

INDEPENDENT AUDITOR’S REPORT

**TO THE MEMBERS OF
BLUEROCK ESERVICES PRIVATE LIMITED**

Report on the Standalone Ind AS Financial Statement

We have audited the accompanying Standalone Ind AS financial statements of **BLUEROCK ESERVICES PRIVATE LIMITED** (hereinafter referred to as “the Company”) which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement for the year then ended, statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statement”).

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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.

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the company as at 31st March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

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

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 appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report is 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.
- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate Report in “Annexure B”.
- g) There is no qualification relating to the maintenance of accounts and other matters connected therewith
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - iv. The company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company.

For SURINDER MAHAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 009973N

Sd/-

SHIVAM SHARMA
(PARTNER)
M. No: 537826
Place: New Delhi
Date: 10th May 2017

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of BLUEROCK ESERVICES PRIVATE LIMITED for the year ended 31st March, 2017.

On the basis of the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The company has a regular programme for verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, fixed assets were verified during the year by the management and no material discrepancies were noticed. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- (c) According to the information provided to us, the company does not own any immovable property.
- (ii) During the year under consideration the company has moved from wholesale trade business to marketplace model of business through the company's website. The inventory available with the company from last year has been sold in the beginning of the year. No further purchases have been made by the company. The company did not have inventory for most part of the year. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security, wherever applicable.
- (v) The company has not accepted any deposits. Thus, para 3(v) of the order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Thus, para 3(vi) of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, cess and other material statutory dues (to the extent applicable) have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, cess and other material statutory dues (to the extent applicable) were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

- (b) According to the information and explanations given to us, there are no disputed statutory liabilities of the Company.
- (viii) According to the information and explanation given to us, the Company does not have any outstanding amount due to financial institutions, banks or debenture holders during the year. Accordingly para 3(viii) of the order is not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly para3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Provisions of Section 197 of the Companies Act 2013 are applicable only to Public Companies and not Private Companies. This being a Private Company, para 3(xi) of the Order is not applicable.
- (xii) Company is not a Nidhi Company. Therefore, the provisions of para 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (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 of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SURINDER MAHAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 009973N

Sd/-

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

SHIVAM SHARMA
(PARTNER)
M. No: 537826
Date: 10th May 2017
Place: New Delhi

OFFICE

Delhi: A - 134, Defence Colony, New Delhi – 110024, India
Phone: +91-11-46536729, Email: info@surindermahajan.com
Delhi | Jalandhar | Jammu

ANNEXURE - B TO THE 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 **BLUEROCK ESERVICES SERVICES PRIVATE LIMITED**. ("The Company") as of 31 March 2017 in conjunction with our audit of the 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'). 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

**For SURINDER MAHAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 009973N**

Sd/-

SHIVAM SHARMA

(PARTNER)

M.NO. - 537826

Place: New Delhi

Date: 10th May 2017

Bluerock eServices Pvt Ltd
Balance Sheet as at March 31, 2017

(Amount in rupees)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
a. Property, Plant and Equipment	3	3,645,608	6,274,626	11,504,642
b. Other Intangible assets	4	8,813,940	5,474,049	6,797,229
c. Intangible assets under development		112,000	112,000	112,000
d. Financial Assets		-	-	-
e. Other non-current assets	5	-	-	-
Total non-current assets		12,571,548	11,860,675	18,413,871
Current assets				
a. Inventories	6	-	47,724,917	221,030,277
b. Financial Assets				
i. Trade receivables	7	2,245,731	211,932,412	99,259,859
ii. Cash and cash equivalents	8	8,369,214	23,300,666	105,524,943
iii. Other Financial Assets	9	1,120,000	3,772,911	6,849,171
c. Other Current Assets	5	33,304,554	35,703,646	138,040,023
Total current assets		45,039,499	322,434,553	570,704,273
Total assets		57,611,047	334,295,228	589,118,144
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	10	224,520,990	224,520,990	152,347,190
b. Other equity	11	-365,300,591	61,078,941	131,937,690
Total Equity		-140,779,601	285,599,931	284,284,880
Non-current liabilities				
a. Provisions	12	4,601,004	2,371,022	3,904,366
b. Financial Liabilities				
c. Other non-current liabilities	13	-	-	-
Total non-current liabilities		4,601,004	2,371,022	3,904,366
Current liabilities				
a. Financial Liabilities				
i. Trade payables	14	107,126,016	31,070,015	262,464,644
b. Provisions	12	15,364,311	7,675,609	21,318,578
c. Other current liabilities	13	71,299,317	7,578,651	17,145,677
Total current liabilities		193,789,644	46,324,275	300,928,899
Total liabilities		198,390,648	48,695,297	304,833,265
Total Equity and Liabilities		57,611,047	334,295,228	589,118,144

See accompanying notes to the consolidated financial statements

For Surinder Mahajan & Associates
Chartered Accountants
F R No. 009973N

For and on behalf of the Board of Directors of
Bluerock eServices Private Limited

Sd/-
Partner
Membership No:
Place: New Delhi
Date: 10th May 2017

Sd/-
Director
Ashish Garg
DIN -07328221

Sd/-
Director
Deepak Tanna
DIN -02148981

Bluerock eServices Pvt Ltd**Statement of profit or loss and other comprehensive income for the year ended March 31, 2017***(Amount in rupees)*

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
I Revenue from operations	15	68,923,435	410,122,173
II Other Income	16	945,167	6,668,640
III Total Income (I + II)		69,868,602	416,790,813
IV Expenses			
Purchases of stock-in-trade & Other Direct Costs	17	473,928	399,835,136
Changes in inventories of finished goods, stock-in-trade		47,724,917	173,305,360
Employee benefits expense	18	84,535,782	136,480,570
Finance costs	19	58,561	289,110
Depreciation and amortisation expense	20	5,062,671	8,090,649
Other Expenses	21	358,322,481	332,365,391
Total Expenses (IV)		496,178,341	1,050,366,216
V Profit before tax (III - IV)		-426,309,738	-633,575,403
VI Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit for the year (V - VI)		-426,309,738	-633,575,403
IX Total comprehensive income for the year (VII + VIII)		-426,379,533	-631,768,348
Earnings per equity share :			
(1) Basic (in Rs.)	22	-18.99	-32.28
(2) Diluted (in Rs.)		-18.99	-32.28

See accompanying notes to the consolidated financial statements

For Surinder Mahajan & Associates
Chartered Accountants
F R No. 009973N

For and on behalf of the Board of
Directors of Bluerock eServices Private
Limited

Sd/-

Partner

Membership No:

Place: New Delhi

Date:

Sd/-

Director

Ashish Garg

DIN -07328221

Sd/-

Director

Deepak Tanna

DIN -02148981

Bluerock eServices Pvt Ltd
Statement of Cash flows for the year ended March 31, 2017

(Amount in rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flows from operating activities		
Profit for the year	(426,379,533)	(631,768,349)
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs recognised in profit or loss	-	-
Interest income recognised in profit or loss	(845,235)	(4,057,322)
Gain on disposal of property, plant and equipment	(26,949)	(354,479)
Depreciation and amortisation of non-current assets	5,062,671	8,090,649
Net foreign exchange (gain)/loss	-	-
	(422,189,047)	(628,089,500)
Working Capital Adjustments:		
(Increase)/decrease in trade and other receivables	212,339,592	(112,672,553)
(Increase)/ decrease in inventories	47,724,917	173,305,360
(Increase)/decrease in other assets	2,399,093	54,591,225
Increase/ (Decrease) in trade payables	76,056,002	(231,394,629)
Increase/ (Decrease) in provisions	9,918,684	(13,243,969)
Increase/(Decrease) in other liabilities	63,720,666	(11,499,370)
Cash generated from operations	(10,030,093)	(769,003,436)
Income taxes paid	-	-
Net Cash flows from Operating Activities	(10,030,093)	(769,003,436)
Cash flows from investing activities		
Payments to acquire financial assets	(5,790,226)	(1,990,704)
Proceeds on sale of financial assets	16,682	453,252
Interest received	845,235	4,057,322
Proceeds from disposal of property, plant and equipment	26,949	354,479
Net Cash flows (used in)/generated by investing activities	(4,901,360)	2,874,348
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	633,083,400
Interest paid	-	-
Net cash from / (used in) financing activities	-	633,083,400
Net increase in cash and cash equivalents	(14,931,452)	(133,045,689)
Cash and cash equivalents at the beginning of the year	23,300,666	156,346,355
Cash and cash equivalents at the end of the year	8,369,214	23,300,666

See accompanying notes to the consolidated financial statements

For Surinder Mahajan & Associates
Chartered Accountants
F R No. 009973N

For and on behalf of the Board of Directors of
Bluerock eServices Private Limited

Sd/-
Partner
Membership No:
Place: New Delhi

Sd/-
Director
Ashish Garg
DIN -07328221

Sd/-
Director
Deepak Tanna
DIN -02148981

Date: 10th May 2017

Bluerock eServices Pvt Ltd
Statement of Changes in equity for the year ended March 31, 2017

Equity Share Capital

Equity Shares of INR 10 each issued, Subscribed and fully paid	No. of Shares
At 1 April 2015	15,234,719
Issued during the year 2015-16	7,217,380
At 31 March 2016	22,452,099
Issued during the year 2016-17	-
At 31 March 2017	22,452,099

Other Equity

Particulars	Equity Share Capital	Reserve & Surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance at April 1, 2015	152,347,190	1,370,224,860	-1,326,941,770	195,630,280
Profit for the year	-	-	-633,575,403	-633,575,403
Other comprehensive income for the year, net of income tax	-	-	1,807,055	1,807,055
Total comprehensive income	-	-	-631,768,348	-631,768,348
Issue of Share Capital	72,173,800	649,564,200	-	721,738,000
Balance at March 31, 2016	224,520,990	2,019,789,060	-1,958,710,118	285,599,932
Profit for the year	-	-	-426,309,738	-426,309,738
Other comprehensive income for the year, net of income tax	-	-	-69,795	-69,795
Total comprehensive income	-	-	-426,379,533	-426,379,533
Balance at March 31, 2017	224,520,990	2,019,789,060	-2,385,089,652	-140,779,602

1 Corporate information

Bluerock e-Services Private Limited ('BESPL' or 'the Company') was incorporated on January 17, 2012.

The Company was primarily engaged in the business of Wholesale trading of furniture and Decor items upto FY 2015-16, In the FY 2016-17, the company has changed its business model to marketplace through its website fabfurnish.com

2 Significant Accounting Policies

2.1 Basis of preparation

These Financial Statement of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the historical cost convention on accrual basis.

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

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.2 Summary of significant accounting policies

a. Current & Non - Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b. Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/ materialized.

Any revision to accounting estimates is recognised prospectively in current and future periods.

c. Property, Plant and equipment

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit & loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and costs of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

d. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, the intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding development cost, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

e. Depreciation

Depreciation is provided on "Written Down Value" method in respect of Plant and Machinery, Office Equipment's and other assets as per the useful life prescribed Schedule II to the Companies Act 2013.

Intangible assets other than customer database are amortized on Straight Line Method over the estimated useful life of ten years. Intangible assets being Customer database are amortized on Straight Line Method over the estimated useful life of five years.

The stated lives are as below:

Category of Assets	Useful lives of assets
Tangible Assets	
Computer	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years
Planet & Machinery	15 years

f. Inventories

Inventory is valued at lower of cost and net realizable value. Cost is determined on Weighted Average Cost basis and includes all costs incurred to bringing the inventory to its 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. During the year under consideration the company had moved to marketplace model and thus has not maintained any inventory.

g. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- (i) Revenue from the sale of goods is recognized upon passage of title of goods to customers, which generally coincides with the delivery and acceptance of such goods. Sales are accounted exclusive of sales tax, trade discount and are net of sales returns.
- (ii) Commission Income is recognized on accrual basis in accordance with terms of agreement with parties.
- (ii) Fee for Other services (IT Support Services) are recognized on accrual basis in accordance with the terms of the agreement.

(iii) Interest is recognized on time proportionate basis.

h. Foreign currency translations

Foreign currency transactions and balances

(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 as 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 carried 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 that existed when the values were determined.

(iii) Exchange Differences

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

i. Provisions and Contingences

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which is reliably estimable, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and 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 enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

f. Earnings Per Share

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

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

g. Retirement and other employee benefits

(i) Retirement benefits 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 to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

(iii) Short term and Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses through remeasurement of the net defined benefit liability / (asset) are recognized in other comprehensive income. The effect of any plan amendments are recognized in Statement of Profit and Loss.

h. Leases

Leased payments under operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

i. Income Taxes

Income tax expense comprises current tax (that is amount of tax for the year determined in accordance with the income-tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liability and/ or deferred tax asset are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in the future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at the Balance Sheet date and are written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

j. Fair Value of Financial Instruments

In determining the fair value of financial instrument the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounting cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

k. Cash Flow Statements

Cash Flow are reported using the indirect method, whereby profit for the priod is adjusted for the effects of transaction of a non - cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

3 Property, plant and equipment					
Description of Assets	Office Equipment	Computers	Plant and machinery	Furniture and Fixtures	Total
I. Gross Block					
Balance as at 1 April, 2016	5,347,039	19,772,656	167,460	3,262,823	28,549,977
Additions	129,506				129,506
Disposals		-101,020			-101,020
Balance as at 31 March, 2017	5,476,545	19,671,636	167,460	3,262,823	28,578,463
II. Accumulated depreciation and impairment for the year 2016-2017					
Balance as at 1 April, 2016	3,365,869	17,073,216	61,669	1,774,598	22,275,351
Depreciation / amortisation expense for the year	967,067	1,355,592	19,274	399,909	2,741,842
Eliminated on disposal of assets		-84,338			-84,338
Balance as at 31 March, 2017	4,332,936	18,344,470	80,943	2,174,507	24,932,855
Net block (I-II)					
Balance as on 31st March 2017	1,143,609	1,327,166	86,517	1,088,316	3,645,608
Balance as on 31st March 2016	1,981,170	2,699,440	105,791	1,488,225	6,274,626
Description of Assets	Office Equipment	Computers	Plant and machinery	Furniture and Fixtures	Total
I. Gross Block					
Balance as at 1 April, 2015	4,756,771	20,386,179	234,555	3,172,969	28,550,474
Additions	1,065,297	835,553		89,854	1,990,704
Disposals	-475,030	-1,449,076	-67,095		-1,991,201
Balance as at 31 March, 2016	5,347,039	19,772,656	167,460	3,262,823	28,549,977
II. Accumulated depreciation and impairment for the year 2015-2016					
Balance as at 1 April, 2015	2,042,309	13,717,726	47,595	1,238,203	17,045,832
Depreciation / amortisation expense for the year	1,619,927	4,596,386	34,520	536,395	6,787,228
Eliminated on disposal of assets	-296,367	-1,240,896	-20,446		-1,557,709
Balance as at 31 March, 2016	3,365,869	17,073,216	61,669	1,774,598	22,275,351
Net block (I-II)					
Balance as on 31st March 2016	1,981,170	2,699,440	105,791	1,488,225	6,274,626
Balance as on 1st April 2015	2,714,463	6,668,453	186,960	1,934,766	11,504,642

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

4 Other intangible assets

Particulars	Trademark, Brand and Others	Software	Total
Cost			
Balance at April 1, 2016	2,336,430	10,627,771	12,964,201
Additions during the year	5,500,000	160,720	5,660,720
Balance at March 31, 2017	7,836,430	10,788,491	18,624,921
Accumulated amortisation			
Balance at April 1, 2016	1,260,489	6,229,663	7,490,152
Amortisation expense	1,241,980	1,078,849	2,320,829
Balance at March 31, 2017	2,502,469	7,308,512	9,810,981
Balance as on 31st March 2017	5,333,961	3,479,979	8,813,940
Balance as on 31st March 2016	1,075,941	4,398,108	5,474,049
Particulars	Trademark, Brand and Others	Software	Total
Cost			
Balance at April 1, 2015	2,336,430	10,705,371	13,041,801
Additions during the year			-
Disposals or classified as held for sale		-77,600	-77,600
Balance at March 31, 2016	2,336,430	10,627,771	12,964,201
Accumulated amortisation			
Balance at April 1, 2015	1,026,845	5,217,728	6,244,572
Amortisation expense	233,644	1,069,777	1,303,421
Disposed off during the year		-57,842	-57,842
Balance at March 31, 2016	1,260,489	6,229,663	7,490,150
Balance as on 31st March 2016	1,075,941	4,398,108	5,474,051
Balance as on 1st April 2015	1,309,585	5,487,643	6,797,229

Bluerock eServices Pvt Ltd
Notes to the financial statements

5 Other Non Current & Current Assets

Particulars	As at March 31, 2017			As at March 31, 2016		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Prepaid Expenses	1,634,840		1,634,840	1,610,204		1,610,204
(b) Advances to suppliers	3,797,660		3,797,660	29,131,365		29,131,365
Less: provision for doubtful advances	-3,797,660		-3,797,660	-28,872,878		-28,872,878
	-		-	258,487		258,487
(c) Balances with government authorities	22,739,748		22,739,748	16,247,831		16,247,831
Less: provision for doubtful assets	-6,561,938		-6,561,938	-6,561,938		-6,561,938
	16,177,810		16,177,810	9,685,893	-	9,685,893
(d) TDS Receivable	3,815,793		3,815,793	4,653,247		4,653,247
(e) Accrued Income	9,658,001		9,658,001	172,535		172,535
(f) Advances to Staff	-	-	-	-	-	-
(g) Fixed Deposits	2,018,110		2,018,110	19,323,280		19,323,280
Total	33,304,554	-	33,304,554	35,703,646	-	35,703,646

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

6 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016
Finished goods	-	44,936,620
Packing Material and Others	-	2,788,297
Total	-	47,724,917

7 Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, Considered Good		
- Market Place	839,125	-
- Courier Partners	1,406,606	-
	2,245,731	-
Unsecured, Considered doubtful	216,845,561	211,932,412
Less: Provision for doubtful debts	-216,845,561	-
	-	211,932,412
Total	2,245,731	211,932,412

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

8 Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016
Cash on hand	-	25,312
<i>Balances with banks:</i>		
Balances in scheduled banks in current account	8,369,214	23,275,355
Total	8,369,214	23,300,666

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

8.2 Details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8 November, 2016 to 30 December, 2016 is as follows:

Particulars	Specified Bank Notes	Other denomination notes
Closing cash in hand as on 08.11.2016	17,500	6
(+) Permitted receipts	-	460,000
(-) Permitted payments	-	460,000
(-) Amount deposited in Banks	17,500	6
Closing cash in hand as on 30.12.2016	-	-

9 Other Financial Assets

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposit	1,120,000	3,772,911
Total	1,120,000	3,772,911

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

10 Equity Share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	224,520,990	224,520,990	152,347,190
Total	224,520,990	224,520,990	152,347,190
Authorised Share Capital:			
3000000 Equity Shares of Rs. 10/- each	300,000,000	300,000,000	339,000
Issued and Subscribed Capital comprises:			
2,24,52,099 Fully paid equity shares of Rs.10/- each (as at March 31, 2016)	224,520,990	224,520,990	152,347,190
Total	224,520,990	224,520,990	152,347,190

10.1 Fully paid equity shares - Reconciliation

Particulars	Number of shares	Amount
Balance at April 1, 2015	15,234,719	152,347,190
Movements:		
Shares Issued during the year	7,217,380	72,173,800
Balance at March 31, 2016	22,452,099	224,520,990
Movements:		
Shares Issued during the year	-	-
Balance at March 31, 2017	22,452,099	224,520,990

10.2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	No. of fully paid ordinary shares	% of Holding
As at March 31, 2017		
Future Enterprises Limited	22,452,093	99.99%
As at March 31, 2016		
Fabfurnish UG (haftungschrankt) & Co. KG	21,892,789	97.51%

10.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% of holding	No. of shares	% of holding
Fully paid equity shares				
Future Enterprises Limited	22,452,093	99.99%	-	-
FabFurnish UG (haftungschrankt) & Co. KG	-	-	21,892,789	97.51%

11 Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Reserve	2,019,789,060	2,019,789,060
Retained Earnings	-1,958,710,118	-1,326,941,770
Profit/Deficit for the year	-426,379,533	-631,768,348
Total	-365,300,591	61,078,941

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

12 Provisions

Particulars	As at March 31, 2017			As at March 31, 2016		
	Current	Non- Current	Total	Current	Non- Current	Total
Employee benefits						
- Provision for compensated absences	-	1,924,481	1,924,481	28,185	848,197	876,382
- Provision for gratuity	39,098	2,676,523	2,715,621	16,011	1,522,825	1,538,836
- Provision for bonus and other expenses	15,325,213		15,325,213	7,631,413	-	7,631,413
			-			
Total	15,364,311	4,601,004.00	19,965,315	7,675,609	2,371,022	10,046,631

13 Other liabilities

Particulars	As at March 31, 2017			As at March 31, 2016		
	Current	Non- Current	Total	Current	Non- Current	Total
Advances from customers	11,983,924	-	11,983,924	-	-	-
Statutory dues	2,620,594	-	2,620,594	6,475,255	-	6,475,255
Advance for Services	56,687,000	-	56,687,000	-	-	-
Others	7,800	-	7,800	1,103,396		1,103,396
Total	71,299,317	-	71,299,317	7,578,651.10	-	7,578,651

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

14 Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payables	107,126,016	31,070,015
Others -Market Place*		-
Total	107,126,016	31,070,015

*** Represents Amount Payable to Market Place Suppliers**

Pursuant to the amendment of Schedule III of the Companies Act, 2013, regarding disclosure of amount due to creditors which are Micro, Medium and Small Enterprises (MSME), the Company has not received any intimation regarding the MSME status from the creditors hence, disclosures, if any, relating to amounts unpaid as at the period-end alongwith the interest paid / payable as required under the said Act have not been given.

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

15 Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Products		
Sale of products (Including Excise Duty of Rs. Nil for the year ended March 31, 2017, for the year ended March 31, 2016 : Rs. Nil)	4,992,456	399,329,918
- Scrap Sales	-	13,785
Sale of Services		
- Commission income	61,530,979	-
- Franchisee Fees	-	10,778,470
- IT Support Services	2,400,000	-
	68,923,435	410,122,173

16 Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income		
- on Bank deposits	845,235	4,057,322
- on Income tax refund	72,983	143,746
Rental income		
- Lease rental income on others	-	1,188,418
Other gains and losses		
- Gain on disposal of property, plant and equipment	26,949	354,479
Misc Income	-	924,676
Total	945,167	6,668,640

17 Purchases of stock-in-trade & Other Direct Costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases	-	355,501,522
Packing Material and other consumables	-	17,134,661
Other Direct Costs	473,928	27,198,953
Cost of Goods Sold	473,928	399,835,136

18 Employee benefits expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	79,917,416	126,898,467
Contribution to provident and other funds	2,949,969	3,771,674
Staff Welfare Expenses	1,668,397	5,810,429
	84,535,782	136,480,570

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

19 Finance Costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
-Bank Charges	58,561	289,110
Total	58,561	289,110

20 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment (Note 3)	2,722,568	6,787,228
Amortisation of intangible assets (Note 4)	2,340,103	1,303,421
Total depreciation and amortisation	5,062,671	8,090,649

21 Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel / Electricity Expenses	2,116,274	5,456,108
Rent Expense	7,298,218	76,607,861
Repairs and Maintenance		
- Buildings	1,829,291	4,930,540
Advertisement and Selling expenses	65,427,666	110,228,053
Commission to payment gateways	5,040,197	-
Travelling and conveyance	3,275,844	8,917,713
Security and Housekeeping Charges	1,505,959	37,962,662
Legal and Professional Charges	5,584,376	14,360,843
Rates & Taxes	2,211,427	2,441,393
Insurance	1,165,897	916,382
Net loss on foreign currency transactions and translation	3,691	971,447
Bad Debts and Advances Written Off	3,185,242	35,434,816
Provision for Doubtfull debts	216,845,561	-
IT and Software Charges	16,880,138	27,040,595
Printing and Stationary	482,265	802,953
Transportation and Handling Charges	22,080,420	-
Telecommunication Expenses	1,670,605	5,253,708
Assembly Charges	1,389,410	-
Miscellaneous expenses	-	695,319
Payment to Auditors	330,000	345,000
Total	358,322,481	332,365,391

21.1 Payments to auditors

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) For audit	300,000	300,000
b) For tax audit fee	30,000	45,000
c) For taxation matters	-	-
d) For company law matters	-	-
e) For other services	-	-
f) For reimbursement of expenses	-	-
Total	330,000	345,000

Bluerock eServices Pvt Ltd
Notes to the financial statements

22 Earning per share

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	(Rs. per share)	(Rs. per share)
Basic earnings per share	-18.99	-32.28
Total basic and diluted earnings per share	(18.99)	(32.28)

22.1 Basic earning per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit / (loss) for the year attributable to owners of the Company	-426,379,533	-631,768,348
Less: Dividends paid on preference shares		
Earnings used in calculation of basis earning per share	-426,379,533	-631,768,348
Profits used in the calculation of basic earnings per share from continuing operations	-426,379,533	-631,768,348
Weighted average number of equity shares (Numbers)	22,452,099	19,570,656

Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

22.2 Diluted earning per share

The earnings used in the calculation of diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Earnings used in calculation of basis earning per share	-426,379,533	(631,768,348)
Earnings used in calculation of diluted earning per share	-426,379,533	-631,768,348
Profits used in the calculation of diluted earnings per share from continuing operations	-426,379,533	-631,768,348

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used on the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic earnings per share	22,452,099	19,570,656
Weighted average number of equity shares used in the calculation of diluted earnings per share	22,452,099	19,570,656

23 Foreign Currency Disclosures

Expenditure in Foreign Currency

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Advertisement Expenses	3,290,934	4,311,726
IT Support Services	2,946,374	2,146,152
Marketing Expenses	725,793	
Recruitment Consultancy Charges	35,765	
Travelling and Conveyance		101,786
Purchase of Finished Goods		49,364,946
Total	6,998,866	55,924,610

24 Trade receivables / payables/ advances are subject to confirmation and reconciliation if any.

25 Fair Values

The Management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Bluerock eServices Pvt Ltd
Notes to the financial statements

26 Employee benefit plans

26.1 Defined Contribution Plan

Company's contribution to provident fund, superannuation fund and employee state insurance are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss.

The Company's contribution to Provident Fund and employee state insurance for the year 2016-2017 aggregating to Rs. 29,49,969/- (2015-2016: Rs. 37,71,674/-) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

26.2 Defined Benefit Plans

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. In case of death while in service, the gratuity is payable irrespective of vesting. The liability in respect of plan is determined on the basis of an actuarial valuation.

The Following table set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016:

Particulars	As at March 31, 2017	As at March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	1,538,836	2,463,512
Service cost	983,883	685,298
Interest expense	123,107	197,081
Remeasurements - Actuarial (gains)/losses	69,795	-1,807,055
Benefits paid	-	-
Benefit obligations at the end	2,715,621	1,538,836
Change in plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-
Transfer of assets	-	-
Remeasurements - Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of plan assets at the end	-	-
Funded Status	-2,715,621	-1,538,836

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in Statement of Profit and Loss under employee benefit expenses

Particulars	As at March 31, 2017	As at March 31, 2016
Service cost	983,883	685,298
Net Interest on the net defined benefit liability / asset	123,107	197,081
Curtailment gain	-	-
Net Gratuity Cost	1,106,990	882,379

Bluerock eServices Pvt Ltd
Notes to the financial statements

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in Statement of Comprehensive Income

Particulars	As at March 31, 2017	As at March 31, 2016
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses		
Actuarial (gains) / losses on arising from Experience Adjustment	-215,921	-1,807,055
Gain/ (loss) from change in demographic assumptions	-	-
Gain/ (loss) from change in financial assumptions	285,746	-
	69,825	-1,807,055

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particular	As at March 31, 2017	As at March 31, 2016
1. Discount rate	7.35	8.00
2. Salary escalation	5.50	5.50
3. Mortality rate	100% of IALM (2006-08)	
4. Retirement Age	60	60

27 Related party transactions

27.1 Holding Company Future Enterprises Limited

27.2 Key management personnel's

Ashish Garg (Additional Director)
Ankita Dabas (Additional Director)
Vivek Biyani (Director)
Arun Gupta (Director till 15.03.2017)

27.3 List of related parties

Name	Relation
Vijay Biyani	Relative of Director
Tanushri Biyani	Relative of Director
Santosh Biyani	Relative of Director
Keshav Biyani	Relative of Director
Vidisha Bagree	Relative of Director
Dhanshree Fashions Private Limited	Common Directors
Kuber Mall Management Private Limited	Common Directors
Vayuputra Realty Private Limited	Common Directors
Future Corporate Resources Limited	Common Directors
Future E-Commerce Infrastructure Limited	Common Directors
Retail Light Techniques India Limited	Common Directors
Future Hospitality Private Limited	Common Directors
Future Supply Chain Solutions Limited	Common Directors
Futurefone Limited	Common Directors
Bartraya Mall Development Company Private Limited	Common Directors
Ustav Mall Management Company Private Limited	Common Directors
Harmony Malls Management Private Limited	Common Directors
Kesari Realty Private Limited	Common Directors
Mahabal Realty Private Limited	Common Directors
Future Digital (India) Limited	Common Directors
Future Coupons Limited	Common Directors
Work Store Limited	Common Directors
Future Knowledge Services Limited	Common Directors
Nimbi Jodha Trading& Finvest Private Limited	Common Directors
BLB Trading & Investment Consultant	Director is partner in firm
Brahmabrata Trading LLP	Relative of Director
Akar Estate & Finance Private Limited	Common Directors
Bansi Mall Management Company Private Ltd.	Common Directors
ESES Commercials Private Limited	Common Directors
Future Capital Investment Private Limited	Common Directors
Future Ideas Company Limited	Relative of Director
Future Hospitality Management Limited	Common Directors
Future Hospitality Private Limited	Common Directors
Future Human Development Limited (FHDL)	Common Directors
Gargi Developers Private Limited	Common Directors
Iskrupa Mall Management Company Private Ltd	Common Directors
Kavi Sales Agency LLP	Relative of Director
Liquid Foot Infraprojects LLP	Relative of Director
Manz Retail India Pvt Ltd	Common Directors
One India Capital Advisors LLP	Relative of Director
PIL Industries Ltd	Common Directors
Planet Traders Limited	Common Directors
Rural Fairprice Wholesale Limited	Common Directors
Samreen Multitrading LLP	Relative of Director
VLB Enterprise LLP	Relative of Director
Taraka Infrastructure LLP	Relative of Director
Work Store Limited (f/k/a Staples Future Office Products Ltd)	Subsidiary of Holding Company

Bluerock eServices Pvt Ltd
Notes to the financial statements

Sprint Advisory Services Private Limited	Subsidiary of Holding Company
Shendra Advisory Services Private Limited	Subsidiary of Holding Company
Galaxy Entertainment Corporation Limited	Subsidiary of Holding Company
Goldmohur Design and Apparel Park Limited	Associate of Holding Company
Future Supply Chain Solutions Limited	Associate of Holding Company
Futurebazaar India Limited	Associate of Holding Company
Future Generali India Life Insurance Co Ltd	Associate of Holding Company
Future Media (India) Limited	Subsidiary of Holding Company
Office Shop Private Limited	Subsidiary of Holding Company
Future Generali India Insurance Co Ltd	Subsidiary of Holding Company
Future E-Commerce Infrastructure Limited	Subsidiary of Holding Company
Apollo Design Apparel Parks Limited	Subsidiary of Holding Company
Jagdish Chander Dabas	Relative of Director
Dinesh Agarwal	Relative of Director
Turtle Limited	Common Directors
Unico Retail Limited	Common Directors
Skechers South Asia Private Limited	Common Directors
Eclat Lifestyle Private Limited	Common Directors
Karadi Path Education Company Private Limited	Common Directors

27.4 Related Party Transactions

Compensation to key managerial personnel	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and other employee benefits	11,656,808	28,407,329
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

Previous Year details:

Year ended March 31 2016

Holding Company

FabFurnish UG (haftungschrankt) & Co. KG

Key Management Personnel

Mr. Vikram Chopra - Director (Till 07.11.2015)
 Mr. Mehul Agarwal - Managing Director (Till 07.11.2015)
 Mr. Ashish Garg - Additional Director (w.e.f. 07.11.2015)
 Ms. Ankita Dabas - Additional Director (w.e.f. 07.11.2015)

Transactions during the year ended March 31, 2016

Nature of Transactions	Holding Company
Equity Shares issued during the year (including securities premium)	721,738,000

Year ended March 31 2015

Holding Company

VRB GMBH, Germany

Key Management Personnel

Mr. Vikram Chopra - Director
Mr. Mehul Agarwal - Managing Director

28 First-time adoption of Ind-AS

These financial statements for the year ended 31 March 2017 are the first financial statements prepared by the company in accordance with Ind AS. The Company prepared its financial statements for periods up to and including the year ended 31 March 2016, in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

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

Exemptions availed

Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

28.1 Reconciliation of total equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
a. Property, Plant and Equipment		11,504,642	-	11,504,642	6,274,626	-	6,274,626
b. Other Intangible assets		6,797,229	-	6,797,229	5,474,049	-	5,474,049
c. Intangible assets under development		112,000	-	112,000	112,000	-	112,000
d. Financial Assets		-	-	-	-	-	-
e. Other non-current assets		-	-	-	-	-	-
Total non-current assets		18,413,871	-	18,413,871	11,860,675	-	11,860,675
Current assets							
a. Inventories		221,030,277	-	221,030,277	47,724,917	-	47,724,917
b. Financial Assets		-	-	-	-	-	-
i. Trade receivables		99,259,859	-	99,259,859	211,932,412	-	211,932,412
ii. Cash and cash equivalents		105,524,943	-	105,524,943	23,300,666	-	23,300,666
iii. Other Financial Assets	A	-	6,849,171	6,849,171	-	3,772,911	3,772,911
c. Other Current Assets	A	144,889,194	-6,849,171	138,040,023	39,476,557	-3,772,911	35,703,646
Total current assets		570,704,273	-	570,704,273	322,434,553	-	322,434,553
Total assets		589,118,144	-	589,118,144	334,295,228	-	334,295,228
EQUITY AND LIABILITIES							
Equity							
a. Equity share capital		152,347,190	-	152,347,190	224,520,990	-	224,520,990
b. Other equity		131,937,690	-	131,937,690	61,078,942	-	61,078,941
Total Equity		284,284,880	-	284,284,880	285,599,932	-	285,599,931
Non-current liabilities							
a. Provisions		3,904,366	-	3,904,366	2,371,022	-	2,371,022
b. Financial Liabilities		-	-	-	-	-	-
c. Other non-current liabilities	B	-	-	-	-	-	-
Total non-current liabilities		3,904,366	-	3,904,366	2,371,022	-	2,371,022
Current liabilities							
a. Financial Liabilities							
i. Trade payables		262,464,644	-	262,464,644	31,070,015	-	31,070,015
b. Provisions		21,318,578	-	21,318,578	7,675,609	-	7,675,609
c. Other current liabilities	B	17,145,677	-	17,145,677	7,578,651	-	7,578,651
Total current liabilities		300,928,899	-	300,928,899	46,324,275	-	46,324,275
Total liabilities		304,833,265	-	304,833,265	48,695,297	-	48,695,297
Total Equity and Liabilities		589,118,144	-	589,118,144	334,295,229	-	334,295,228

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

A. Under IGAAP, Security deposit of rent is recognised as other current assets. Under Ind AS, security deposit is recognized as Financial assets.