MSKA
& Associates
Chartered Accountants

Floor 3, Enterprise Centre
Nehru Road, Near Domestic Airport
Vile Parle (E), Mumbai 400099, INDIA
Tel: +91 22 3358 9800

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 March 31, 2018, 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 Indian Accounting Standards (Ind AS) prescribed 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, and the accounting principles generally accepted in India.

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.

MSKA & ASSOCIATES * Chartered Accountants *

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 March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

MSKA & ASSOCIATES * Chartered Accountants *

Emphasis of Matters

We draw attention to note 42 to the standalone financial statements with regard to the investment in subsidiary, which has incurred losses on continuous basis and has its net worth eroded. However, on account of long term business plans and future cash flows of the subsidiary, the Management of the Company has not provided for 'permanent diminution in the value of investments' and 'Loans & Advances including interest' recoverable from the subsidiary amounting to Rs. 1 lac and Rs. 2,015.00 lacs respectively as on March 31, 2018.

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 Indian Accounting Standards prescribed 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 the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A';

MSKA & ASSOCIATES * Chartered Accountants *

(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 standalone Ind AS financial statements - Refer Note ___ 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; and

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

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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES * Chartered Accountants *

Amrish Anup Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: May 25, 2018

'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)

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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 March 31, 2018 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 the 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

MSKA & ASSOCIATES * Chartered Accountants *

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

MSKA & ASSOCIATES * Chartered Accountants *

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, 2018, 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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Anup Vaidya
Partner
Membership No. 101739

MSKA & ASSOCIATES * Chartered Accountants *

Place: Mumbai
Date: May 25, 2018

'ANNEXURE B' TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF WORK STORE LIMITED (FORMERLY KNOWN AS STAPLES FUTURE OFFICE PRODUCTS LIMITED) FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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 loan to one company covered in the register maintained under Section 189 of the Companies Act, 2013 ('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 loan 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 loan 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 loan 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 not regular in the payment of interest to the Company.

MSKA & ASSOCIATES * Chartered Accountants *

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue (Rs. in lacs)	Interest overdue (Rs. in lacs)	Total overdue (Rs. in lacs)	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1.	Nil	1,45.97	1,45.97	Adequate steps are being taken for recovery of dues outstanding on account of interest.

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 explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally 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.

MSKA & ASSOCIATES * Chartered Accountants *

MSKA

& Associates

Chartered Accountants

(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 lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax Act, 1956	Sales Tax - Delhi	0.75	F.Y. 2012-13	Assessing Officer	On account of non-submission of F-forms
Value Added Tax, 1994	Sales Tax - Delhi	7.86	F.Y. 2012-13	Assessing Officer	On account of input credit mismatch.
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.
Value Added Tax, 1994	Sales Tax - Maharashtra	5.70 *	F.Y. 2013-14	Deputy Commissioner	On account of input tax credit mismatch, we have received stay application against demand.
Value Added Tax, 1994	Sales Tax - Maharashtra	36.40 **	F.Y. 2011-12	Joint Commissioner	On account of input tax credit mismatch, we have received stay application against demand.
Value Added Tax, 1994	Sales Tax - Maharashtra	4.48	F.Y. 2012-13	Deputy Commissioner	On account of input credit mismatch. We have received stay application against demand.
Central Sales Tax Act, 1956	Sales Tax - Karnataka	3.54	F.Y. 2011-12	Deputy Commissioner	On account of non-submission of F-forms. We have received stay application against demand.

* Rs. 2.18 lacs is paid under protest

** Rs. 14.04 Lacs is paid under protest

MSKA & ASSOCIATES * Chartered Accountants *

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the year.

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 neither 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 Section 188 of the Act and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(xiv) of the Order are not applicable to the Company.

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.

MSKA & ASSOCIATES * Chartered Accountants *

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 clause 3(xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Anup Vaidya
Partner
Membership No. 101739

Place: Mumbai
Date: May 25, 2018

Work Store Limited (formerly Staples Future Office Products Limited)
Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	50.23	177.84
(b) Other Intangible Assets		52.54	98.90
(c) Financial Assets:			
(i) Investments	4	2.13	2.13
(ii) Others	5	35.93	62.59
(d) Other Non Current Assets	6	136.87	66.98
Total Non-Current Assets		**277.70**	**408.44**
Current Assets			
(a) Inventories	7	1,001.78	957.82
(b) Financial Assets:			
(i) Investments	4	955.37	1,000.85
(ii) Trade Receivables	8	2,076.27	2,110.03
(iii) Cash & Cash equivalents	9	30.13	109.47
(iv) Bank Balances other than cash and cash equivalents	10	1,141.61	1,440.82
(v) Loans	11	2,993.00	2,993.00
(vi) Others	12	372.18	191.32
(c) Other Current Assets	13	561.84	415.18
(d) Assets classified as held for Sale	14	-	9.55
Total Current Assets		**9,132.18**	**9,228.04**
Total Assets		**9,409.88**	**9,636.48**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	560.84	560.84
(b) Other Equity	16	6,396.30	6,620.67
Total Equity		**6,957.14**	**7,181.51**
Liabilities			
Non-Current Liabilities			
Provisions	17	22.94	18.66
Total Non-Current Liabilities		**22.94**	**18.66**
Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	18	815.77	596.14
(ii) Trade Payables	19	1,309.01	1,135.85
(iii) Others	20	94.63	164.33
(b) Other Current Liabilities	21	208.74	538.40
(c) Provisions	22	1.65	1.59
Total Current Liabilities		**2,429.80**	**2,436.31**
Total Equity & Liabilities		**9,409.88**	**9,636.48**

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

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

Amrish Anup Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date :

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

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date :

Work Store Limited (formerly Staples Future Office Products Limited)
Statement of Profit and Loss for the Year ended March 31, 2018

	Note No.	Year Ended March 31, 2018 Rs. in Lacs	Year Ended March 31, 2017 Rs. in Lacs
Revenue			
Revenue from operations	23	7,826.99	8,886.41
Other Income	24	411.09	722.38
Total Revenue		**8,238.08**	**9,608.79**
Expenses			
Purchase of Stock in trade	25	6,334.34	7,256.81
Changes of Inventories of Stock in trade	26	(124.35)	(167.30)
Employee benefits expense	27	854.63	1,021.47
Finance costs	28	29.88	57.49
Depreciation and amortization expense	3	126.50	131.19
Other expenses	29	1,250.27	1,571.51
Total Expenses		**8,471.27**	**9,871.17**
Loss before Tax		**(233.19)**	**(262.38)**
Less: Tax Expense		-	-
Loss for the year		**(233.19)**	**(262.38)**
Other Comprehensive Income / (Expense):			
Items that will not be reclassified to profit or loss			
Remeasurement of defined employee benefit plans	30	8.82	16.18
Less: Income Tax Impact on above		-	-
Total Other Comprehensive Loss		**8.82**	**16.18**
Total Comprehensive Expense for the year		**(224.37)**	**(246.20)**
Earnings Per Share (Basic and Diluted) (Rs.) [Face value of Rs. 10 each (Previous Year: Rs. 10 each)]		**(4.16)**	**(4.68)**

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

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

Amrish Anup Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date :

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

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date :

Work Store Limited (formerly Staples Future Office Products Limited)
Cash Flow Statement for the Year ended March 31, 2018

		Year Ended March 31, 2018 Rs. in Lacs	Year Ended March 31, 2017 Rs. in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before Tax		(233.19)	(262.38)
Adjustments for:			
Depreciation and amortisation expense		126.50	131.19
Interest Income		(345.72)	(420.42)
Profit on Sale of Investments		(3.17)	(2.35)
Gain on reinstatement of investments		(51.36)	(48.49)
Loss on Dispoal/Discard of Assets		61.23	16.34
Sundry Balance written back		(8.00)	(54.81)
Unwinding of discount on Security Deposits		(1.17)	(8.81)
Sundry Balance written off		4.93	19.54
Provision for Doubtful Debts and Advances		7.61	(152.39)
Bad debts		2.74	124.79
Interest Expense		29.88	57.44
Unrealised foreign exchange (gain) / loss		-	(0.12)
Operating Profit Before Working Capital Changes		**(409.72)**	**(600.47)**
Adjustments For Changes In Working Capital:			
Adjustments for (increase) / decrease in operating assets			
- Trade receivables		18.48	(451.69)
- Other Non-current Assets		(52.03)	40.30
- Other Current Assets		(146.66)	94.23
- Other Financial Assets - Non Current		29.67	9.90
- Inventories		(43.96)	(243.88)
- Other Financial Assets - Current		1.75	24.46
Adjustments for increase / (decrease) in operating liabilities			
- Trade Payables		181.16	58.84
- Other long-term financial liabilities		-	(0.17)
- Long-term provisions		13.10	7.95
- Other current financial liabilities		(53.29)	12.86
- Other current liabilities		(329.66)	378.28
- Short-term provisions		0.06	(1.82)
Cash generated from Operations		**(791.10)**	**(671.21)**
Income Tax (Paid) / Refund		(17.86)	81.74
Net Cash used in Operating Activities	(A)	**(808.96)**	**(589.47)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchase of Property, Plant and Equipment and Other Intangible Assets		(33.48)	(85.17)
Proceeds from Sale of Property, Plant and Equipment		12.86	5.49
Proceed from Sale of Investments		100.01	(950.01)
Investment in bank deposits		297.37	2,358.18
Interest received from Bank Deposits / Loans		163.11	432.48
Loans given		-	(1,468.00)
Net Cash flow from Investing Activities	(B)	**539.87**	**292.97**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital		-	9.99
Interest Paid		(29.88)	(57.44)
Net Cash used in Financing Activities	(C)	**(29.88)**	**(47.45)**
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]		**(298.97)**	**(343.95)**
Cash and Cash Equivalents as at April 1		**(486.67)**	**(142.72)**
Cash and Cash Equivalents as at March 31		**(785.64)**	**(486.67)**
Cash and Cash Equivalents Comprise of (refer note: 9)			
Cash on Hand		1.02	0.17
Balance with banks in current accounts		29.11	109.30
Bank Overdraft		(815.77)	(596.14)
		(785.64)	**(486.67)**

Notes :
The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'

As per our Report of even date

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

Amrish Anup Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date :

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

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date :

Work Store Limited (formerly Staples Future Office Products Limited)
Statement of Changes in Equity for the Year ended Mar 31, 2018

A.Equity Share Capital:

Particulars	(Rs. in Lacs)
Balance as at April 1, 2016	**536.69**
Changes in Equity Share Capital during the year	24.15
Balance as at March 31, 2017	**560.84**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2018	**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, 2016	80.50	19,916.98	(13,919.83)	800.00	3.38	6,881.03
Add : Addition on account of issue of shares on premium	-	785.84	-	-	-	785.84
Add: Loss for the year	-	-	(262.38)	-	-	(262.38)
plans transferred to OCI	-	-	-	-	16.18	16.18
Add: Share 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**
Balance as at April 1, 2017	80.50	20,702.82	(14,182.21)	-	19.56	6,620.67
Add: Loss for the year	-	-	(233.19)	-	-	(233.19)
Add: Remeasurement of defined employee benefit plans transferred to OCI	-	-	-	-	8.82	8.82
Balance as at March 31, 2018	**80.50**	**20,702.82**	**(14,415.40)**	-	**28.38**	**6,396.30**

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

MSKA & ASSOCIATES * Chartered Accountants *

Amrish Anup Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date :

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

WORK STORE LIMITED *

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date :

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**

These financial statements are the seperate financial statements of the Company (also referred to as standalone financial statements) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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 and defined benefit plans that are measured at fair values at the end of each reporting period. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are prepared in Indian Rupees (Rs.) and all values are rounded off to the nearest lakhs, except when otherwise indicated.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes together with the accounting policies:

Note – Impairment of assets (both financial and non-financial)
Note - Fair value measurement of financial instruments
Note – Useful life of Property, plant and equipment and Intangible assets

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 and Depreciation**

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 Property, Plant & Equipments 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 Property, Plant & Equipments are recognised in the Statement of Profit and Loss.

Depreciation is calculated on a straight-line basis to allocate the cost of assets, net of their residual values, if any, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. The useful lives have been determined based on technical evaluation in line with useful lives mentioned in Schedule II to the Act.

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 and amortisation**

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, Contingent Liabilities, Contingent Asstes and Commitments**

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.

Contingent assets are neither recognized nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for construction / completion of assets.

WORK STORE LIMITED

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. Revenue is measured at the fair value of the consideration received or receviable net of returns, rebates and discounts, if any, and excluding taxes and duties collected on behalf of the government.

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 central sales taxes (CST) & value added taxes (VAT) on behalf of the government for period 01st April 2017 to 30th June 2017and thereafter GST (Goods & Service Tax) from 01st July 2017 to 31st March 2018, 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 net amount when the said gift vouchers are activated and sold to customers on 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 for period 01st April 2017 to 30th June 2017 and thereafter GST (goods and service tax) from 01st July 2017 to 31st March 2017, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

iv) Interest

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

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**

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

WORK STORE LIMITED

xv) **Earnings per Share**

Basic Earnings Per Share is calculated by dividing the Net profit / loss after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period and for all periods presented are adjusted for events of bonus, granting and vesting employee stock options to employees. For the purpose of calculating diluted earnings per share, the net profit / loss 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.

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) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

xviii) **Borrowings and borrowing cost**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

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 or sale are capitalized as part of cost of asset, if any. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

xix) **Events after the reporting date**

Where events occuring after the balance sheet date provide evidence of conditions that existed as at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

xx) **Fair value measurement**

The Company measures financial instrumens at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

xxi) **Recent accounting pronouncements**

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying INDAS 115, Revenue from Contract with Customers. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1 April, 2018. The company will be adopting the amendments from their effective date.

INDAS 115, Revenue from contract with customers

INDAS 115, supersedes INDAS 11, Construction contracts and INDAS 18, Revenue. INDAS 115 requires an entity to follow a five step model to account from revenue arising from contracts with customers. The principles of INDAS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard can be applied either (i) retrospectively to each prior reporting period presented in accordance with INDAS 8 Accounting policies, changes in accounting estimates and errors, or (ii) can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the standard is not expected to be material.

xxii) **Rounding off amounts**

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

MSKA & ASSOCIATES ★ Chartered Accountants ★

WORK STORE LIMITED ★

3. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLES

Property, Plant & Equipment (Rs.in lacs)

Particulars	Computers	Leasehold Improvements	Office Equipment[1]	Furniture and fixtures	Total
Owned Assets					
At 1 April 2016	203.88	174.18	141.09	161.17	680.32
Addition	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**
Additions	1.73	-	0.25	-	1.98
Disposals	(36.40)	(111.29)	(67.42)	(56.51)	(271.62)
At 31 March 2018	**127.50**	**3.96**	**48.63**	**62.86**	**242.95**
Accumulated Depreciation					
At 1 April 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**
Charge for the year	21.36	22.33	11.89	9.49	65.06
Disposals	(37.01)	(73.68)	(56.07)	(40.33)	(207.08)
At 31 March 2018	**107.55**	**2.98**	**38.74**	**43.45**	**192.72**
Net Block					
At 1 April 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**
At 31 March 2018	**19.95**	**0.98**	**9.89**	**19.41**	**50.23**

1. Office Equipment includes assets taken on finance lease:
Gross block Rs. Nil (31 March 2017: Rs. 6.91 lacs)
Depreciation charge for the year Rs. 0.16 lacs (31 March 2017: Rs. 2.12 lacs)
Accumulated depreciation Rs. 6.91 lacs (31 March 2017: Rs. 6.75 lacs)
Net book value Rs. Nil (31 March 2017: Rs. 0.16 lacs)

During the current year, the Company has paid off the finance lease obligations in full and the assets are now classified as owned assets.

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	Softwares
Cost	
At 1 April 2016	418.49
Additions	70.15
Disposals	-
At 31 March 2017	**488.64**
Additions	15.09
Disposals	-
At 31 March 2018	**503.73**
Amortisation	
At 1 April 2016	**343.27**
Charge for the year	46.48
At 31 March 2017	**389.75**
Charge for the year	61.44
At 31 March 2018	**451.19**
Net Block	
At 1 April 2016	**75.22**
At 31 March 2017	**98.89**
At 31 March 2018	**52.54**

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
4. INVESTMENTS		
Non-current investments		
Equity instruments of Subsidiary - Unquoted (Valued at cost)		
9,999 Equity Shares of Rs.10 each fully paid up of Office Shop Private Limited (Previous Year: 9,999 Equity Shares of Rs. 10 each)	1.00	1.00
Investment in Government securities (Valued at amortised cost)		
National Saving Certificates*	1.13	1.13
Sub Total (A)	**2.13**	**2.13**
Current investments		
Investment in mutual fund units - Quoted (At fair value through Profit or loss)		
16,22,265 units of HDFC Short Term plan - Regular Plan - Growth (Previous Year: 16,22,265 units)**	558.61	525.78
13,64,144 units of IDFC Super Saver Income Fund - Medium Term - Regular Plan - Growth (Previous Year: 17,13,373 units)	396.76	475.07
Sub Total (B)	**955.37**	**1,000.85**
Total Investments (A+B)	**957.50**	**1,002.98**

* On lien with sales tax authorities
** Mutual Funds are on lein against Bank overdraft facility

Non-current investments:		
Aggregate amount of qouted investment and market value thereoff	-	-
Aggregate amount of unqouted investment	2.13	2.13
Aggregate amount of inpairment in the value of investments	-	-
Current investments:		
Aggregate amount of qouted investment and market value thereoff	955.37	1,000.85
Aggregate amount of unqouted investment	-	-
Aggregate amount of inpairment in the value of investments	-	-

5. OTHER FINANCIAL ASSETS - NON-CURRENT

Bank deposits with more than 12 months maturity*	5.36	3.52
Security Deposits	30.57	59.07
TOTAL	**35.93**	**62.59**

* Bank deposits are earmarked fixed deposits with sales tax authorities

6. OTHER NON-CURRENT ASSETS

Advance tax and TDS receivables	64.47	46.61
Capital Advances	54.29	-
Balance with Government Authorities	18.11	20.37
TOTAL	**136.87**	**66.98**

7. INVENTORIES

Stock in trade	980.36	856.01
Stock-in-Transit	18.21	99.40
Consumable goods	3.21	2.41
TOTAL	**1,001.78**	**957.82**
Details of Stock in trade		
Office Supplies	825.56	698.46
Technology Products	27.50	42.82
Promotional Products	1.05	1.88
Furniture	126.25	112.85
TOTAL	**980.36**	**856.01**

Note:
Inventories of Stock in trade and consumables are accounted for 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 Mar 31, 2018

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
8. TRADE RECEIVABLES		
Secured, Considered Good	-	-
'Unsecured - Considered Good*	2,076.27	2,110.02
'Unsecured - Considered Doubtful	92.24	84.63
Less: Provision for Doubtful debts	(92.24)	(84.63)
TOTAL	**2,076.27**	**2,110.02**
*Receivable from related parties -Unsecured - Considered Good (refer Note 35A)	0.26	0.25

Note: There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person.

9. CASH AND CASH EQUIVALENTS		
- Cash and Cash equivalents		
i. Balance with Banks in current accounts	29.11	109.30
ii. Cash on Hand	1.02	0.17
TOTAL	**30.13**	**109.47**
For the purpose of the statement of cash flows, cash and cash equivalent comprises the following :		
Cash on Hand	1.02	0.17
Balance with Scheduled Banks in Current Accounts	29.11	109.30
Bank overdraft	(815.77)	(596.14)
TOTAL	**(785.64)**	**(486.67)**
10. BANK BALANCES - CURRENT		
Bank deposits with less than 12 months but more than 3 months maturity*	1,141.61	1,440.82
TOTAL	**1,141.61**	**1,440.82**

*** Bank Deposits are on lien against bank overdraft**

11. LOANS - CURRENT		
Loans - Secured, considered good		
Inter Corporate Deposits to related party (Refer note 34A)*	1,250.00	1,250.00
Loans - Unsecured, considered good		
Loan to related party (Refer note 34A)*	1,743.00	1,743.00
TOTAL	**2,993.00**	**2,993.00**

* Loans are utilised by the related parties for their business purposes.

12. OTHER FINANCIAL ASSETS - CURRENT		
Advance to Related party (refer note 35A)	53.25	62.55
Advance to employees	3.09	8.17
Security Deposits	-	19.70
Claims Receivable	53.84	22.51
Interest Accrued	261.00	78.39
Other Receviable	1.00	
TOTAL	**372.18**	**191.32**

Note : These Financial Assets are carried at Fair value

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

13. OTHER CURRENT ASSETS

Advances to Suppliers		
Unsecured, considered good	395.80	375.93
Unsecured, considered Doubtful	2.96	2.96
	398.76	378.89
Less: Provision for doubtful advances	(2.96)	(2.96)
	395.80	375.93
Balance with Government Authorities	147.11	0.34
Prepayments	18.93	38.91
TOTAL	**561.84**	**415.18**

14. ASSETS CLASSIFIED AS HELD FOR SALE

Property Plant & Equipment	-	**9.55**
TOTAL	-	**9.55**

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

15. SHARE CAPITAL

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
AUTHORISED		
65,00,000 (Previous Year: 65,00,000) Equity Shares of Rs 10/- each	650.00	650.00
10,00,000 (Previous Year: 10,00,000) Preference Shares of Rs 10/- each	100.00	100.00
	750.00	**750.00**
ISSUED, SUBSCRIBED AND PAID UP		
56,08,389 (Previous Year: 56,08,389) Equity Shares of Rs. 10 each fully paid-up (PY Rs 10)	560.84	560.84
8,05,033 (Previous Year: 8,05,033) Preference Shares of Rs. 10/- each fully paid-up (PY Rs 10)	80.50	80.50
TOTAL	**641.34**	**641.34**

Reconciliation of number of shares

Equity Shares

	As at March 31, 2018		As at March 31, 2017	
Particulars	**No. of shares**	**Rs. in Lacs**	**No. of shares**	**Rs. in Lacs**
At the beginning of the year	5,608,389	560.84	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**	**5,608,389**	**560.84**

Preference Shares

	As at March 31, 2018		As at March 31, 2017	
Particulars	**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
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**

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

Particulars	No. of shares	% Holding	No. of shares	% Holding
Equity Share Capital				
Future Enterprises Limited (formerly Future Retail Limited)	3,458,654	61.67%	3,458,654	61.67%
Mr.Shailesh Karwa	860,192	15.34%	860,192	15.34%
Mr.Sharad Dalmia	860,192	15.34%	860,192	15.34%
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	7.66%
Preference Share Capital				
Staples Asia Investment Limited				
Future Enterprises Limited (formerly Future Retail Limited)	558,088.0	69.32%	558,088.0	69.32%
Value Tree India Private Limited	246,945.0	30.68%	246,945.0	30.68%

MSKA & ASSOCIATES Chartered Accountants

WORK STORE LIMITED

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
16. OTHER EQUITY		
PREFERENCE SHARE CAPITAL		
At the beginning of the year	80.50	80.50
Add: Issued during the year	-	-
Less: Shares cancelled during the year	-	-
Total	80.50	80.50
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	20,702.82	19,916.98
Add: Premium received during the year	-	785.84
Total	20,702.82	20,702.82
Other Comprehensive Income		
As per last balance sheet	19.56	3.38
Add/(less): Remeasurement of Defined employee benefit plans transferred to OCI	8.82	16.18
Total	28.38	19.56
Surplus/(Deficit) in the statement of profit and loss		
As per Last Balance Sheet	(14,182.21)	(13,919.83)
Less: Loss for the year	(233.19)	(262.38)
	(14,415.40)	(14,182.21)
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)
	-	-
TOTAL	**6,396.30**	**6,620.67**

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
17. NON-CURRENT PROVISIONS		
Provision for employee benefits:		
(i) Provision for Gratuity (net) (funded)	8.55	4.49
(ii) Provision for leave encashment (unfunded)	14.39	14.17
TOTAL	**22.94**	**18.66**
18. CURRENT BORROWINGS		
Secured		
Bank Overdraft*	815.77	596.14
TOTAL	**815.77**	**596.14**

* Overdraft facility is repayable on demand and is secured by fixed deposit. The overdraft with bank carries interest rate rainging from 7.25% to 8.15%

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
19. TRADE PAYABLES		
Total outstanding dues of creditors other than Micro Small medium enterprise*	1,291.19	1,125.74
Total outstanding dues of Micro Small medium enterprise (Refer note 32)	17.82	10.11
TOTAL	**1,309.01**	**1,135.85**

*Amount due to related parties Rs 52.96 Lacs (PY Rs 7.13 Lacs)

Based on the information available with us, interest payable on outstanding dues and payments to supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act] is Rs. 6.34 Lacs.

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
20. OTHER CURRENT FINANCIAL LIABILITIES		
Payables for capital creditors	-	16.40
Employee related liabilities	94.63	147.93
TOTAL	**94.63**	**164.33**
21. OTHER CURRENT LIABILITIES		
Advances from Customers	191.49	485.36
Statutory Dues	17.25	53.04
TOTAL	**208.74**	**538.40**
22. CURRENT PROVISIONS		
Provision for employee benefits:		
(i) Provision for Gratuity (net) (funded)	-	-
(ii) Provision for leave encashment (unfunded)	1.65	1.59
TOTAL	**1.65**	**1.59**

MSKA & ASSOCIATES Chartered Accountants

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

	Year Ended March 31, 2018 Rs. in Lacs	Year Ended March 31, 2017 Rs. in Lacs
23. REVENUE FROM OPERATIONS		
Sale of products	7,539.74	8,502.46
Sale of Services	201.38	293.45
Total	7,741.12	8,795.91
Other operating revenues:		
Commission income on Gift Vouchers	85.87	90.50
TOTAL	**7,826.99**	**8,886.41**
Details of Product sold		
Office Supplies	5,931.36	5,988.14
Technology Products	805.78	852.24
Promotional Products	764.05	1,465.01
Furniture	38.55	197.07
TOTAL	**7,539.74**	**8,502.46**
Details of Services rendered		
Machine Printing Services	197.74	265.04
Others	3.64	28.41
	201.38	**293.45**
24. OTHER INCOME		
Interest on bank deposits and loans	345.72	420.42
Income Tax refunds	-	16.72
Profit on Sale of Investments	3.17	2.35
Gain on reinstatement of investments	51.36	48.49
Foreign Exchange Gain (Net)	-	2.67
Sundry Balances Written Back	8.00	54.81
Provision for Doubtful Debts and Advances	-	152.39
Unwinding of discount on Security Deposit	1.17	8.81
Miscellaneous Income	1.67	15.72
TOTAL	**411.09**	**722.38**
25. PURCHASES OF STOCK-IN-TRADE		
Office Supplies	4,882.74	5,091.45
Technology Products	727.65	704.15
Promotional Products	664.20	1,251.12
Furniture	59.75	210.09
TOTAL	**6,334.34**	**7,256.81**
26. CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at the beginning of the year	856.01	688.71
Less: Inventories at the end of the year	980.36	856.01
TOTAL	**(124.35)**	**(167.30)**
Details of Inventory		
Office Supplies	825.56	698.46
Technology Products	27.50	42.82
Promotional Products	1.05	1.88
Furniture	126.25	112.85
TOTAL	**980.36**	**856.01**
27. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	775.22	941.99
Contribution to Provident and Other Funds	37.50	38.09
Gratuity Expenses	25.56	19.45
Employee Welfare and Other Amenities	16.35	21.94
TOTAL	**854.63**	**1,021.47**
28. FINANCE COSTS		
Interest Expenses	29.88	57.44
Other borrowing costs	-	0.05
TOTAL	**29.88**	**57.49**

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

	Year Ended March 31, 2018 Rs. in Lacs	Year Ended March 31, 2017 Rs. in Lacs
29. OTHER EXPENSES		
Consumption of Stores and Spares Parts	7.07	34.07
Power, Fuel and Water Charges	26.00	35.60
Repairs and Maintenance - Others	81.01	110.73
Rent		
Premises	321.80	321.12
On Equipments	164.67	212.42
Rates & Taxes	10.55	9.08
Insurance	2.46	3.69
Travelling Expenses	78.20	80.57
Provision for Doubtful Debts and Advances	7.61	-
Sundry Balances Written Off	4.93	19.54
Bad Debts	2.74	124.79
Advertisement and Marketing Expenses	142.00	122.57
Freight & Forwarding Expenses	176.57	213.53
Communication and Postage	42.02	53.15
Contract Labour cost	43.91	116.52
Legal & Professional Charges	34.84	37.84
Franchisee fees	-	14.16
Payment to Auditors	9.15	9.95
Loss on Disposal/discard of Assets	61.23	16.34
Bank Charges	8.63	9.32
Foreign Exchange Loss (Net)	0.45	-
Miscellaneous Expenses	24.43	26.52
TOTAL	**1,250.27**	**1,571.51**

Payment to Auditors' (excluding taxes)		
Statutory Auditors:		
a) Statutory Audit	7.50	8.63
b) Tax Audit	1.00	1.15
c) Reimbursement of Out of pocket Expenses	0.15	0.17
c) Other Services	0.50	-

30. OTHER COMPREHENSIVE EXPENSE / (INCOME)		
Remeasurement of defined benefit obligations	(8.82)	(16.18)
TOTAL	**(8.82)**	**(16.18)**

MSKA & ASSOCIATES Chartered Accountants

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
31 Contingent liabilities and commitments		
A Contingent liabilities		
1 Claims against the Company not acknowledged as debt:	Nil	Nil
2 Others		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	-	-
- where the Department is in appeal	-	-
Sales Tax Authorities	149.24	12.55

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

B Commitments **Capital commitments** **Particulars**	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):	Nil	6.33
Other commitments	Nil	Nil
b. Lease Commitments	Nil	Nil
c. The Company has committed to infuse additional capital as and when required to meet the subsidiary's commitments.		

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

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	25.81	2.70
	Interest Due thereon	0.84	0.28
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.	0.37	0.14
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.97	5.36
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, 2018 and March 31, 2017. 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.

MSKA & ASSOCIATES Chartered Accountants

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

33 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,		
	2018	2017	2016
Service cost			
a. Current service cost	5.22	7.38	9.68
b. Past service cost	9.07	-	-
c. (Gain) / loss on settlements		-	-
d. Total service cost	**14.29**	**7.38**	**9.68**
Net interest cost			
a. Interest expense on DBO	1.76	2.23	1.77
b. Interest (income) on plan assets	(1.54)	(1.57)	(1.44)
c.Interest (income) on reimbursement rights		-	-
d. Interest expense on effect of (asset ceiling)		-	-
e. Total net interest cost	**0.22**	**0.67**	**0.33**
Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits		-	-
Administrative expenses and taxes		-	-
Defined benefit cost included in P&L	**14.51**	**8.05**	**10.01**

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

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		-	-
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	(1.56)	1.34	-
c. Actuarial (Gain) / Loss due to Experience on DBO	(7.16)	(17.33)	3.14
d. Return on Plan Assets (Greater) / Less than Discount rate	(0.11)	(0.20)	(0.18)
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	**(8.82)**	**(16.18)**	**2.96**

Table 3. Total Cost Recognised in Comprehensive Income

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Cost Recognised in P&L	14.51	8.05	10.01
Remeasurements Effects Recognised in OCI	(8.82)	(16.18)	2.96
Total Cost Recognised in Comprehensive Income	**5.69**	**(8.14)**	**12.97**

Table 4 Change in Defined Benefit Obligation

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Defined Benefit Obligation as of Prior Year	25.86	36.27	26.27
Service Cost			
a. Current service cost	5.22	7.38	9.68
b. Past service cost	9.07	-	-
c. (Gain) / loss on settlements		-	-
Interest Cost	1.76	2.23	1.77
Benefit payments from plan assets		-	
Benefit payments directly by employer	(1.62)	(4.04)	(4.59)
Settlements		-	-
Participant contributions			
Acquisition / Divestiture		-	-
Actuarial (Gain) / Loss - Demographic		-	-
Actuarial (Gain) / Loss - Financial	(1.56)	1.34	-
Actuarial (Gain) / Loss - Experience	(7.16)	(17.33)	3.14
Effect of changes in foreign exchange rates		-	-
Defined Benefit Obligation as of Current Year	**31.58**	**25.86**	**36.27**

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

Table 5. Changes in the Fair Value of Plan Assets

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Fair value of plan assets at end of prior year	21.38	19.62	17.99
Expected Return on Plan Assets	1.54	1.57	1.44
Employer contributions		-	-
Participant contributions		-	-
Benefit payments from plan assets		-	-
Settlements		-	-
Acquisition / Divestiture		-	-
Actuarial Gain/(Loss) on Plan Assets	0.11	0.20	0.18
Fair Value of Plan Assets as at the end of the year	**23.03**	**21.38**	**19.62**

Table 6. Net Defined Benefit Asset / (Liability)

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Defined Benefit Obligation	31.58	25.86	36.27
Fair value of Plan Assets	23.03	21.38	19.62
Surplus / (Deficit)	8.55	4.48	16.66
Effect of Asset Ceiling		-	-
Net Defined Benefit Liability / (Asset)	**8.55**	**4.48**	**16.66**
Expected Company Contributions for the Next Year	**2.72**	**2.77**	**8.28**

Table 7. Reconciliation of Amounts in Balance Sheet

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Net defined benefit liability (asset) at prior year end	4.48	16.66	16.66
Defined benefit cost included in P&L	14.51	8.05	10.01
Total remeasurements included in OCI	(8.82)	(16.18)	2.96
Other significant events/One time IND AS 19 Adjustment		-	-
Acquisition / Divestiture		-	-
Amounts recognized due to plan combinations		-	-
Employer contributions		-	-
Direct benefit payments by Employer	(1.62)	(4.04)	(4.59)
Effect of changes in foreign exchange rates		-	-
Net defined benefit liability (asset) - end of period	**8.56**	**4.48**	**25.04**

Table 8. Reconciliation of Statement of Other Comprehensive Income

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Cumulative OCI - (Income)/Loss, Beginning of Period	(19.56)	(3.38)	(6.34)
Total remeasurements included in OCI	(8.82)	(16.18)	2.96
Cumulative OCI - (Income)/Loss, End of Period	**(28.39)**	**(19.56)**	**(3.38)**

Table 9.Current / Non Current Liability

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Current Liability	-	-	-
Non Current Liability	8.56	4.48	25.04
Non Current asset	-	-	-
Net defined benefit liability (asset) - end of period	**8.56**	**4.48**	**25.04**

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

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Year 1	2.72	2.77	NA
Year 2	2.73	2.75	NA
Year 3	2.82	2.73	NA
Year 4	2.91	2.94	NA
Year 5	2.88	2.91	NA
Years 6 to 10	8.67	11.57	NA

MSKA & ASSOCIATES
Chartered Accountants

WORK STORE LIMITED

Table 11.Components of Defined Benefit Cost for Next Year

	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Service cost		-	-
a. Current service cost	5.33	5.22	7.38
b. Past service cost		-	-
c. (Gain) / loss on settlements		-	-
d. Total service cost	5.33	5.22	7.38
Net interest cost		-	-
a. Interest expense on DBO	2.33	1.76	2.23
b. Interest (income) on plan assets	(1.77)	(1.54)	(1.57)
c. Interest (income) on reimbursement rights		-	-
d. Interest expense on effect of (asset ceiling)		-	-
e. Total net interest cost	0.55	0.22	0.67
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits		-	-
Administrative expenses and taxes		-	-
Defined benefit cost included in P&L	**5.89**	**5.44**	**8.05**

Table 12. Plan Assets (%)

Particulars	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
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)	**1.65**	**1.76**	**1.62**

Table 13. Principal actuarial assumptions used: (%)

Financial Assumption	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
Discount Rate (per annum)	7.70	7.20	8.00
Salary escalation rate	5.00	5.00	5.00

Demographic Assumption	Gratuity (Funded)		
	Year Ended March 31,		
	2018	2017	2016
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,		
	2018	2017	2016
No of Active Members	148	136	182
Total Monthly Salary	2,361,741	2,188,670	2,418,399
Per Month Salary For Active Members	15,958	16,093	13,288
Average Age	30.2	30.0	30.4
Average Expected Future Service (Years)	12.30	9.22	24.00
Average Past Service (Years)	2.38	2.43	2.52

Table 15. Quantative Sensitivity Analysis for significant assumption as at 31st March 2018

Particulars	Defined Benefit Obligation	
	Year Ended March 31,	
	2018	2017
Discount Rate		
a. Discount Rate - 100 basic points	3,481,645	2,773,003
b. Discount Rate + 100 basic points	2,879,501	2,419,381
Salary Increase Rate		
a. Rate - 100 basic points	3,016,458	2,479,936
b. Rate + 100 basic points	3,321,917	2,703,838

Leave Obligations

N. The liability for Leave Encashment (Non – Funded) as at year end is Rs. 16.04 Lacs (As at March 31, 2017 - Rs.15.76 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,		
	2018	2017	2016
Employer's contribution to Provident Fund	29.32	33.44	34.94

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

34 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 nufuture Digital india Limited
3 Future Ideas company Limited

d) Other Related Parties
1 Amar Chitra Katha Private limited
2 Future Corporate Resources Limited
3 Future Supply Chain Solutions Limited
4 Future Generali India Life Insurance Company Limited
5 Future Generali India Insurance Company Limited
6 Future Lifestyle Fashions Ltd
7 Future Retail Limited

e) 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

f) Key Managerial Personnel and their relatives
1 Mr. Shailesh Karwa - Director
2 Mr. Sharad Dalmia - Director
3 Mr. Vivek Biyani - Director
4 Mr. Anil Biyani - Director
5 Mr. Anurag Agarwal - Director

Transactions with Key Managerial Personnel for the Period April 17 - March 18

Nature of transaction	For the year ended 31st March, 2018 Rs. in Lacs	For the year ended 31st March, 2017 Rs. in Lacs
Employee Benefits for Key Managerial Personnel		
Sharad Dalmia	59.96	59.96
Shailesh Karwa	59.96	59.96
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, 2018 Rs. in Lacs	For the year ended 31st March, 2017 Rs. in Lacs
Short-term employee benefits	119.92	119.92
Post employment benefits*	-	-
Total	**119.92**	**119.92**

*This aforesaid amount does not includes amount in respect of gratuity and leave encashment as the same is not determinable.

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

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, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
1	**Sales (net)**										
	Officedge India Private Limited	-	-	-	-	1.33	0.92	-	-	1.33	0.92
	Office Shop Private Limited	-	-	4.26	38.80	-	-	-	-	4.26	38.80
	Value Tree Logistics Private Limited	-	-	-	-	17.96	1.47	-	-	17.96	1.47
	Future Supply Chain Solutions Limited	-	-	-	-	-	-	52.20	-	52.20	-
	Future Generali India Life Insurance Company Limited	-	-	-	-	-	-	19.68	-	19.68	-
	Future Generali India Insurance Company Limited	-	-	-	-	-	-	26.91	-	26.91	-
	Future Lifestyle Fashions Ltd	-	-	-	-	-	-	46.14	-	46.14	-
	Future Retail Limited	-	-	-	-	-	-	240.20	-	240.20	-
	Amar Chitra Katha Private limited	-	-	-	-	-	-	2.68	-	2.68	-
	Future Corporate Resources	-	-	-	-	-	-	0.90	-	0.90	-
2	**Purchases**										
	Office Shop Private Limited	-	-	18.08	54.31	-	-	-	-	18.08	54.31
	Future Retail Limited	-	-	-	-	-	-	27.31	-	27.31	-
	Future Supply Chain Solutions Limited	-	-	-	-	-	-	33.12	-	33.12	-
	Future Corporate Resources	-	-	-	-	-	-	106.22	-	106.22	-
	nufuture Digital india Limited	-	-	-	-	-	-	3.06	-	3.06	-
	Future Ideas company Limited	-	-	-	-	-	-	0.60	-	0.60	-
3	**Commission on Gift Vouchers**										
	Future Lifestyle Fashions Ltd	-	-	-	-	22.43	-	-	-	22.43	-
	Future Retail Limited	-	-	-	-	70.09	-	-	-	70.09	-
4	**Interest Income**										
	Office Shop Private Limited	-	-	145.54	152.48	-	-	-	-	145.54	152.48
	Future Corporate Resources limited			118.75	118.75					118.75	118.75
5	**Reimbursement of expenses**										
	Office Shop Private Limited	-	-	-	18.58	-	-	-	-	-	18.58
6	**Advance transfer**										
	Office Shop Private Limited	-	-	-	84.25	-	-	-	-	-	84.25
7	**Reimbursement of statutory dues paid by the Company**										
	Office Shop Private Limited	-	-	7.55	63.88	-	-	-	-	7.55	63.88
8	**Repayment of Loan**										
	Office Shop Private Limited	-	-	-	31.00	-	-	-	-	-	31.00

WORK STORE LIMITED

MSKA & ASSOCIATES * Chartered Accountants

9	**Loan given**										
	Office Shop Private Limited	-	-	-	249.00	-	-	-	-	-	249.00
10	**Net Margin on GV Sale**										
	Officedge India Private Limited	-	-	-	-	0.85	-	-	-	0.85	-
11	**Reimbursement of vendor payments**										
	Office Shop Private Limited	-	-	-	37.81	-	-	-	-	-	37.81
12	**Share alloted during the year**	-	800.00	-	-	-	-	-	-	-	800.00
	Future Enterprises Limited										

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, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
1	**Payable**										
	Future Supply Chain Solutions Limited	-	-	-	-	-	-	14.00	7.13	14.00	7.13
	Future Retail Limited	-	-	-	-	-	-	19.33	-	19.33	-
	Future Consumer Enterprise	-	-	-	-	-	-	0.17	-	0.17	-
	Future Market Networks Limited	-	-	-	-	-	-	2.34	-	2.34	-
	Officeshop Private Limited (net)	-	-	16.56	-	-	-	-	-	16.56	-
	nuFuture Digital India Limited	-	-	-	-	-	-	0.55	-	0.55	-
2	**Receivable**										
	Officedge India Private Limited	-	-	-	-	-	0.08	-	-	-	0.08
	Value Tree Logistics Private Limited	-	-	-	-	0.26	0.17	-	-	0.26	0.17
	Future Supply Chain Solutions Limited	-	-	-	-	-	-	24.66	-	24.66	-
	Future Generali India Life Insurance Company Limited	-	-	-	-	-	-	5.27	-	5.27	-
	Future Generali India Insurance Company Limited	-	-	-	-	-	-	8.54	-	8.54	-
	Future Lifestyle Fashions Ltd	-	-	-	-	-	-	17.89	-	17.89	-
	Future Retail Limited	-	-	-	-	-	-	94.17	-	94.17	-
	Amar Chitra Katha Private limited	-	-	-	-	-	-	0.49	-	0.49	-
	Future Corporate Resources	-	-	-	-	-	-	0.10	-	0.10	-
3	**Advance to Vendor**										
	Office Shop Private Limited	-	-	69.82	62.55	-	-	-	-	69.82	62.55
	Future Corporate Resources	-	-	-	-	-	-	186.97	-	186.97	-
4	**Interest Receivable**										
	Office Shop Private Limited	-	-	218.75	73.21	-	-	-	-	218.75	73.21
5	**Loan Receivable**										
	Office Shop Private Limited	-	-	1,743.00	1,743.00	-	-	-	-	1,743.00	1,743.00
	Future Corporate Resources Limited	-	-	1,250.00	1,250.00	-	-	-	-	1,250.00	1,250.00

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

35 **Leases**

(i) Operating Lease :

As lessee

Office premises, warehouse and equipments are obtained on cancellable 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.

	For the year ended 31st March, 2018 Rs. in Lacs	For the year ended 31st March, 2017 Rs. in Lacs
Lease Rentals for the year	321.80	321.12
Equipment rent for the year	164.67	212.42
As lessor:		
Operating Lease given: Equipments given on operating lease		
Sub-lease rent on equipment recognised in Statement of Profit and loss	197.74	265.04

(ii) 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
After one year but not more than five year	-	-
Total Minimum Lease Payments	-	**1.68**
Less: Amount Representing finance charges	-	0.04
Present Value of Minimum Lease Payments	-	**1.64**

36 **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	(233.19)	(262.38)
Weighted Average Number of Equity Shares (nos.)	5,608,389	5,608,389
Weighted average number of Equity for Diluted EPS (nos.)	6,413,422	6,413,422
Basic Earnings per share (in Rs.)	(4.16)	(4.68)
Basic and Diluted Earnings per share (in Rs.)	(4.16)	(4.68)
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.)

37 **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.

38 **Deferred Tax Liability and asset**

	31st March, 2018 Rs.in Lacs	31st March, 2017 Rs.in Lacs
The Balance Comprises temporary differences attributable to:		
Deferred Tax Assets		
Carry forward of losses	2,861.20	3,172.45
Unabsorbed Depreciation	472.28	524.38
Provision for doubtful debts	23.98	33.10
Property, Plant & Investment Property	109.70	108.03
Bonus Provision	21.34	42.14
Leave Encashment Provision	4.17	4.87
Gratuity Provision	8.21	7.99
Gross Deferred Tax Assets (A)	**3,500.88**	**3,892.96**
Deferred Tax Liabilities	-	-
Gross Deferred Tax Liabilities (B)	-	-
Deferred Tax Asset (Net) (A-B)	**3,500.88**	**3,892.96**

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. The 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.

2. No provision for income tax for the year has been made in the absence of book profits and in view of taxable loss computed under the provisions

3. Since Effective tax rate is nil, numerical reconciliation between average effective rate and applicable tax rate is not given.

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

39 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Level 1 (Quoted price in active markets)	31st March, 2018 Rs.in Lacs	31st March, 2017 Rs.in Lacs
Investments in mutual funds FVTPL	955.37	1,000.85

Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31st March, 2018 Rs.in Lacs	31st March, 2017 Rs.in Lacs
Financial assets measured at amortized cost		
Trade receivables	2,076.27	2,110.03
Cash and cash equivalents	30.13	109.47
Bank Balances other than Cash and Cash Equivalents	1,141.61	1,440.82
Loans	2,993.00	2,993.00
Other financial assets	408.11	253.91
Investments	1.13	1.13
Financial assets measured at Fair value through profit and loss		
Investments	955.37	1,000.85
Financial liabilities measured at amortized cost		
Borrowings	815.77	596.14
Trade Payables	1,309.01	1,135.85
Other financial liabilities	94.63	164.33

40 Capital Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic
and day-to-day needs. Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's adjusted net debt to equity ratio is as follows:

	31st March, 2018 Rs.in Lacs	31st March, 2017 Rs.in Lacs
Total borrowings along with accrued interest	815.77	596.14
Less : Cash and cash equivalents	(30.13)	(109.47)
Adjusted net debt	**785.64**	**486.67**
Equity	560.84	560.84
Other Equity	6,396.30	6,620.67
Total Equity	**6,957.14**	**7,181.51**
Adjusted net debt to equity ratio	0.11	0.07

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED *

41 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) 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.

(i) 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 has fixed rate for borrowings and hence, it is not exposed to interest rate fluctuations.

For details of the Company's borrowings including interest rate profiles, refer to Note 17 to the financial statements.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Exposure to currency risk
The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31st March, 2018 Rs.in Lacs	31st March, 2017 Rs.in Lacs
Trade Payable	USD 1,21,000 Rs 78.77 Lacs	USD 3,084 Rs 2.00 Lacs
Balance sheet exposure		

Foreign currency sensitivity

The Company is exposed to the USD. The following table demonstrates the sensitivity to a 10% increase or decrease in the USD against Rs. with all other variables held constant. The sensitivity analysis is prepared on the unhedged exposure of the Company as at the reporting date.

		Rs. In lakhs
Effect in Rs. in lacs	**Profit or loss Strengthening**	**Weakening**
31-Mar-18		
USD	(7.88)	7.88
Effect in Rs. in lacs	**Profit or loss Strengthening**	**Weakening**
31-Mar-17	(0.20)	0.20

(B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:
i) Actual or expected significant adverse changes in business;
ii) Actual or expected significant changes in the operating results of the counter-party;
iii) Financial or economic conditions that are expected to cause a significant change to the counter-party's ability to meet its obligations;
iv) Significant increase in credit risk on other financial instruments of the same counter-party; and
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The Company limits its exposure to credit risk of balances held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus in bank accounts.

MSKA & ASSOCIATES ★ Chartered Accountants

WORK STORE LIMITED ★

The company recognises expected credit loss based on the following:

Internal Rating	Category	Description of category	Basis of recognition of expected credit loss provision	
			Loans, deposits and other receivables	Trade receivables
IR 1	Standard assets with low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and there have been low frequency of defaults	12 month expected credit losses	life time expected credit losses (simplified approach)
IR 2	Substandard assets with moderate and high credit risk	Assets where there is significant increase in credit risk since initial recognition and there is a moderate to high propablity of default.	life time expected credit losses	life time expected credit losses
IR 3	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery. As and when recoveries are made, these are recognised in Statement of Profit and Loss	Asset is written off	

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity recognises impairment loss allowance based on 12-month ECL.

The movement in ECL in respect of trade receivables is as follows:

Rs. in lakhs

	Internal Rating (IR)	31-Mar-18	31-Mar-17
Gross carrying amount	IR 1	2,076.27	2,110.02
	IR 2	92.24	84.63
		2,168.51	2,194.65
Provision for doubtful receivables		(92.24)	(84.63)
Balance at the end of the year		2,076.27	2,110.02

The movement in ECL in respect of Investments, Security Deposits, Loans and Advances and other asets is as follows:

Rs. in lakhs

	Internal Rating (IR)	31-Mar-18	31-Mar-17
Gross carrying amount	IR 1	3,354.63	3,239.34
Provision for doubtful receivables		-	-
Balance at the end of the year		**3,354.63**	**3,239.34**

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the company's reputation. The management monitors rolling forecast on the liquidity position and cash and cash equivalents on the basis of expected cash flows.

The table below analysis financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Rs. in lakhs

		Contractual cash flows			
As at 31 March 2018	Total	1 year or less	1-2 years	2-5 years	> 5 years
Non-derivative financial liabilities					
Borrowings	815.77	815.77	-	-	-
Trade Payables	1,309.01	1,309.01	-	-	-
Other current financial liabilities	94.63	94.63	-	-	-

Rs. in lakhs

		Contractual cash flows			
As at 31 March 2017	Total	1 year or less	1-2 years	2-5 years	> 5 years
Non-derivative financial liabilities					
Borrowings	596.14	596.14	-	-	-
Trade Payables	1,135.85	1,135.85	-	-	-
Other current financial liabilities	164.33	164.33	-	-	-

42 Investment and Loans & Advances given to Subsidiary:

The Company has made 'Long Term Investments' in its subsidiary amounting to Rs. 1 lac and has also extended loans & advances including interest amounting to Rs. 2015 lacs as at March 31, 2018. Based on the latest audited financial statements of the subsidiary, it has been observed that there has been diminution in the value of above mentioned investments and loans & advances in view of continuous losses incurred by the subsidiary and eroded net worth. However, after considering long term business plans and future cash flows of the subsidiary, the management of the Company believes that the diminution in the value of investment is not permanent in nature and recoverability of loans & advances including interest are rest assured considering future cash flows and hence, no provision is required to be made for diminution in the value of investment and loans & advances including interest.

MSKA & ASSOCIATES * Chartered Accountants *

WORK STORE LIMITED

Work Store Limited (formerly Staples Future Office Products Limited)
Notes to financial statements for the Year ended Mar 31, 2018

43 **Events occurring after the reporting date:**
There were no significant events occurring after the reporting date except for approval of the scheme of merger by absorption between Work Store Limited and Retail Light Techniques Limited by the Board of Directors in their meeting dated 25th May 2018.

44 **Approval of Financial Statement**
The financial statements were approved by the Board of Directors in meeting dated 25th May 2018.

45 **Previous Year Comparatives**
Previous year figures have been regrouped / rearranged / reclassified to confirm presentation as per INDAS as required by Schedule 3 of the Act wherever necessary.

As per our Report of even date

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

Amrish Anup Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date: May 25, 2018

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

Shailesh Karwa
Director

Vivek Biyani
Director

Place : Mumbai
Date: