconciliation for the same is given below :

Reconciliation of Balance Sheet as at March 31, 2016 and April 1, 2015

(in ₹)

	As at March 31,2016			As at March 31,2015		
	End of Last period presented under GAAP			Date of Transition		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Non Current Assets						
Property,Plant and Equipment	22,14,558	-	22,14,558	31,45,526	-	31,45,526
Capital Work in Progress	-	-	-	-	-	-
Other Intangible Assets	-	-	-	4,43,25,305	-	4,43,25,305
Financial Assets						
a) Others	3,21,00,863	-	3,21,00,863	4,10,53,672	-	4,10,53,672
Total Non Current Assets	**3,43,15,421**	-	**3,43,15,421**	**8,85,24,503**	-	**8,85,24,503**
Current Assets						
Financial Assets						
(a) Trade Receivables	20,42,73,941	-	20,42,73,941	19,55,97,352	-	19,55,97,352
(b) Cash and cash equivalent	2,88,459	-	2,88,459	86,05,538	-	86,05,538
(c) Loans	23,80,00,000	-	23,80,00,000	13,80,00,000	-	13,80,00,000
Other Current Assets	2,97,948	-	2,97,948	3,02,824	-	3,02,824
Total Current Assets	**44,28,60,348**	-	**44,28,60,348**	**34,25,05,714**	-	**34,25,05,714**
Assets classified as Held for Sale						
Total Assets	**47,71,75,769**	-	**47,71,75,769**	**43,10,30,217**	-	**43,10,30,217**
Equity						
Equity Share Capital	29,40,90,400	-	29,40,90,400	29,40,90,400	-	29,40,90,400
Instruments entirely equity in	48,00,00,000	-	48,00,00,000	48,00,00,000	-	48,00,00,000
Other Equity	-34,59,50,765	-	-34,59,50,765	-35,68,54,241	-	-35,68,54,241
Equity attributable to owners of the company	**42,81,39,635**	-	**42,81,39,635**	**41,72,36,159**	-	**41,72,36,159**
Total Equity(Shareholders funds under Previous GAAP)	**42,81,39,635**	-	**42,81,39,635**	**41,72,36,159**	-	**41,72,36,159**
Current Liabilities						
(a) Financial Liabilities						
(i) Trade payables	31,70,692	-	31,70,692	29,96,121	-	29,96,121
(ii) Short Term Borrowings	3,90,14,405		3,90,14,405	18,08,467		18,08,467
(iii) Other current financial	44,07,180	-	44,07,180	65,94,589	-	65,94,589
b) Provisions	24,43,857		24,43,857	23,94,881		23,94,881
Total Current Liabilities	**4,90,36,134**	-	**4,90,36,134**	**1,37,94,058**	-	**1,37,94,058**
Total Liabilities	**4,90,36,134**	-	**4,90,36,134**	**1,37,94,058**	-	**1,37,94,058**
Total Equity and Liabilities	**47,71,75,769**	-	**47,71,75,769**	**43,10,30,217**	-	**43,10,30,217**

FUTURE MEDIA (INDIA) LIMITED
Notes to the Financial Statements for the Year Ended March 31, 2017

Reconciliation of Statement of Profit and Loss as at March 31, 2016

(in ₹)

	As at March 31,2016		
	End of Last period presented under GAAP		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Revenue from Operations	32,25,77,090		32,25,77,090
Other Income	2,54,43,642		2,54,43,642
Total Income(A)	**34,80,20,732**	-	**34,80,20,732**
Expenses			
Direct Expenses	19,36,85,579	-	19,36,85,579
Employee Benefits expense	3,05,83,831	3,84,930	3,09,68,761
Other Expenses	6,27,13,766	-	6,27,13,766
Finance costs	48,77,807	-	48,77,807
Depreciation and Amortisation expenses	4,52,56,273	-	4,52,56,273
Total Expenses (B)	**33,71,17,256**	**3,84,930**	**33,75,02,186**
Share of Profits in Associates (C)	-	-	-
Share of Profits in Joint Ventures (D)	-	-	-
Profit before Tax (A-B+C+D)	**1,09,03,476**	**-3,84,930**	**1,05,18,546**
Tax Expense			
i) Current Tax	-	-	-
ii) Deferred Tax	-	-	-
Profit for the Period	1,09,03,476	-3,84,930	1,05,18,546
Other comprehensive income			
Remeasurement Effects Recognised in Other Comprehensive Income (OCI)	-	3,84,930	-
Profit for the Period	1,09,03,476	-	1,05,18,546

FUTURE MEDIA (INDIA) LIMITED
Notes to the Financial Statements for the Year Ended March 31, 2017

4 Property, Plant and Equipment

(in ₹)

	Electronic Equipment	Furniture & Fittings	Office Equipment	Interactive Screen	Total
Deemed Cost					
At April 1, 2015	30,71,864	-	73,662	-	31,45,526
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2016	30,71,864	-	73,662	-	31,45,526
Additions	-	-	1,49,106	-	1,49,106
Disposals	30,71,864	-	2,22,768	-	32,94,632
At March 31, 2017	-	-	-	-	-
Depreciation					
At April 1, 2015	-	-	-	-	-
Charge for the year	8,68,148	-	62,820	-	9,30,968
Disposals	-	-	-	-	-
At March 31, 2016	8,68,148	-	62,820	-	9,30,968
Charge for the year	5,98,388	-	22,364	-	6,20,752
Disposals	14,66,536	-	85,184	-	15,51,720
At March 31, 2017	-	-	-	-	-
Net Block					
At April 1, 2015	**30,71,864**	-	**73,662**	-	**31,45,526**
At March 31, 2016	**22,03,716**	-	**10,842**	-	**22,14,558**
At March 31, 2017	-	-	-	-	-

5 Intangible Assets

(in ₹)

	Patents & Trade marks	Advertising Rights	TV Software	Total
Deemed Cost				
At April 1, 2015	-	4,42,65,056	60,249	4,43,25,305
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2016	-	4,42,65,056	60,249	4,43,25,305
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2017	-	**4,42,65,056**	**60,249**	**4,43,25,305**
Amortization				
At April 1, 2015	-	-	-	-
Charge for the year	-	4,42,65,056	60,249	4,43,25,305
At 31 March 2016	-	4,42,65,056	60,249	**4,43,25,305**
Charge for the year	-	-	-	-
At 31 March 2017	-	**4,42,65,056**	**60,249**	**4,43,25,305**
Net Block				
At April 1, 2015	-	**4,42,65,056**	**60,249**	**4,43,25,305**
At 31 March 2016	-	-	-	-
At 31 March 2017	-	-	-	-

(in ₹)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
6 Non Current Assets - Others			
Balances with statutory / government authorities			
Unsecured , considered good	97,96,358	3,21,00,863	4,10,53,672
	97,96,358	3,21,00,863	4,10,53,672
7 Trade Receivables			
Unsecured , considered good	1,05,86,302	20,42,73,941	19,55,97,352
Unsecured , considered doubtful	-	82,44,330	74,37,757
Less: Provision for doubtful Receivables	-	(82,44,330)	(74,37,757)
	1,05,86,302	20,42,73,941	19,55,97,352
8 Cash & Cash equivalents			
Balances with banks:			
In current accounts	7,45,640	1,96,577	2,41,564
Cheques In Hand	-	-	82,61,425
Cash on Hand	-	91,882	1,02,549
	7,45,640	2,88,459	86,05,538
9 Current Financial Assets - Loans			
Inter Corporate Deposits			
Unsecured , considered good	-	23,80,00,000	13,80,00,000
	-	23,80,00,000	13,80,00,000
10 Other Current Assets			
Prepaid Expense	-	2,13,362	2,03,133
Advances to vendors	38,911	84,586	99,691
	38,911	2,97,948	3,02,824

(in ₹)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
11	**Equity Share Capital**			
	Authorized Capital			
	35,000,000 (March 31, 2016: 35,000,000) Equity Shares of ₹10/-each	35,00,00,000	35,00,00,000	35,00,00,000
	4,800,000 (March 31,2016: 4,800,000) 0.01% Non Cumulative Compulsorily Convertible Preference shares of ₹100/- each	48,00,00,000	48,00,00,000	48,00,00,000
		83,00,00,000	83,00,00,000	83,00,00,000
(i)	**Equity Share Capital**			
	Issued, Subscribed and Fully paid-up shares			
	29,409,040 (March 31, 2016: 29,409,040) Equity Shares of ₹10 each fully paid up	29,40,90,400	29,40,90,400	29,40,90,400
	Total Issued, Subscribed and Fully Paid-up Equity Share Capital	**29,40,90,400**	**29,40,90,400**	**29,40,90,400**

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	No	₹	No	₹	No	₹
At the beginning of the year	2,94,09,040	29,40,90,400	2,94,09,040	29,40,90,400	2,94,09,040	29,40,90,400
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**2,94,09,040**	**29,40,90,400**	**2,94,09,040**	**29,40,90,400**	**2,94,09,040**	**29,40,90,400**

(b) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹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.

(c) Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates

Out of Equity Shares issued by the Company, Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates are as below:

(In ₹)

	March 31, 2017	March 31, 2016
Future Enterprises Limited (formerly Known as Future Retail Limited) 27,378,746 (March 31, 2015: 27,378,746) Equity Shares of ₹ 10 each fully paid up	27,37,87,460	27,37,87,460

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

	March 31, 2017		March 31, 2016	
	No	Holding %	No	Holding %
Future Enterprises Limited (formerly Known as Future Retail Limited)	2,73,78,746	93.10	2,73,78,746	93.10

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.

(ii) **Instruments Entirely Equity in Nature**

	March 31, 2017		March 31, 2016		April 1, 2015	
	No	₹	No	₹	No	₹
Compulsorily Convertible Preference Shares						
At the beginning of the year	48,00,000	48,00,00,000	48,00,000	48,00,00,000	48,00,000	48,00,00,000
Issued/(Cancelled) during the year	(48,00,000)	(48,00,00,000)	-	-	-	-
Outstanding at the end of the year	-	-	48,00,000	48,00,00,000	48,00,000	48,00,00,000

During the preivous year , on September 6, 2016, the Board of Directors recommended a Capital Reduction scheme for cancellation of the Compulsorily Convertible Preference Shares(CCPs) of the Company subject to shareholders and high court approvals. Approval from High court is received on November 18, 2016 and the company had given effect of the Capital reduction scheme in the previous year on January 24, 2017.

12 **Other Equity**

(in ₹)

(I) Capital Reserve	
At April 1, 2015	-
Change during the year	-
At March 31, 2016	-
On Account of Capital Reduction	6,00,00,000
At March 31, 2017	**6,00,00,000**
(II) Securities Premium Reserve	
At April 1, 2015	10,08,00,000
Change during the year	-
At March 31, 2016	10,08,00,000
Increase/(decrease) during the year	-
At March 31, 2017	**10,08,00,000**
(III) Retained Earning	
At April 1, 2015	-45,76,54,241
Profit/(Loss) for the year	1,09,03,476
At March 31, 2016	-44,67,50,765
Profit/(Loss) for the year	97,92,102
Other Comprehensive Income/(Loss) for the year	-3,84,930
At March 31, 2017	**-43,73,43,593**
Total Other Equity	
At April 1, 2015	-35,68,54,241
At March 31, 2016	-34,59,50,765
At March 31, 2017	**-27,65,43,593**

FUTURE MEDIA (INDIA) LIMITED
Notes to the Financial Statements for the Year Ended March 31, 2017

(in ₹)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
13 Trade Payables			
Liabilties For Expenses	9,74,900	11,45,500	10,11,350
Trade payables - other than related parties	23,73,790	20,25,192	19,84,771
	33,48,690	31,70,692	29,96,121
14 Borrowings			
Cash Credit	-	3,90,14,405	18,08,467
	-	3,90,14,405	18,08,467
15 Other Current Liabilities			
Advances from Customers	-	13,42,095	12,67,365
Other Statutory Liabilities	2,71,714	28,21,598	51,82,381
Others	-	2,43,487	1,44,843
	2,71,714	44,07,180	65,94,589
16 Provisions			
Provision for Leave Encashment	-	10,25,079	9,46,665
Provision for Gratuity	-	14,18,778	14,48,216
	-	24,43,857	23,94,881

FUTURE MEDIA (INDIA) LIMITED
Notes to the Financial Statements for the Year Ended March 31, 2017

(In ₹)

		As at March 31, 2017	As at March 31, 2016
17	**Revenue from Operation**		
	Sale of Services	24,19,75,807	32,25,77,090
	Total	24,19,75,807	32,25,77,090
18	**Other income**		
	Interest income	2,33,69,108	2,44,20,899
	Sundry Balance written back, Net	9,65,307	9,02,744
	Profit on Sales of Assets	2,50,947	1,19,999
		2,45,85,362	2,54,43,642
19	**Cost of Service and Others**		
	Cost of Service	16,63,25,340	19,36,85,579
		16,63,25,340	19,36,85,579
20	**Employee benefit expenses**		
	Salaries, wages and bonus	2,53,90,448	2,99,00,733
	Company's contribution to provident and other funds	7,10,491	8,25,610
	Staff welfare expenses	12,106	2,42,418
		2,61,13,045	3,09,68,761
21	**Finance Costs**		
	Interest	31,91,488	47,77,807
	Others	19,887	1,00,000
		32,11,375	48,77,807
22	**Depreciation and Amortization Expense**		
	Depreciation of Tangible Assets	6,20,752	9,91,217
	Amortisation of Intangible Assets	-	4,42,65,056
		6,20,752	4,52,56,273
23	**Other expense**		
	Rent	18,05,416	23,32,496
	Repairs and Maintenance - Others	26,66,506	25,16,112
	Legal and Professional fees	89,91,098	15,77,809
	Manpower Charges	4,53,73,755	5,29,10,000
	Provision for Bad and Doubtful Debts	-	8,06,573
	Miscellaneous expenses	16,61,780	25,70,776
		6,04,98,555	6,27,13,766
	Payment to Auditors		
	Audit fee	1,00,000	10,00,000
	Out of Pocket Expenses	-	22,916
		1,00,000	10,22,916

24 Financial Risk Management

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

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

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

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

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 105.86 Lakhs and ₹ 2,042.74 Lakhs as of March 31, 2017 and March 31, 2016 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

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

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

(in ₹)

	March 31, 2017	March 31, 2016
Trade Payables	33,48,690	31,70,692
Other Financial Liabilities	2,71,714	44,07,180

25 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company has a defined policy of gearing ratio.

(in ₹)

	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payables	33,48,690	31,70,692	29,96,121
Borrowings other than convertible Preference shares	-	3,90,14,405	18,08,467
Other Payables	2,71,714	44,07,180	65,94,589
Less - Cash and Cash Equivalents	(7,45,640)	(2,88,459)	(86,05,538)
Net Debt	**28,74,764**	**4,63,03,818**	**27,93,639**
Convertible Preference Shares	-	48,00,00,000	48,00,00,000
Equity	1,75,46,808	(5,18,60,365)	(6,27,63,841)
Total Equity	**1,75,46,808**	**42,81,39,635**	**41,72,36,159**
Capital and Net Debt	**2,04,21,572**	**47,44,43,453**	**42,00,29,798**
Gearing Ratio	**14.08%**	**9.76%**	**0.67%**

26 Employee Benefits - Gratuity

a. The Company has a defined benefit gratuity plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provision of the Payment of Gratuity Act. Benefit would be paid at the time of separation based on the last drawn base salary as per provisions of the Payment of Gratuity Act.

b. The following table summarize the components of net benefit expense recognised in the Statement profit and loss and amounts recognised in the Balance Sheet.

(i). Change in Present Value of Defined Benefit Obligation

(in ₹)

	March 31, 2017	March 31, 2016
Defined Benefit Obligation at the beginning	14,18,778	14,48,216
Service Cost	(5,81,406)	2,39,635
Interest Expense	-	1,15,857
Transfer of Obligation	-	-
Remeasurement-Actuarial (gains)/losses	3,84,930	(3,84,930)
Benefits Paid	(12,22,302)	-
Defined Benefit Obligation at the end	-	14,18,778

(ii). Total Expenses Recognised in the Statement of Profit and Loss Account

(in ₹)

	March 31, 2017	March 31, 2016
Current Service cost	-	2,39,635
Net interest on the net defined benefit liability/asset	-	1,15,857
Immediate recognition of (gains)/losses - other long term benefits	-	
Total Expenses Recognised in Profit And Loss Account	-	3,55,492

(iii). Remeasurement Effects Recognised in Other Comprehensive Income (OCI)

(in ₹)

	March 31, 2017	March 31, 2016
Actuarial (gains)/losses	3,84,930	(3,84,930)
(Return)/loss on plan assets	-	-
Total (Gain) / Loss included in OCL	3,84,930	(3,84,930)

(iv). Total Cost Recognised in Comprehensive Income

(in ₹)

	March 31, 2017	March 31, 2016
Expenses Recognised in Profit And Loss Account	(5,81,406)	3,55,492
Remeasurement Effects	3,84,930	(3,84,930)
Total Cost Recognised in Comprehensive Income	(1,96,476)	(29,438)

(v). Reconciliation of Amounts in Balance Sheet

(in ₹)

	March 31, 2017	March 31, 2016
Defined Benefit Obligation at the beginning	14,18,778	14,48,216
Total expenses recognised in Profit and Loss Account	(5,81,406)	3,55,492
Total remeasurement included in OCI	3,84,930	(3,84,930)
Contribution Paid	-	-
Benefits Paid During the Year	(12,22,302)	-
Defined Benefit Obligation at the end	-	14,18,778

(vi). Reconciliation of Amounts in Statement of Other Comprehensive Income

(in ₹)

	March 31, 2017	March 31, 2016
OCI (Income)/ Loss beginning of the Year	(3,84,930)	-
Total remeasurement included in OCI	3,84,930	(3,84,930)
OCI (Income)/ Loss end of the Year	-	(3,84,930)

(vii).Financial Assumptions

	March 31, 2017	March 31, 2016
Discount Rate	8.00%	8.00%
Expected Rate of Salary Increase	5.00%	5.00%

(viii).Demographic Assumptions

	March 31, 2017	March 31, 2016
Mortality Rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

27 **Tax Expense**

A reconciliation of Tax Expense is as follows:

(in ₹)

	March 31, 2017	March 31, 2016
Profit Before Tax	97,92,102	1,05,18,546
Applicable tax rate	33.06%	33.06%
Computed expected tax expense	32,37,563	34,77,747
Effect of Non-deductible Expense	-	-
Effect of Additional deduction	-	-
Carried forward losses utilised	(32,37,563)	(34,77,747)
Tax Expense charged to the Statement of Profit & Loss	-	-

Amount for Which Deferred Tax Asset is Not Recognised

(in ₹)

	March 31, 2017	March 31, 2016
Unused tax losses / depreciation	8,54,92,704	10,29,50,399
Other items giving rise to temporary differences	-	-
Accelerated depreciation for tax purpose	-	-
Deferred tax asset / (liability)	8,54,92,704	10,29,50,399
Deferred tax asset / (liability) recognised	-	-

* The Company has a Net Deferred Tax Asset situation on account of accumulated tax losses, Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised and there is no virtual certainty supported by convincing evidence that these assets can be realised against future taxable profits, therefore the Company has not recognized deferred tax asset as at March 31, 2017.

28 **Earnings per Share (EPS)**

(in ₹)

	March 31, 2017	March 31, 2016
Net Profit /(Loss) as per Statement of Profit & Loss for the purpose of calculating basic and diluted earnings per share(₹)	97,92,102	1,05,18,546
Weighted Number of equity shares for the purpose of calculating basic earnings per share	2,94,09,040	2,94,09,040
Effect of dilution:		
Convertible preference shares	1,15,62,512	1,41,14,772
Weighted Number of equity shares for the purpose of calculating diluted earnings per share	4,09,71,552	4,35,23,812
Basic Earnings per share (face vale of ₹ 10/- each) (₹)	0.33	0.36
Diluted Earnings per share (face vale of ₹ 10/- each) (₹)	0.24	0.24

29 **Segment Information**

a. **Business Segment**

The Company is in the business of providing Advertising and Media Services. The Company has considered "Advertising and Media Services" as primary segment for the disclosure in context with IND AS 108 as referred in the Companies (Accounting Standard) Rules 2006, i.e. the Company operates in one business segment only. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in thesignificant accounting policies.

b. **Geographical Segment**

During the year, the Company has its operations only in India.

30 **Related Party Disclosures**

a. **Name of the related parties where control exists and with whom transactions have occurred:**

Holding Company	Future Enterprises Limited (formerly Known as Future Retail Limited)
Fellow Subsidiaries	Future E-Commerce Infrastructure Limited
Key Management Personnel	Mr. Kishore Biyani - Director Mr. Anil Kumar Bagri - Director Mr. Chandra Prakash Toshniwal - Director Mr. Hemant Kumar Bhotica - Director Mr. Atul Kapur - Nominee Director Mr. Anant Shripad Gude - Company Secretary Mr. Sandip Tarkas - CEO

b. Transactions carried out with related parties under AS-18

(in ₹)

	Holding Company	Fellow subsidiaries	Key Management Personnel
a) Summary of Transactions during the year			
Sale of Fixed assets			
2016-17	18,47,489	-	-
2015-16	-	-	-
Services Rendered - space for advertisement			
2016-17	-	-	-
2015-16	14,72,96,209	-	-
Interest Received			
2016-17	1,09,17,123	-	-
2015-16	2,36,73,391	-	-
Services Received - marketing rights			
2016-17	-	-	-
2015-16	7,13,70,219	-	-
Manpower Charges			
2016-17	-	-	-
2015-16	3,36,00,000	-	-
Loan			
2016-17	(13,80,00,000)	-	-
2015-16	10,00,00,000	-	-
Rent			
2016-17	-	-	-
2015-16	23,27,625	-	-
b) Remuneration to key managerial personnel			
Remuneration paid			
2016-17	-	-	1,62,91,113
2015-16	-	-	1,49,05,612
c) Balance Outstanding at the year end			
Trade Receivable			
2016-17	18,47,489	-	-
2015-16	15,95,34,055	-	-
Loan (Inter Corporate Deposit)			
2016-17	-	-	-
2015-16	23,80,00,000	-	-

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

31 Disclosure requirements in relation to Micro and Small Enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006

Based on current information /confirmation available with the Company, there are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

32 Payment to Auditor

(in ₹)

	March 31, 2017	March 31, 2016
Statutory Audit Fees (excluding Service Tax)	1,00,000	10,00,000
Out of pocket expenses	-	18,416
Total	**1,00,000**	**10,18,416**

33 Contingent Liabilities

(in ₹)

	March 31, 2017	March 31, 2016
In respect of demands issued against the Company from Income Tax authorities for the financial year 2008-09	-	-

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results.

34 Reduction of Compulsorily Convertible Preference Share Capital (CCPs)

During the previous year, the perference Shareholder of the Company, Indivision India Partners ('Indivision') has initiated arbitration proceedings on account of alleged default by Future Enterprises Limited (FEL), the holding company and promoter of the Company and the Company for non-compliance with certain provision under the Shareholders Agreement (SHA) / Articles of Association of the Company (AOA) and has also filed a petition in the Bombay High Court against FEL, the Company and 3 other parties seeking remedies and injunction under the terms of the SHA and commercial agreements comprising of Compensation Agreement, License Agreement and Revenue Share Agreement.

FEL and the Company have filed submissions before Arbitration Tribunal and Bombay High Court denying the contention and allegations in the petition requesting for dismissal of petition and relief claimed in petition. The outcome of the proceeding before the Arbitration Tribunal and Bombay High Court was in favour of Indivision. Consequently the Company has reduced the Issued, Subscribed and Paid Up Share Capital by 48,00,000 CCPs of ₹ 100/- each.

Pursuant to the order of Hon'ble Bombay High Court dated November 18, 2016 and Special Resolution passed by the Shareholders in Extra-Ordinary General Meeting on September 6, 2016 , the CCPs were returned a sum of ₹ 87.50 per share for the extinguishment of the CCPs held by them, based on the valuation report obtained from Chartered Accountants. The surplus arising on aforesaid reduction of capital was credited to Capital Reserve.

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

As per the notification issue by Ministry of Corporate Affairs, every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the Table below:

(in ₹)

	Specified Bank Notes	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	76,000	-	76,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	76,000	-	76,000
Closing cash in hand as on December 30, 2016	-	-	-

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

As per our Report attached

For R. S. Ajwani & Co.
Chartered Accountants

SD/-

Proprietor
Membership No. 35574
Place: Mumbai
Date:

For and on behalf of Board of Directors of
Future Media (India) Limited

SD/-
Anil Kumar Bagri
Director
[DIN:00014338]

SD/-
Kishore Biyani
Director
[DIN:00005740]