

Draft Independent Auditors' Report

To the Members of
Bluerock Eservices Private Limited

Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **Bluerock Eservices Private Limited** (BESPL) ("the Company") which comprise the Balance Sheet as at March 31, 2019, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

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 Ind As Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit 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 disclosures in the Standalone Ind AS financial statements. 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. 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 accounting policies used and the reasonableness of the accounting estimates made by the Company 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 Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of information and according to the explanation given to us, the Standalone Ind AS financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of company as at March 31, 2019, its profit and its cash flow and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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 are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in “Annexure B” and
- 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 explanation 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 for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings and these are in accordance with the books of accounts maintained by the company.

For Harshil Shah & Co.
FR No 141179W
Chartered Accountants

Sd/-
CA Harshil Shah
Partner
Membership No 124146

Place:- Mumbai
Date :- 24th May 2019

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **Bluerock Eservices Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2019, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information provided to us, the company does not own any immovable property.
- (ii) The company is dealing with IT Support services, hence company did not have inventory. Thus company paragraph 3(ii) of the order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore paragraph 3(iii) of the Order is not applicable.
- (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, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public. Thus para 3(v) of the Order is not applicable to the company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of 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 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, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, Sales tax which have not been deposited on account of dispute.
- (viii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government and 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. Therefore, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, no excess managerial remuneration has been paid/ provided during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations give to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of optionally convertible debentures during the year.
- (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. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Harshil Shah & Co.
FR No 141179W
Chartered Accountants

Sd/-
CA Harshil Shah
Partner
Membership No 124146
Place:- Mumbai
Date :- 24th May 2019

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 Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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'). 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 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 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 Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Harshil Shah & Co.
FR No 141179W
Chartered Accountants

Sd/-
CA Harshil Shah
Partner
Membership No 124146
Place:- Mumbai
Date :- 24th May 2019

Bluerock eServices Pvt Ltd
Balance Sheet As at March 31, 2019

(Amount in rupees)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a. Property, Plant and Equipment	3	-	-
b. Other Intangible assets	4	-	-
c. Intangible assets under development		-	-
d. Financial Assets		-	-
e. Other non-current assets	5	-	-
Total non-current assets		-	-
Current assets			
a. Inventories	6	-	-
b. Financial Assets			
i. Trade receivables	7	2,509,299	13,009,299
ii. Cash and cash equivalents	8	529,637	366,160
iii. Other Financial Assets	9	188,646	188,646
c. Other Current Assets	5	8,093,291	8,093,291
Total current assets		11,320,873	21,657,396
Total assets		11,320,873	21,657,397
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	10	224,520,990	224,520,990
b. Other equity	11	-440,976,431	-435,829,402
Total Equity		-216,455,441	-211,308,412
Non-current liabilities			
a. Provisions	12	1,717,205	1,662,910
b. Financial Liabilities		-	-
c. Other non-current liabilities	13	-	-
Total non-current liabilities		1,717,205	1,662,910
Current liabilities			
a. Financial Liabilities			
i. Trade payables	14	223,892,875	220,895,050
b. Provisions	12	-	54,295
c. Other current liabilities	13	2,166,234	10,353,554
Total current liabilities		226,059,109	231,302,899
Total liabilities		227,776,314	232,965,809
Total Equity and Liabilities		11,320,873	21,657,397

See accompanying notes to the consolidated financial statements

For Harshil Shah & Co.
Chartered Accountants
FRN No. 141179W
Sd/-
Partner
Membership No: 124146
Place: Mumbai
Date: 24th May 2019

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

Sd/-	Sd/-
Director	Director
Hardeep Singh	Deepak Tanna
DIN - 07383818	DIN -02148981

Company Secretary
Pooja Laddha

Bluerock eServices Pvt Ltd
Statement of profit or loss and other comprehensive income for the year ended March 31, 2019 (Amount in rupees)

Particulars		For the year ended As at March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	15	-	42,782,605
II Other Income	16	-	-
III Total Income (I + II)		-	42,782,605
IV Expenses			
Purchases of stock-in-trade & Other Direct Costs	17	-	-
Changes in inventories of finished goods, stock-in-trade		-	-
Employee benefits expense	18	-	39,181,585
Gratuity Written back		-	-1,019,558
Finance costs	19	233	9,216
Depreciation and amortisation expense	20	-	1,306,521
Other Expenses	21	5,146,797	19,701,754
Total Expenses (IV)		5,147,030	59,179,518
Profit before Exceptional Item & tax		-5,147,030	-16,396,913
Exceptional Items	22	-	-
V Profit Before Tax		-5,147,030	-16,396,913
VI Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit for the year (V - VI)		-5,147,030	-16,396,913
Other comprehensive income			
<u>A (i) Items that will not be reclassified to profit or loss</u>			
a) Remeasurement of the defined benefit plans			2,752,237
b) Equity instruments through other comprehensive income			-
c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss		-	-
Total A(i)		-	2,752,237
VIII Total other comprehensive income [A (i-ii)+ B (i-ii.)]		-	2,752,237
IX Total comprehensive income for the period (VII + VIII)		-5,147,030	-13,644,676
Earnings per equity share :			
(1) Basic (in Rs.)	22	-0.23	-0.61
(2) Diluted (in Rs.)		-0.23	-0.61

See accompanying notes to the consolidated financial statements

For Harshil Shah & Co.
Chartered Accountants
FRN No. 141179W

Sd/-
Partner
 Membership No: 124146
 Place: Mumbai

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

Sd/-
Director
 Hardeep Singh
 DIN - 07383818

Sd/-
Director
 Deepak Tanna
 DIN -02148981

Company Secretary
 Pooja Laddha

Bluerock eServices Pvt Ltd
Statement of Cash flows for the year ended March 31, 2019
(Amount in rupees)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit for the year	(5,147,030)	(13,644,676)
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs recognised in profit or loss	-	-
Interest income recognised in profit or loss	-	0
Gain on disposal of property, plant and equipment	-	0
Depreciation and amortisation of non-current assets	-	1,306,521
	(5,147,030)	(12,338,155)
Working Capital Adjustments:		
(Increase)/decrease in trade and other receivables	10,500,000	(9,832,214)
(Increase)/ decrease in inventories	-	0
(Increase)/decrease in other assets	0	25,211,263
Increase/ (Decrease) in trade payables	2,997,828	56,884,896
Increase/ (Decrease) in provisions	-	(18,248,110)
Increase/(Decrease) in other liabilities	(8,187,320)	(60,945,764)
Cash generated from operations	163,478	(19,268,084)
Income taxes paid	-	-
Net Cash flows from Operating Activities	163,478	(19,268,084)
Cash flows from investing activities		
Payments to acquire financial assets	-	0
Proceeds on sale of financial assets	-	11,265,027
Interest received	-	0
Proceeds from disposal of property, plant and equipment	-	0
Net Cash flows (used in)/generated by investing activities	-	11,265,027
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	-
Proceeds from issue of Preference instruments of the Company	-	-
Interest paid	-	-
Net cash from / (used in) financing activities	-	-
Net increase in cash and cash equivalents	163,478	(8,003,057)
Cash and cash equivalents at the beginning of the year	366,159	8,369,216
Cash and cash equivalents at the end of the year	529,637	366,159

See accompanying notes to the consolidated financial statements

For Harshil Shah & Co.
Chartered Accountants
FRN No. 141179W

Sd/-
Partner
 Membership No: 124146
 Place: Mumbai
 Date: 24th May 2019

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

Sd/-
Director
 Hardeep Singh
 DIN - 07383818

Sd/-
Director
 Deepak Tanna
 DIN -02148981

Company Secretary
 Pooja Laddha

Bluerock eServices Pvt Ltd
Statement of Changes in equity for the year ended March 31, 2019

A. Equity Share Capital

Equity Shares of INR 10 each issued, Subscribed and fully paid	No. of Shares
At 1 April 2017	22,452,099
Issued during the year 2017-18	-
At 31 March 2018	22,452,099
Issued during the year 2018-19	-
At 31 March 2019	22,452,099

B. Other Equity

Particulars	Equity Share Capital	Reserve & Surplus			Total
		Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance at April 1, 2017	224,520,990	2,019,789,060	-	-2,385,089,652	-140,779,602
Addition during the year			-56,884,136		-56,884,136
Profit for the year	-	-	-	-16,396,913	-16,396,913
Other comprehensive income for the year, net of income tax	-	-	-	2,752,237	2,752,237
Total comprehensive income	-	-	-56,884,136	-13,644,676	-70,528,812
Issue of Share Capital	-	-	-	-	-
Balance at March 31, 2018	224,520,990	2,019,789,060	-56,884,136	-2,398,734,328	-211,308,414
Addition during the year					-
Profit for the year				-5,147,030	-5,147,030
Other comprehensive income for the year, net of income tax				-	-
Total comprehensive income	-	-	-	-5,147,030	-5,147,030
Balance at March 31, 2019	224,520,990	2,019,789,060	-56,884,136	-2,403,881,358	-216,455,444

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 providing IT support services to its clients.

1.1 Composite Scheme of Arrangement Between the Company and Future Retail Limited and ("Home Town Scheme")

Praxis Home Retail Private Limited and their respective Shareholders

The Board of Directors of the Company have approved the Composite Scheme of Arrangement between the Company and Future Retail Limited ('FRL' or 'First Demerged Company') and Praxis Home Retail Private Limited ('PHRPL' or 'Resulting Company') and their respective Shareholders ("Home Town Scheme") under Sections 230-232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 in their meeting held on April 20, 2017. The Scheme involves demerger of e-Commerce Home Retail Business from BESPL into PHRPL and for which PHRPL shall issue 6,30,000, 9% Redeemable Preference Shares of Rs. 100/- each to the shareholders of BESPL as consideration for Demerger. The Appointed Date for Demerger of e-Commerce Home Retail Business is April 15, 2016. The Home Town Scheme would be given effect on November 20, 2017 ("Effective Date"), after receipt of National Company Law Tribunal (NCLT) approvals.

includes impact of Composite Scheme of Arrangement

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.

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, 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals/Transferred	-	-	-	-	-
Balance as at 31 March, 2019	-	-	-	-	-
II. Accumulated depreciation and impairment for the year 2017-2018					
Balance as at 1 April, 2018	-	-	-	-	-
Depreciation / amortisation expense for the year	-	-	-	-	-
Eliminated on disposal/Transfer of assets	-	-	-	-	-
Balance as at 31 March, 2019	-	-	-	-	-
Net block (I-II)					
Balance as on 31st March 2019	-	-	-	-	-
Balance as on 31st March 2018	-	-	-	-	-

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, 2018	-	-	-
Additions during the year	-	-	-
Disposals/Transfer	-	-	-
Balance at Mar 31, 2019	-	-	-
Accumulated amortisation			
Balance at April 1, 2018	-	-	-
Amortisation expense	-	-	-
Eliminated on disposal/Transfer of assets	-	-	-
Balance at Mar 31, 2019	-	-	-
Balance as on 31st March 2019	-	-	-
Balance as on 31st March 2018	-	-	-

Bluerock eServices Pvt Ltd
Notes to the financial statements

5 Other Non Current & Current Assets

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Prepaid Expenses	-	-	-	-	-	-
(b) Advances to suppliers	-	-	-	-	-	-
Less: provision for doubtful advances	-	-	-	-	-	-
	-	-	-	-	-	-
(c) Balances with government authorities	571,818		571,818	571,818		571,818
Less: provision for doubtful assets	-		-			-
	571,818	-	571,818	571,818	-	571,818
(d) TDS Receivable	7,521,472		7,521,472	7,521,472		7,521,472
(e) Accrued Income	-		-			-
(f) Advances to Staff	-	-	-	-	-	-
(g) Fixed Deposits	-		-			-
(h) Goodwill due to Scheme		-	-		-	
Total	8,093,291	-	8,093,291	8,093,291	-	8,093,291

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

6 Inventories		
Particulars	As at March 31, 2019	As at March 31, 2018
Finished goods	-	-
Packing Material and Others	-	-
Total	-	-

7 Trade Receivables		
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
- Market Place	-	
- Courier Partners		
- IT Services	2,509,299	13,009,299
	2,509,299	13,009,299
Unsecured, Considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	-
Total	2,509,299	13,009,299

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		
8.1 Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	-
<i>Balances with banks:</i>		
Balances in scheduled banks in current account	529,637	366,160
Total	529,637	366,160

9 Other Financial Assets		
Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit	188,646	188,646
Total	188,646	188,646

(Amount in rupees)

10 Equity Share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Equity share capital	224,520,990	224,520,990
Total	224,520,990	224,520,990
Authorised Share Capital:		
3,00,00,000 Equity Shares of Rs. 10/- each	300,000,000	300,000,000
Issued and Subscribed Capital comprises:		
2,24,52,099 Fully paid equity shares of Rs.10/- each (as at March 31, 2018)	224,520,990	224,520,990
Total	224,520,990	224,520,990

10.1 Fully paid equity shares - Reconciliation

Particulars	Number of shares	Amount
Balance at March 31, 2018	22,452,099	224,520,990
Movements:		
Shares Issued during the year	-	-
Balance at March 31, 2019	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 Mar 31, 2019		
Future Enterprises Limited	22,452,093	99.99%
As at March 31, 2018		
Future Enterprises Limited	22,452,093	99.99%

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Fully paid equity shares				
Future Enterprises Limited	22,452,093	99.99%	22,452,093	99.99%

11 Other Equity

Particulars	As at Mar 31, 2019	As at March 31, 2018
Securities Premium Reserve	2,019,789,060	2,019,789,060
Capital Reserve	-56,884,136	-56,884,136
Retained Earnings	-2,398,734,325	-2,385,089,649
Profit/Deficit for the year	-5,147,030	-13,644,676
Total	-440,976,431	-435,829,402

12 Provisions

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non- Current	Total	Current	Non- Current	Total
Employee benefits						
- Provision for compensated absences	-	612,487	612,487	20,226	592,261	612,487
- Provision for gratuity	-	1,104,718	1,104,718	34,069	1,070,649	1,104,718
- Provision for bonus and other expenses	-	-	-	-	-	-
Total	-	1,717,205	1,717,205	54,295	1,662,910	1,717,205

13 Other liabilities

Particulars	As at March 31, 2019			As at March 31, 2018		
	Current	Non- Current	Total	Current	Non- Current	Total
Advances from customers	-	-	-	-	-	-
Statutory dues	2,166,234	-	2,166,234	10,353,554	-	10,353,554
Advance for Services	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	2,166,234	-	2,166,234	10,353,554	-	10,353,554

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

14 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	223,892,875	220,895,050
		-
Total	223,892,875	220,895,050

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 As at March 31, 2019	For the year ended March 31, 2018
Sale of Products		
Sale of products (Including Excise Duty of Rs. Nil for the year ended Mar 31, 2019, for the year ended March 31, 2018 : Rs. Nil)	-	
- Scrap Sales	-	-
Sale of Services		
- Commission income	-	-
- Franchisee Fees	-	-
- IT Support Services	-	42,782,605
	-	42,782,605

16 Other Income

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
Interest Income		
- on Bank deposits	-	-
- on Income tax refund	-	-
Rental income		
-Lease rental income on others	-	-
Other gains and losses		
-Gain on disposal of property, plant and equipment	-	-
Gratuity Written Back		-
Total	-	-

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

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
Purchases	-	-
Packing Material and other consumables	-	-
Other Direct Costs	-	-
Cost of Goods Sold	-	-

18 Employee benefits expenses

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	-	37,549,779
Contribution to provident and other funds	-	1,016,599
Staff Welfare Expenses	-	615,207
	-	39,181,585

Bluerock eServices Pvt Ltd
Notes to the financial statements

(Amount in rupees)

19 Finance Costs

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
-Bank Charges	233	9,216
Total	233	9,216

20 Depreciation and amortisation expense

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (Note 3)	-	401,859
Amortisation of intangible assets (Note 4)	-	904,662
Total depreciation and amortisation	-	1,306,521

21 Other expenses

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
Power and fuel / Electricity Expenses	-	480,932
Rent Expense	-	3,315,664
Repairs and Maintenance		
- Buildings	-	1,004,048
Advertisement and Selling expenses	-	191,604
Commission to payment gateways	-	65,337
Travelling and conveyance	-	3,913,823
Security and Housekeeping Charges	-	344,175
Legal and Professional Charges	4,538,200	1,715,259
Rates & Taxes	583,597	58,602
Insurance	-	32,161
Net loss on foreign currency transactions and translation	-	-
Bad Debts and Advances Written Off	-	-
Loss On Sale Of Assets	-	1,078,912
Provision for Doubtfull debts	-	
IT and Software Charges	-	6,125,060
Printing and Stationary	-	17,127
Transportation and Handling Charges	-	530,345
Telecommunication Expenses	-	624,985
Assembly Charges	-	
Miscellaneous expenses	-	56
Payment to Auditors	25,000	203,664
Misc Expense	-	
Total	5,146,797	19,701,754

21.1 Payments to auditors

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
a) For audit	25,000	200,000
b) For tax audit fee	-	-
c) For taxation matters	-	-
d) For company law matters	-	-
e) For other services	-	-
f) For reimbursement of expenses	-	3,664
Total	25,000	203,664

Bluerock eServices Pvt Ltd
Notes to the financial statements

22 Earning per share

Particulars	For the year ended As at March 31, 2019	For the year ended March 31, 2018
		(Rs. per share)
Basic earnings per share	-0.23	-0.61
Total basic and diluted earnings per share	-0.23	-0.61

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 As at March 31, 2019	For the year ended March 31, 2018
Profit / (loss) for the year attributable to owners of the Company	-5,147,030	-13,644,676
Less: Dividends paid on preference shares		
Earnings used in calculation of basis earning per share	-5,147,030	-13,644,676
Profits used in the calculation of basic earnings per share from continuing operations	-5,147,030	-13,644,676
Weighted average number of equity shares (Numbers)	22,452,099	22,452,099
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 As at March 31, 2019	For the year ended March 31, 2018
Earnings used in calculation of basis earning per share	-0.23	(0.61)
Earnings used in calculation of diluted earning per share	-0.23	(0.61)
Profits used in the calculation of diluted earnings per share from continuing operations	-0.23	(0.61)

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 As at March 31, 2019	For the year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	22,452,099	22,452,099
Weighted average number of equity shares used in the calculation of diluted earnings per share	22,452,099	22,452,099

23 Foreign Currency Disclosures

Expenditure in Foreign Currency

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Advertisement Expenses	-	-
IT Support Services	-	-
Marketing Expenses	-	-
Recruitment Consultancy Charges	-	-
Travelling and Conveyance	-	-
Purchase of Finished Goods	-	-
Total	-	-

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.

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.

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 Mar 31, 2019 and March 31, 2018:

Particulars	As at March 31, 2019	As at March 31, 2018
Change in benefit obligations		
Benefit obligations at the beginning	-	1,923,395
Service cost	-	773,185
Interest expense	-	141,370
Remeasurements - Actuarial (gains)/losses	-	-761,727
Benefits paid	-	-1,463,736
Benefit obligations at the end	-	612,487
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	-	-612,487

Amount for the year ended Mar 31, 2019 and March 31, 2018 recognized in Statement of Profit and Loss under employee benefit expenses

Particulars	As at March 31, 2019	As at March 31, 2018
Service cost		773,185
Net Interest on the net defined benefit liability / asset		141,370
Curtailment gain	-	-
Net Gratuity Cost	-	914,555

Bluerock eServices Pvt Ltd
Notes to the financial statements

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in Statement of Comprehensive Income

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses		
Actuarial (gains) / losses on arising from Experience Adjustment		
Gain/ (loss) from change in demographic assumptions		
Gain/ (loss) from change in financial assumptions		
	-	-

Principal assumptions

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

Particular	As at March 31, 2019	As at March 31, 2018
1. Discount rate		7.70
2. Salary escalation		5.50
3. Mortality rate	100% of IALM (2006-08)	
4. Retirement Age		60

27 Related party transactions

27.1 **Holding Company** Future Enterprises Limited

27.2 Key Management Personnel's

Sunil Mantri (Director)
Deepak Tanna (Director)
Shekha Daga (Director w.e.f. 19.12.2018)
Hardeep Singh (Director w.e.f. 18.01.2019)
Pooja Laddha (Company Secretary w.e.f. 01.03.2019)

27.3 List of related parties

Subsidiary Companies	Relation
Futurebazaar India Limited	Subsidiary of Holding Company
Future E-Commerce Infrastructure Limited	Subsidiary of Holding Company
Future Media (India) Limited	Subsidiary of Holding Company
Future Merchandise Sourcing and Pte Ltd.	Subsidiary of Holding Company
Ritvika Trading Private Limited	Subsidiary of Holding Company
Work Store Limited	Subsidiary of Holding Company

Joint Venture Companies	Relation
Sprint Advisory Services Private Limited	Joint Venture of Holding Companies
Shendra Advisory Services Private Limited	Joint Venture of Holding Companies
Apollo Design Apparel Parks Limited	Joint Venture of Holding Companies
Goldmohur Design and Apparel Park Limited	Joint Venture of Holding Companies
Future Generali India Life Insurance Co Ltd	Joint Venture of Holding Companies
Future Generali India Insurance Co Ltd	Joint Venture of Holding Companies

27.4 Related Party Transactions

Compensation to key managerial personnel	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and other employee benefits	-	8,712,020
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

For Harshil Shah & Co.
Chartered Accountants
FRN No. 141179W

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

Sd/-
Partner
Membership No: 124146
Place: Mumbai
Date: 24th May 2019

Sd/-
Director
Hardeep Singh
DIN - 07383818

Sd/-
Director
Deepak Tanna
DIN -02148981

Company Secretary
Pooja Laddha