

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Delhivery Private Limited

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Delhivery Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branch located at Dubai.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the branch, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

#### **"Information Other than the Financial Statements and Auditor's Report Thereon"**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going



concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

We did not audit the financial statements and other financial information of 1 branch included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 190 Lakhs as at March 31, 2019 and the total revenues of Rs. Nil for the year ended on that date, as considered in the financial statements of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branch, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

### **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 based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of branch, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;
  - (c) The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
  - (d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the return received from the branch not visited by us;



- (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (f) On the basis of the written representations received from the directors as on March 31, 2019 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;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 19094941AAAAEJ5880

Place of Signature: New Delhi

Date: September 27, 2019



**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

Re: Delhivery Private Limited ('the company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous years in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loan that is repayable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loan that is re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. The loan along with interest accrued on loan are repayable on demand. We are informed that the company has not demanded repayment of any such loan and interest during the year, and thus, there has been no default on the part of the party to whom the money has been lent.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.



(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods & service tax, duty of custom, professional tax and labor welfare fund, cess and other statutory dues applicable to it. As informed to us the provisions of duty of excise are not applicable to the company.

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

(c) According to the records of the Company, the dues of income-tax on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period which amount relates to the	Forum where dispute is pending
Income Tax Act 1961	Income Tax	18,357 Lakhs	2016-17	CIT (Appeals)

According to the information and explanations given to us, there are no dues of sales-tax, goods & service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company did not have any outstanding loans or borrowing dues to government or dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments.

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of Companies Act, 2013 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants



**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 19094941AAAAEJ5880

Place of Signature: New Delhi

Date: September 27, 2019



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DELHIVERY PRIVATE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Delhivery Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 with Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements 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 S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 19094941AAAAEJ5880

Place of Signature: New Delhi

Date: September 27, 2019



Delhivery Private Limited  
Standalone Balance Sheet as at March 31, 2019  
(All amounts in Indian Rupees in lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	16,103	9,823
Capital work in progress		88	571
Goodwill	4	1,638	-
Other Intangible assets	4	1,111	191
<b>Financial assets</b>			
Investments	5	115,046	13,797
Loans	8	273	331
Other financial assets	9	20,300	12,801
Prepayments and other assets	11	1,329	417
		<u>155,888</u>	<u>37,931</u>
<b>Current assets</b>			
Inventories	6	2,263	1,696
<b>Financial assets</b>			
Investments	5	1,002	14,643
Trade receivables	7	21,157	16,175
Cash and cash equivalent	12	165,967	450
Bank balances other than "Cash & cash equivalent"	13	79	37
Loans	9	938	938
Other financial assets	8	18,170	33,087
Current Tax assets	10	5,963	3,677
Prepayments and other assets	11	6,144	5,251
		<u>221,683</u>	<u>75,954</u>
<b>Total assets</b>		<u>377,571</u>	<u>113,885</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	96	96
Instruments entirely equity in nature	14	3,917	-
Other Equity	15	338,085	(217,766)
<b>Total equity</b>		<u>342,098</u>	<u>(217,670)</u>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	3,562	879
Trade Payables	20	248	199
Share Buy Back Obligations	17	-	297,400
Long term provisions	18	1,641	1,100
Other non-current Liabilities	19	756	940
		<u>6,207</u>	<u>300,518</u>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	2,879	3,197
Trade Payables	20		
Total outstanding dues of micro and small enterprises		6	-
Total outstanding dues of creditors other than micro and small enterprises		18,711	18,451
Other current financial liabilities	17	2,958	642
Provisions	18	123	81
Other Current Liabilities	19	4,589	8,666
		<u>29,266</u>	<u>31,037</u>
<b>Total liabilities</b>		<u>35,473</u>	<u>331,555</u>
<b>Total equity and liabilities</b>		<u>377,571</u>	<u>113,885</u>

Summary of significant accounting policies

2.3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R.Batliloi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number : 101049W/E300004

*[Signature]*

per Yogesh Midha  
Partner  
Membership no : 094941



For and on behalf of the board of directors of  
Delhivery Private Limited

*[Signature]*  
Sandeep Kumar Barasia  
Director

*[Signature]*  
Sahil Barua  
Director

*[Signature]*  
Ajith Pai

*[Signature]*  
Deepak Manglani

**Delhivery Private Limited**
**Standalone Statement of Profit and loss for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
Revenue from contracts with customers	21	165,383	101,938
Other Income	22	4,114	5,142
<b>Total Income (I)</b>		<b>169,497</b>	<b>107,080</b>
<b>Expenses</b>			
Employee benefits expense	23	35,537	27,914
Fair value loss on Share Buy Back Obligations at fair value through profit or loss		148,066	42,909
Other expenses	24	151,629	98,845
<b>Total (II)</b>		<b>335,232</b>	<b>169,668</b>
<b>Loss before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)</b>		<b>165,735</b>	<b>62,588</b>
Depreciation and amortisation expense	25	9,220	4,686
Finance Costs	26	1,879	1,172
<b>Loss before exceptional items and tax (III)</b>		<b>176,834</b>	<b>68,446</b>
<b>Exceptional Items</b>			
Provision for Diminution in valuation of non-current investment	27	1,270	-
<b>Total (IV)</b>		<b>1,270</b>	<b>-</b>
<b>Loss before Tax (III+IV)</b>		<b>178,104</b>	<b>68,446</b>
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>178,104</b>	<b>68,446</b>
<b>Other comprehensive income/(loss):</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plan		(1)	14
Income tax effect		-	-
Items that will be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(22)	21
Income tax effect		-	-
<b>Other comprehensive income/(loss) for the year</b>		<b>(23)</b>	<b>35</b>
<b>Total comprehensive loss for the year</b>		<b>178,127</b>	<b>68,411</b>
<b>Loss per share</b>	28		
Basic, computed on the basis of loss for the year		3,466	7,148
Diluted, computed on the basis of loss for the year		3,386	6,607
<b>Summary of significant accounting policies</b>	<b>2.3</b>		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**For S.R.Batliloi & Associates LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

 per Yogesh Midha  
Partner

Membership no : 094941



Place : New Delhi

Date : September 27, 2019

 For and on behalf of the board of directors of  
Delhivery Private Limited

  
Sandeep Kumar Barasia  
Director

  
Sahil Barua  
Director

  
Ajith Pai  
CFO

  
Deepak Manglani  
Company Secretary

**Delhivery Private Limited**  
**Standalone Cash Flow Statement for the year ended March 31, 2019**  
(All amounts in Indian Rupees in lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
<b>A) Operating activities</b>		
Loss before tax	(178,104)	(68,446)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment	8,948	4,551
Amortization of intangible assets	272	135
Provision for doubtful debts	2,754	637
Bad debt written off	361	678
Provision for doubtful advances	76	173
Provision for diminution in value of non-current investments	1,270	-
Share Based Payment Expense	3,794	5,148
Interest expense	972	329
Unrealised Gain on Investment at Fair Value through Profit and Loss	(101)	(144)
Interest Income	(3,285)	(3,881)
Interest income on Unwinding of discount on security deposits paid	(202)	(349)
Gain on sale of current investments	(247)	(609)
Re-measurement gain on defined benefit plan	(1)	14
Exchange differences on translation of foreign operations	(22)	21
Fair value loss on Share Buy Back Obligations at fair value through profit or loss	148,066	42,909
Fair value loss on financial instruments at fair value through profit or loss	1,071	213
Loss/(Profit) on disposal of property, plant and equipment/Assets written off	(5)	58
<b>Operating loss before working capital changes</b>	<b>(14,382)</b>	<b>(18,564)</b>
Movements in working capital :		
(Increase)/Decrease in Inventories	(567)	(849)
(Increase)/Decrease in trade and other receivables	(8,097)	(8,036)
(Increase) in other financial assets	(3,635)	(2,592)
(Increase) in other assets	(1,245)	(1,836)
Decrease/ (Increase) in Loans	58	132
Increase in trade payables	(59)	5,263
Increase/(Decrease) in other liabilities	(4,078)	4,872
Increase in provisions	584	415
<b>Cash used in operations</b>	<b>(31,421)</b>	<b>(21,195)</b>
Income taxes paid	(2,286)	(635)
<b>Net cash used in operating activities (A)</b>	<b>(33,707)</b>	<b>(21,829)</b>
<b>B) Investing activities</b>		
Purchase of property, plant & equipment (including Other Intangible assets, capital work in progress and capital advances)	(15,661)	(9,334)
Payment towards acquisition of business	(2,654)	-
Investment in subsidiaries and associates	(581)	(639)
Proceeds on sale of financial assets - Liquid mutual fund units, debt instruments	29,102	22,828
Payment to acquire financial assets - Liquid mutual fund units, debt instruments	(118,122)	(32,524)
Maturity of Bank Deposits (having original maturity of more than 12 months) including Margin Money Deposits	28,052	30,436
Investments in Bank Deposits (having original maturity of more than 12 months) including Margin Money Deposits	(16,871)	(28,648)
(Investment)/Maturity of bank deposits (having original maturity of more than 3 months)	(42)	90
Interest Received	3,285	3,881
<b>Net cash used in investing activities (B)</b>	<b>(93,494)</b>	<b>(13,910)</b>
<b>C) Financing activities</b>		
Proceeds from issuance of equity share capital (stock options exercised)	-	63
Proceeds from issuance of preference shares under share buyback obligation	-	17,380
Proceeds from issuance of share capital (Instruments entirely equity in nature)	289,010	-
Proceeds from long term borrowings (net of current maturities of Rs. 2,278 Lakhs (PY: Rs. 564 Lakhs))	4,962	1,342
Interest paid	(935)	(329)
Repayments of short term borrowings	(3,197)	(1,011)
Proceeds from short term borrowings	2,879	3,197
<b>Net cash flows from financing activities (C)</b>	<b>292,719</b>	<b>20,643</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	165,517	(15,097)
Cash and cash equivalents at beginning of the year	450	15,547
<b>Cash and cash equivalents at end of the year (refer Note 12)</b>	<b>165,967</b>	<b>450</b>

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**Delhivery Private Limited**  
**Standalone Cash Flow Statement for the year ended March 31, 2019**  
(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**March 31, 2019**      **March 31, 2018**

**Non-cash financing activities**

Fair value change in share buyback obligations      148,066      42,909

**Amendment to Ind AS 7**

Effective April 1 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusions of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement, which is as below:

Particulars	March 31, 2019	Cash Flows	March 31, 2018
Long-term borrowings (including current maturity)	6,483	4,962	1,521
Short-term borrowings	2,879	(318)	3,197
	9,362	4,644	4,718

**Summary of significant accounting policies**

2.3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

**For S.R.Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

For and on behalf of the board of directors of  
Delhivery Private Limited



per Yogesh Midha  
Partner

Membership no : 094941




Sandeep Kumar Barasia  
Director



Sahil Barua  
Director



Ajith Pai  
CFO



Deepak Manglani  
Company Secretary

Place : New Delhi

Date : September 27, 2019

A. Equity Share Capital (refer note 14)

Equity Share Capital	Number	(Rs. Lakhs)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At March 31, 2017	953,132	95
Add: Issued during the year (stock options exercised)	5,263	1
At 31 March 2018	958,395	96
Add: Issued during the year	-	-
At 31 March 2019	958,395	96

Instruments Entirely Equity in Nature - 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.10/- each (Series A) Issued, subscribed and fully paid

At March 31, 2017

Add: Issued during the year

At 31 March 2018

Add: Converted to Investment entirely equity in nature during the year

At 31 March 2019

	Number	(Rs. Lakhs)
At March 31, 2017	-	-
Add: Issued during the year	-	-
At 31 March 2018	-	-
Add: Converted to Investment entirely equity in nature during the year	291,667	29
At 31 March 2019	291,667	29

Instruments Entirely Equity in Nature - 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100 each (Series B, C, D, D1, E and F) Issued, subscribed and fully paid

At March 31, 2017

Add: Issued during the year

At 31 March 2018

Add: Converted to Investment entirely equity in nature during the year

At 31 March 2019

	Number	(Rs. Lakhs)
At March 31, 2017	-	-
Add: Issued during the year	-	-
At 31 March 2018	-	-
Add: Converted to Investment entirely equity in nature during the year	3,888,068	3,888
At 31 March 2019	3,888,068	3,888

B. Other Equity (refer note 15)

For the year ended March 31, 2019

Description	Attributable to the equity holders of the Company			Items of OCI	Total
	Securities premium	Reserves and Surplus Employee Stock options outstanding	Retained earnings	Foreign currency translational reserve	
Balance as at April 1, 2018	9,292	5,869	(232,978)	51	(217,766)
Loss for the year	-	-	(178,104)	-	(178,104)
Other comprehensive Income/(loss)	-	-	-	-	-
Re-measurement gains/(losses) on defined benefit plans	-	-	(1)	-	(1)
Exchange differences on translation of foreign operations	-	-	-	(22)	(22)
Total comprehensive Income/(loss)	-	-	(178,105)	29	(395,894)
Add: Securities premium on conversion CCCPS from Financial Liability to Instruments entirely equity in nature	443,007	-	-	-	443,007
Add: Securities premium on CCCPS issued during the year (Series F)	287,552	-	-	-	287,552
Share issues Expenses	(374)	-	-	-	(374)
Add: Share based payment expense	-	3,794	-	-	3,794
Balance as at March 31, 2019	739,477	9,663	(411,083)	29	338,085

For the year ended March 31, 2018

Description	Attributable to the equity holders of the Company			Items of OCI	Total
	Securities premium	Reserves and Surplus Employee Stock options outstanding	Retained earnings	Foreign currency translational reserve	
Balance as at March 31, 2017	8,847	1,103	(164,547)	30	(154,567)
Loss for the year	-	-	(68,446)	-	(68,446)
Other comprehensive Income/(loss)	-	-	-	-	-
Re-measurement gains/(losses) on defined benefit plans	-	-	14	-	14
Exchange differences on translation of foreign operations	-	-	-	21	21
Total comprehensive Income/(loss)	-	-	(68,431)	21	(68,411)
Add: Share based payment expense	-	5,148	-	-	5,148
Add: ESOPs exercised [transferred Rs. 382.42 Lakhs (31 March 2017: Rs. Nil) from Employee stock options outstanding]	445	-	-	-	445
Less: transferred to securities premium on exercise of stock options	-	(382)	-	-	(382)
Balance as at March 31, 2018	9,292	5,869	(232,978)	51	(217,766)

Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Ballibol & Associates LLP  
Chartered Accountants  
ICAI Firm registration number : 101049W/E300004

Dr. Yogesh Mishra  
Partner  
Membership no : 094941



For and on behalf of the board of directors of  
Dehlivery Private Limited

Sandeep Kumar Barua  
Director

Ajit Pai  
CFO

Sahil Barua  
Director

Deepak Mangani  
Company Secretary

Place : New Delhi  
Date : September 27, 2019

**Delhivery Private Limited**  
**Notes to standalone Financial Statements for the year ended 31 March 2019**

**1. Corporate Information**

Delhivery Private Limited (hereinafter referred to as "The Company" or "DELHIVERY"), was incorporated as SSN Logistics Private Limited on 22nd Day of June 2011 under the provisions of the Companies Act, 1956. The company changed its name to Delhivery Private Limited as of 8th Day of December 2015. The Company is engaged in the business of warehousing and last mile logistics and also involved in designing and deploying logistics management systems, provide logistics and supply chain consulting/advice, provide inbound/procurement support and other activities of a similar nature.

The financial statements for the year ended 31 March 2019, were approved by the Board of Directors and authorized for issue on September 27, 2019.

**2. Basis of preparation of financial statements and Significant Accounting Policies**

**2.1 Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies' (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2017.

**2.2 Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except certain financial instrument which are measured at fair values, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (as per the requirement of Schedule III), unless otherwise stated.

**2.3 Summary of significant accounting policies**

**i. Use of estimates**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**ii. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.



A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **iii. Foreign currencies**

The Company's financial statements are presented in Indian Rupees. For each foreign branch the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency, which is the currency of their countries of domicile.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- a. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., financial statements when the foreign operation is a branch), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- b. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign branches

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the company uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.



Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2016. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date

**iv. Fair value measurement**

The Company measures financial instruments, such as, Investment in cumulative compulsorily convertible preference shares (CCCPS), Investment in mutual funds, similar financial instruments and share buyback obligation, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- a. Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as cumulative compulsorily convertible preference shares (CCCPS), Investment in mutual funds, similar financial instruments and share buyback obligation measured at fair value. The team comprises of the CFO and Finance Controller - Finance.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided on the basis of nature of transaction and complexity involved. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. A change in fair value of assets and liabilities is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**v. Property, Plant and Equipment (PPE)**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them

Separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation on all property plant and equipment are provided on a written-down value method based on the estimated useful life of the asset, which is as follows:

Property, plant and equipment	Useful lives estimated by management	Useful lives as per Schedule II
Computer	3	3
Computer Server	6	6
Office Equipment	5	5
Furniture and Fixture	5	10
Vehicles	3.86	8
Plant and Machinery	5	10

IT Softwares are to be depreciated to its useful life, if known. For all other IT software, 5 years is the useful life to depreciate such softwares

Leasehold Improvements are amortised over 5 years or life based on lease period.

The useful lives of vehicles, furniture & fixture and plant and machinery are estimated as 3.86, 5 and 5 years respectively. These lives are lower than those indicated in schedule II.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives based on management's assessment of their respective economic useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on



derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**vi. Intangible assets**

Intangible assets (mainly includes softwares) acquired separately are measured on initial recognition at cost. The amortisation period and the amortisation method for an Intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Further, assets assumed in business combination (Non-Compete and Customer relationship) are amortized over the period of 5 year on WDV basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**vii. Business Combinations and goodwill**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions (measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date,



**Delhivery Private Limited****Notes to standalone Financial Statements for the year ended 31 March 2019**

allocated to each of the Companies cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**viii. Inventories**

Inventories are stated at lower of cost and net realisable value. Inventories primarily consist of packing material and consumables.

**ix. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**x. Revenue recognition**

Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes goods or services contributed by the customer, as non-cash consideration, over which Company has control. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Revenue in excess of billings is recognised as unbilled revenue in the balance sheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.



**Contract Balances:**

**Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer (which consist of unbilled revenue). If the company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Service Tax/Sales tax/ value added tax (VAT)/ Goods and service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the services/commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

**Rendering of Services**

**Income from services**

Revenue is recognized only when the shipments are:

1. Delivered
2. Return to origin
3. Delivered to origin
4. Collected

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

**Income from Fulfillment center:**

Revenue is recognized for fulfilment centers only when the goods are under below stage

1. Storage – revenue is recognized on monthly basis from the date shipment is inbound
2. Packaging / Order processing – revenue is recognized when the shipment is in outbound stage.
3. Procurement- revenue is recognized when items are picked from vendor location using Delhivery network

**Dividend**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**Interest**

Interest income is recognized using the effective interest method. Interest income is included under the head "other income" in the statement of profit and loss.



**xi. Retirement and other employee benefits**

Retirement benefit in the form of provident fund social security is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund/social security. The Company recognizes contribution payable to the provident fund scheme/ social security scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense

The Company also operates a leave encashment plan. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**xii. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.



**Deferred taxes**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**xiii. Share based payment**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of



equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**xiv. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**xv. Provisions and Contingent liabilities**

**i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**ii) Contingent Liability**

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 Institute, or is a present obligation that arises from past event 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. Contingent liabilities are disclosed and not recognised.



iii) Decommissioning liability

The Company records a provision for decommissioning costs of leasehold premises. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

**xvi. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

1. Financial assets carried at amortised cost
2. Financial assets at fair value through profit or loss (FVTPL)

**Financial assets at amortised cost**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial assets instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Equity instruments**

The Company subsequently measures all equity investments in scope of Ind AS 109 at fair value, other than investments in equity instruments in subsidiaries, joint venture, which are carried at cost.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument



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- ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case any balance is disputed by the customer then it will be reviewed separately for creating the provision and amount up to 100% of the balance may be provided on the basis of nature of dispute. Any disputed balance which is considered separately will be excluded from the normal ageing bucket for making the provision.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i. Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The company's financial liabilities include share buyback obligation, trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss - Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/



loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has designated CCCPS issued with share buyback obligation, to be measured at fair value through profit or loss.

ii. Loans and borrowings - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **xvii. Impairment of non-financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is



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recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**xviii. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**xix. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the company's cash management.

**xx. Business Combinations and goodwill**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions (measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Companies cash-generating units that are expected to benefit from the combination,



irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

#### **xxi. Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### **2.4 Change in accounting policies & disclosures**

##### **New & Amended Indian Accounting Standards**

The Company applied Ind AS 115 for the first time. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

##### **i. Ind AS 115 Revenue from Contracts with Customers**

The Company has adopted the Ind AS 115 "Revenue from Contracts with Customers" with effect from April 1, 2018 as notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard supersedes all previous revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules has affected the timing of revenue recognition for certain transactions of the Company. Ind AS 115 permits two possible methods of transition:



- Retrospectively to each prior reporting period presented in accordance with Ind AS 8 [Accounting Policies, changes in Accounting Estimates and Errors] with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or
- Retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company has applied the modified retrospective approach on transition to Ind AS 115.

**ii. Amendment to Ind AS 38 Intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Companies financial statements.

**iii. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Companies financial statements.

**iv. Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.



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(All amounts in Indian Rupees in lakhs, unless otherwise stated)

3. Property, plant and equipment

	Computers/ Servers*	Office Equipments	Furniture and Fixtures	Vehicles	Plant and Equipment	Leasehold Improvements	Total
<b>Gross carrying value</b>							
At April 1, 2017	2,786	2,018	2,581	287	3,294	3,701	14,667
Additions	1,170	2,340	1,608	1,454	899	1,259	8,730
Disposals	597	1	29	-	14	45	686
<b>At March 31, 2018</b>	<b>3,359</b>	<b>4,357</b>	<b>4,160</b>	<b>1,741</b>	<b>4,179</b>	<b>4,915</b>	<b>22,711</b>
At March 31, 2018	3,359	4,357	4,160	1,741	4,179	4,915	22,710
Additions	1,997	4,658	4,168	94	1,899	2,460	15,276
Disposals	680	192	-	-	-	-	872
<b>At March 31, 2019</b>	<b>4,675</b>	<b>8,823</b>	<b>8,328</b>	<b>1,835</b>	<b>6,078</b>	<b>7,375</b>	<b>37,114</b>
<b>Accumulated depreciation and impairment</b>							
At April 1, 2017	2,189	1,222	1,625	109	1,792	1,961	8,898
Charge for the year	735	833	767	564	783	871	4,553
Disposals	537	1	14	-	11	-	563
<b>At March 31, 2018</b>	<b>2,387</b>	<b>2,054</b>	<b>2,378</b>	<b>673</b>	<b>2,564</b>	<b>2,832</b>	<b>12,888</b>
At March 31, 2018	2,387	2,054	2,378	673	2,564	2,832	12,888
Charge for the year	1,276	2,227	2,091	594	1,196	1,564	8,948
Disposals	646	179	-	-	-	-	825
<b>At March 31, 2019</b>	<b>3,017</b>	<b>4,102</b>	<b>4,469</b>	<b>1,267</b>	<b>3,760</b>	<b>4,396</b>	<b>21,011</b>
<b>Impairment Loss</b>							
At April 1, 2017	9	3	27	-	0	-	39
At April 1, 2017	9	3	27	-	0	-	39
Charge for the year	-	-	-	-	-	-	-
Other Adjustments	(9)	(3)	(27)	-	(0)	-	(39)
<b>At March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At March 31, 2018	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net block</b>							
Balance as on March 31, 2019	1,658	4,721	3,859	568	2,318	2,979	16,103
Balance as on March 31, 2018	972	2,303	1,782	1,068	1,615	2,083	9,823

\* Note: Life of server taken as 6 years which is classified under Computers.

4. Other Intangible assets

Intangible Assets	Software	Customer relationships	Non - compete	Goodwill *	Total
<b>Gross carrying value</b>					
At April 1, 2017	605	-	-	-	605
Purchase	49	-	-	-	49
Disposals	-	-	-	-	-
<b>At March 31, 2018</b>	<b>654</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>654</b>
At March 31, 2018	654	-	-	-	654
Purchase	565	611	17	1,638	2,831
Disposals	-	-	-	-	-
<b>At March 31, 2019</b>	<b>1,219</b>	<b>611</b>	<b>17</b>	<b>1,638</b>	<b>3,485</b>
<b>Accumulated amortization</b>					
Balance as at April 2017	328	-	-	-	328
Charge for the year	135	-	-	-	135
Disposals	-	-	-	-	-
<b>At March 31, 2018</b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>463</b>
Balance as at April 2018	463	-	-	-	463
Charge for the year	240	31	1	-	273
Disposals	-	-	-	-	-
<b>At March 31, 2019</b>	<b>704</b>	<b>31</b>	<b>1</b>	<b>-</b>	<b>736</b>
<b>Net Block</b>					
Balance as on March 31, 2019	515	580	16	1,638	2,749
Balance as on March 31, 2018	191	-	-	-	191

\*For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating unit (CGU), which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, when the carrying amount of cash generating units (CGU) including goodwill, exceeds the estimated recoverable amount of CGU. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirements. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital".

As at 31 March 2019, the estimated recoverable amount of CGU exceeded its carrying amount and accordingly, no impairment was recognized.

An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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**Delhivery Private Limited**

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**5. Financial assets - Investments**

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Investments at Cost</b>				
<b>Investments in Unquoted equity instruments (fully paid)</b>				
<b>(A) Investment in subsidiaries</b>				
Skynet Logistics Private Limited				
5,510,000 (March 31, 2018 : 5,510,000 ) equity shares of Rs 10 each	551	551	-	-
Delhivery Corp Limited, London , United Kingdom				
1,428,165 ( March 31, 2018 : 804,165 ) equity shares of 1 GBP each ( At cost less provision for diminution in value Rs 1,270 lakhs (March 31, 2018: Nil))	-	690	-	-
Delhivery HK Pte Limited, Honk Kong *				
1 (March 31, 2018: Nil) equity share of 1 HKD each	0	-	-	-
<b>Investments at fair value through Profit &amp; Loss</b>				
<b>(B) Investments in Associates</b>				
<b>Investments in Unquoted equity instruments</b>				
Leucon Technology Private Limited: 5 (March 31, 2018 : 5) equity shares of Rs 19,321.60 each (includes security premium of Rs 19,316.60). (At cost less provision for diminution in value Rs 1 lakhs (March 31, 2018: Rs. Nil))	-	1	-	-
<b>Investments in Unquoted preference shares</b>				
Leucon Technology Private Limited: 4,653 ( March 31, 2018 : 4,653 ) CCPS of Rs 19,321.60 each (includes securities premium of Rs 19,311.60) (At cost less provision for diminution in value Rs 950 lakhs (March 31, 2018: Rs. Nil))	-	950	-	-
<b>(C) Other Investments</b>				
<b>Investments in Unquoted equity instruments</b>				
Leapmile Logistics Private Limited: 100 (March 31, 2018 : 100 ) equity shares of Rs 8,836.14 each (includes securities premium of Rs 8,835.14) (At cost less provision for diminution in value Rs 3 lakhs (March 31, 2018: Rs. Nil))	-	3	-	-
Moonshots Internet Private Limited: 100 (March 31, 2018: 100) equity shares of Rs 7,494.40 ( includes security premium of Rs 7,493.40) (At cost less provision for diminution in value Rs 7 lakhs (March 31, 2018: Rs 7 lakhs)	-	-	-	-
NAXR Logistics Private Limited: 2000 (March 31, 2018 : 2,000) equity shares of Rs 10 each (includes security premium of Rs 1 lakh) (At cost less provision for diminution in value Rs 200 lakhs (March 31, 2018 : Rs 200 lakhs)	-	-	-	-
<b>Other Investments</b>				
<b>Investments in Unquoted preference shares</b>				
Leapmile Logistics Private Limited: 3,472 (March 31, 2018 : 3,472) preference shares of Rs 8,836.14 (includes security premium of Rs 8,835.14) (At cost less provision for diminution in value Rs 117 lakhs (March 31, 2018 : Rs Nil lakhs)	-	117	-	-
Moonshots Internet Private Limited: 31,924 (March 31, 2018 : 31,924) preference shares of Rs 7,494.40 ( includes security premium of Rs 7,493.40) (At cost less provision for diminution in value of Rs 2,393 lakhs (March 31, 2018 : Rs 2,393 lakhs)	-	-	-	-
NAXR Logistics Private Limited: 105 (March 31, 2018 : 105) preference shares of Rs 10 each (includes security premium of Rs 14,235) (At cost less provision for diminution in value Rs 15 lakhs (March 31, 2018 : Rs 15 lakhs)	-	-	-	-
NAXR Logistics Private Limited: 3,007 (March 31, 2018 : 3,007) preference shares of Rs 10 each (includes security premium of Rs 0.50 lakh) (At cost less provision for diminution in value of Rs 1,500 lakhs ( March 31, 2018: Rs 1,500 lakhs)	-	-	-	-
	<b>551</b>	<b>2,312</b>	-	-

\*Value less than INR 0.5 Lakh

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**Delhivery Private Limited**
**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**5. Financial assets - Investments (contd.)**

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Investments at fair value through Profit &amp; Loss</b>				
<b>(a) Perpetual Bond (Quoted)</b>				
Nil (March 31, 2018 : 500) units of 8.75% State Bank of India of Rs. Nil (March 31, 2018: Rs. 1,048,426.56 each)	-	4,994	-	-
250 (March 31, 2018: 250) units of Export Import Bank of India of Rs. 9,81,838 (March 31, 2018 10,07,797) each	2,455	2,484	-	-
<b>(b) Non Convertible Debentures (Quoted)</b>				
Nil ( March 31, 2018 : 300 ) units of 7.71% Kotak Mahindra Prime Ltd of Rs Nil (March 31, 2018 1,000,000 each) ( 29 March 2019)	-	-	-	3,000
Nil ( March 31, 2018: 40) units of 7.4% Housing Development Finance of Rs. Nil (March 31, 2018 Rs. 10,230,926.85 each) ( 22 November 2018)	-	-	-	3,985
Nil (March 31, 2018: 250 ) units of HDB Financial Services Ltd SR-A/1/94OPT1 7.93 OF Rs. Nil (March 31, 2018: Rs. 10,30,026.19 each) ( 7 Dec 2018)	-	-	-	2,497
100 (March 31, 2018: 400) units of Kotak Mahindra Investment Ltd SR-00179NCD of Rs. 10,00,000 each (March 31, 2018: Rs. 10,00,000 each) (5 April 2019)	-	4,007	1,000	-
<b>(c) Other Debt instruments (Quoted)</b>				
Nil (March 31, 2018: 500) units of Kotak Mahindra Investment Ltd of Rs. Nil (March 31, 2018 : Rs 4,85,724 each)	-	-	-	2,489
Nil (March 31, 2018: 1,89,26,726) units of HDFC Banking & PSU Debt Fund of Rs. Nil (March 31, 2018: Rs 13 each)	-	-	-	2,661
<b>(d) Mutual fund (Quoted)</b>				
Nil (March 31, 2018: 3370 units) of ICICI prudential flexible income plan (March 31, 2018 : Rs 333 each)	-	-	-	11
667 (March 31, 2018 : Nil) units of Birl Sunlife Floating rate fund of Rs. 300.43 each (March 31, 2018: Rs Nil)	-	-	2	-
732,430.758 (March 31, 2018: Nil) units of Aditya Birla Sun Life Overnight fund - Direct Plan -Growth of Rs.1026.2578 (March 31, 2018: Rs Nil)	7,517	-	-	-
1,571,879.90 (March 31, 2018 : Nil) Hdfc Overnight Fund - Direct Plan - Growth Option of Rs. 2822.3774 (March 31, 2018: Rs Nil)	44,364	-	-	-
22,038,911.028 (March 31, 2018: Nil ) units of ICICI Pru Overnight Fund Direct-G of Rs. 102.38 (March 31, 2018: Rs Nil)	22,563	-	-	-
742,070.79 (March 31, 2018 : Nil) Kotak Overnight Fund - Direct Plan - Growth of Rs. 1012.88 (March 31, 2018: Rs Nil)	7,516	-	-	-
729,641.69 (March 31, 2018 : Nil) unit of SBI Overnight Direct-Growth of Rs. 3092.3249 (March 31, 2018: Rs Nil)	22,563	-	-	-
289,408.93 (March 31, 2018 : Nil) units of Uti Overnight Fund - Direct Plan - Growth of Rs. 2597.39 (March 31, 2018: Rs Nil)	7,517	-	-	-
	<b>114,495</b>	<b>11,485</b>	<b>1,002</b>	<b>14,643</b>
	<b>115,046</b>	<b>13,797</b>	<b>1,002</b>	<b>14,643</b>

**Other disclosures**

Aggregate amount of unquoted investments	551	2,312	-	-
Aggregate provision for impairment in value of investments	6,339	4,115	-	-

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**Delhivery Private Limited**

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**6. Inventories**

	March 31, 2019	March 31, 2018
Inventories		
-Packing material and consumables	2,263	1,696
<b>Total</b>	<b>2,263</b>	<b>1,696</b>

**7. Trade Receivables**

	March 31, 2019	March 31, 2018
Trade receivables	21,157	16,175
<b>Total trade receivables</b>	<b>21,157</b>	<b>16,175</b>

**Break-up of trade receivables**

	March 31, 2019	March 31, 2018
<b>Trade receivables</b>		
Unsecured, considered good	21,157	16,175
Trade Receivables-credit impaired	5,470	1,794
	<b>26,627</b>	<b>17,969</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Trade Receivables-credit impaired	(5,470)	(1,794)
	<b>(5,470)</b>	<b>(1,794)</b>
<b>Total Trade receivables</b>	<b>21,157</b>	<b>16,175</b>

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

Trade Receivables includes:

Dues from companies in which the company's non-executive directors is a director

Jasper Infotech Private Limited

Oravel Stays Pvt. Ltd.

Snapdeal Private Limited

-	307
56	-
202	-

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**Delhivery Private Limited**
**Notes to standalone financial statements for the year ended March 31, 2019**
*(All amounts in Indian Rupees in lakhs, unless otherwise stated)*
**8. Loans**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Unsecured, considered good</b>				
Loans and advances to related parties (refer note 33)	-	-	938	938
Loans and advances to others	273	331	-	-
	<b>273</b>	<b>331</b>	<b>938</b>	<b>938</b>

**9. Other Financial Assets**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Security deposits</b>				
- Unsecured, Considered good	2,893	2,332	2,940	1,762
- Doubtful	-	-	61	109
	<b>2,893</b>	<b>2,332</b>	<b>3,001</b>	<b>1,871</b>
<b>Impairment Allowance (allowance for bad and doubtful balances)</b>				
	-	-	(61)	(109)
	<b>2,893</b>	<b>2,332</b>	<b>2,940</b>	<b>1,762</b>
<b>Margin Money Deposits*</b>				
Deposits with original maturity for more than 12 months	12,627	9,969	147	164
	4,689	500	5	18,015
	<b>17,316</b>	<b>10,469</b>	<b>152</b>	<b>18,179</b>
<b>Advances recoverable in cash or kind</b>				
- Unsecured, Considered good**	81	0	163	192
	<b>81</b>	<b>0</b>	<b>163</b>	<b>192</b>
<b>Accrued Income</b>				
Unbilled receivable	-	-	14,131	9,889
Interest accrued on deposits**	10	0	226	1,751
Interest accrued on investments	-	-	293	1,139
Interest accrued on inter company deposits (refer note 33)	-	-	265	175
	<b>10</b>	<b>0</b>	<b>14,915</b>	<b>12,954</b>
	<b>20,300</b>	<b>12,801</b>	<b>18,170</b>	<b>33,087</b>

\* Margin money deposits are pledged with Las Cargo Pvt limited of Rs. 100 lacs, Ingram Micro India Private Limited of Rs. 67 lakhs ( March 31, 2018 : 82.14 lakhs ), InterGlobe Aviation Limited of Rs. 100 lakhs (March 31, 2018 : 53.67 lakhs) ,Ivl Dhunseri Petrochem Industries Pvt. Ltd of Rs. 25 lakhs (March 31, 2018: Nil), Berger Paints India Limited Rs. 15 lakhs (March 31, 2018: Nil), Pidilite Industries Limited Rs. 10 lacs (March 31, 2018: Nil), Ms Emami Agrotech Limited of Rs. 10 lakhs (March 31, 2018: Nil), Skipper Limited of Rs. 10 lacs (March 31, 2018: Nil), Budge Budge Refineries Limited of Rs. 10 lakhs (March 31, 2018: Nil), Finolex Cables Limited of Rs.16.00 lakhs (March 31, 2018: Rs. 16 lakhs), Avon Beauty Products India Private Limited of Rs. 10 lakhs (March 31, 2018 :10.66 lakhs ) are subject to first charge to secure the company's statutory liabilities and Rs. 8,925 lakhs ( March 31, 2018 : Rs. 9,967.45 lakhs ) are subject to first charge to secure the overdraft facility availed from HDFC Bank, Rs. 2,450 lakhs (March 31, 2018: Nil) margin money deposited to avail the term loan from HDFC Bank and Rs. 1,000 lakhs(March 31, 2018: Nil) to avail the bill discounting facility from HDFC Bank.

**Advances recoverable in cash or kind includes**

Dues from Officers and directors	-	-	23	23
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\*\*Value less than INR 0.5 Lakh

**Break up of financial assets carried at amortised cost**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security deposit (Refer Note 9)	2,893	2,332	2,940	1,762
Trade receivables (Refer Note 7)	-	-	21,157	16,175
Cash and cash equivalents (Refer Note 12)	-	-	165,967	450
Margin money deposits (Refer Note 9)	12,627	9,969	147	164
Deposits with original maturity for more than 12 months (Refer Note 9)	4,689	500	5	18,015
Other bank balances (Refer Note 13)	-	-	79	37
Loans (Refer Note 8)	273	331	938	938
Advances recoverable in cash or kind (Refer Note 9)	81	0	163	192
Accrued Income (Refer Note 9)	10	0	14,915	12,954
Investments (Refer Note 5)	551	1,241	-	-
	<b>21,124</b>	<b>14,373</b>	<b>206,311</b>	<b>50,687</b>

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#### 10. Current Tax assets

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance Income tax	-	-	5,963	3,677
	-	-	5,963	3,677

#### 11. Prepayments and other assets

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Capital advances				
- Unsecured, Considered good	695	135	-	-
- Doubtful	-	10	-	-
	695	145	-	-
Impairment Allowance (allowance for bad and doubtful balances)	-	(10)	-	-
	695	135	-	-
Prepaid expenses	634	282	1,192	1,029
	634	282	1,192	1,029
Balance with statutory/government authorities	-	-	2,844	1,975
	-	-	2,844	1,975
Advance to suppliers	-	-	833	1,180
- Unsecured, Considered good	-	-	15	55
- Doubtful	-	-	818	1,125
Impairment Allowance (allowance for bad and doubtful balances)	-	-	(15)	(55)
	-	-	833	1,180
Others				
Amount recoverable from third party agent- Cash collected on our behalf	-	-	1,275	1,067
Money Held in Trust	-	-	12,127	9,011
Less: Liabilities against money held in trust	-	-	(12,127)	(9,011)
	-	-	1,275	1,067
	1,329	417	6,144	5,251

#### 12. Cash and Cash equivalent

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances with banks:				
- On current accounts	-	-	10,967	450
- In deposit accounts (with original maturity of less than 3 months)	-	-	155,000	-
	-	-	165,967	450

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances with banks:				
- On current accounts	-	-	10,967	450
- In deposit accounts (with original maturity of less than 3 months)	-	-	155,000	-
	-	-	165,967	450

#### 13. Other bank balances

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances with banks:				
- Deposits with original maturity of more than three months but less than 12 months	-	-	79	37
- Deposits with original maturity of more than 12 months	4,689	500	5	18,015
- Margin money deposits	12,627	9,969	147	164
	17,316	10,469	231	18,216
Amount disclosed as "Other financial asset" (refer note 9)	17,316	10,469	152	18,179
	-	-	79	37

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**Delhivery Private Limited**
**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**14. Share capital**

	March 31, 2019	March 31, 2018
<b>Authorised Share Capital</b>		
<b>Equity Shares</b>		
1,360,228 (March 31, 2018: 1,360,228) Equity Shares of Rs.10 each	136	136
<b>Instruments Entirely Equity in Nature</b>		
300,000 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.10/- each (Series A)	30	30
4,235,337 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each (Series B, C, D, D1, E and F)	4,235	2,735
	<b>4,401</b>	<b>2,901</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity Shares</b>		
958,395 (March 31, 2018: 958,395) Equity Shares of Rs.10 each	96	96
	<b>96</b>	<b>96</b>
<b>Instruments Entirely Equity in Nature</b>		
291,667 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.10/- each - Series A	29	-
448,719 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series B	449	-
478,434 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series C	478	-
653,551 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series D	654	-
48,531 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series D1	49	-
801,139 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series E	801	-
1,457,694 (March 31, 2018: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each - Series F	1,458	-
	<b>3,917</b>	<b>-</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:**

	March 31, 2019		March 31, 2018	
	Number	Rs. lakhs	Number	Rs. lakhs
<b>Equity shares</b>				
At the beginning of the year	958,395	96	953,132	95
Issued during the year	-	-	5,263	1
<b>Outstanding at the end of the year</b>	<b>958,395</b>	<b>96</b>	<b>958,395</b>	<b>96</b>
<b>Instruments Entirely Equity in Nature - 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS)</b>				
<b>Series A</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	291,667	29	-	-
<b>Outstanding at the end of the year</b>	<b>291,667</b>	<b>29</b>	<b>-</b>	<b>-</b>
<b>Series B</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	448,719	449	-	-
<b>Outstanding at the end of the year</b>	<b>448,719</b>	<b>449</b>	<b>-</b>	<b>-</b>
<b>Series C</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	478,434	478	-	-
<b>Outstanding at the end of the year</b>	<b>478,434</b>	<b>478</b>	<b>-</b>	<b>-</b>
<b>Series D</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	653,551	654	-	-
<b>Outstanding at the end of the year</b>	<b>653,551</b>	<b>654</b>	<b>-</b>	<b>-</b>
<b>Series D1</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	48,531	48	-	-
<b>Outstanding at the end of the year</b>	<b>48,531</b>	<b>48</b>	<b>-</b>	<b>-</b>
<b>Series E</b>				
At the beginning of the year	-	-	-	-
Converted to Instruments Entirely Equity in Nature during the year (refer note 17)	801,139	801	-	-
<b>Outstanding at the end of the year</b>	<b>801,139</b>	<b>801</b>	<b>-</b>	<b>-</b>
<b>Series F</b>				
At the beginning of the year	-	-	-	-
Shares issued during the year	1,457,694	1,458	-	-
<b>Outstanding at the end of the year</b>	<b>1,457,694</b>	<b>1,458</b>	<b>-</b>	<b>-</b>
	<b>4,179,735</b>	<b>3,917</b>	<b>-</b>	<b>-</b>

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**b) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Terms/rights attached to Instruments entirely equity in nature**

The Company had issued 132,779 and 158,888 Series A Cumulative Compulsorily Convertible Preference Shares ("CCCPs") of Rs. 10 each fully paid-up at a premium of 215.94 per share on 30th April 2012 and 1st November 2012 respectively, Series B - 448,719 CCCPS of Rs. 100 each fully paid-up at a premium of Rs. 680 per share on 26th September 2013, Series C - 478,434 CCCPS of Rs. 100 each fully paid-up at a premium of Rs. 2,164.20 per share on 9th September 2014, Series D - 653,551 CCCPS of Rs. 100 each fully paid-up at a premium of Rs. 7,650 per share on 8th May 2015, Series D1 - 48,531 CCCPS of Rs. 100 each fully paid-up at a premium of Rs. 9,959 per share on 17th October 2016, Series E - 6,40,911, 160,228 CCCPS of Rs. 100 each fully paid-up at a premium of Rs. 10,747 per share on 22nd March 17 and 17th May 2017 respectively and Series F 1,457,694 shares of Rs. 100 each fully paid at a premium of Rs. 19,726 per share on March 7, 2019 and March 29, 2019 respectively.

These CCCPS will be converted into equity shares of the Company at the earlier of: (i) 19 years and 11 months from the date of issue of the respective CCCPS, or (ii) if at any time after their issuance, the Company proposes to file a DRHP for a firmly underwritten issue of shares to the public, if the Shareholders of the Company have consented to the Qualified IPO under the provisions of the agreement between the company and the holders of CCCPS.

**Rank**

These CCCPS will be senior to the Equity Shares of the Company.

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

Name of the shareholder	March 31, 2019		March 31, 2018	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of Rs.10 each fully paid</b>				
Suraj Saharan	128,199	13.38%	128,199	13.38%
Mohit Tandon	128,752	13.43%	128,752	13.43%
Kapil Bharati	51,752	5.40%	51,752	5.40%
Sahil Barua	131,285	13.70%	131,285	13.70%
Multiples Private Equity Fund I Limited	270,153	28.19%	270,153	28.19%
Internet Fund III Pre Ltd	180,448	18.83%	180,448	18.83%
<b>0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPs) of Rs.10/- each (Series A)</b>				
Times Internet Limited	291,667	100.00%	-	-
<b>0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPs) of Rs.100/- each (Series B, C, D, D1, E and F)</b>				
Times Internet Limited	197,017	5.07%	-	-
Nexus Ventures III, Ltd.	726,599	18.69%	-	-
SVF Doorbell (Cayman) Ltd.	1,235,331	31.77%	-	-
Internet Fund III PTE Ltd.	666,473	17.14%	-	-
CA Swift Investments	653,915	16.82%	-	-
Deli, Cmf. Pte. Ltd.	223,760	5.76%	-	-

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(e) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 36.

**15. (a) Other equity**

	31 March 2019	31 March 2018
<b>Securities Premium</b>		
Balance as per the last financial statements	9,292	8,847
Add: ESOPs exercised [transferred Rs. Nil (March 31, 2018: 382.42 Lakhs) from Employee stock options outstanding]	-	445
Add: Securities premium on conversion of CCCPS from Financial Liability to Instruments entirely equity in nature (refer Note 17)	443,007	-
Add: Securities premium on CCCPS issued during the year (Series F)	287,552	-
Less: Share issue expense	(374)	-
	<b>739,477</b>	<b>9,292</b>
<b>Employee Stock Options Outstanding</b>		
Balance as per the last financial statements	5,869	1,103
Add: Employee stock option expense	3,794	5,148
Less: transferred to securities premium on exercise of stock options	-	(382)
	<b>9,663</b>	<b>5,869</b>
<b>Retained earnings</b>		
Balance as per last financial statements	(232,979)	(164,547)
Add: Loss during the year	(178,104)	(68,446)
Add: Re-measurement gains/(losses) on defined benefit plans	(1)	14
<b>Net surplus in the statement of profit and loss</b>	<b>(411,084)</b>	<b>(232,979)</b>
<b>Items of Other Comprehensive Income</b>		
Exchange differences on translation of foreign operations	29	51
<b>Total reserves and surplus</b>	<b>338,085</b>	<b>(217,766)</b>

**15. (b) Nature and purpose of Reserves**

**Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**Employee Stock Options Outstanding**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

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**Delhivery Private Limited**

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**16. Borrowings**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Term Loan</b>				
Vehicle Loan from Bank (Secured)*	364	879	610	642
Secured bank loan**	3,198	-	2,311	-
	<b>3,562</b>	<b>879</b>	<b>2,921</b>	<b>642</b>
The above amount includes				
- Secured Borrowings	3,562	879	2,921	642
Amount disclosed under the head "Other Financial Liabilities" (note 17)	-	-	(2,921)	(642)
	<b>3,562</b>	<b>879</b>	<b>-</b>	<b>-</b>
<b>Others</b>				
Bill discounting facility from the Bank (secured) ***	-	-	2,879	1,295
Bank Overdraft repayable on demand (secured) #	-	-	-	1,902
	<b>3,562</b>	<b>879</b>	<b>2,879</b>	<b>3,197</b>

\*Vehicle Loans carries interest @8.5% to 9.2% ( March 31, 2018 : 9.5% to 9.8%) per annum and are repayable in 35 equated monthly instalments of Rs 0.19 lakhs(March 31, 2018: 0.16 lakhs) to 0.68 lakhs (March 31, 2018 : 0.49) lakhs along with interest. The loan is secured by hypothecation of respective vehicles.

\*\*Loan has been availed from HDFC Bank carrying interest rate @ One year MCLR+0.50% p.a ranging from 8.90% to 9.15% and are repayable in 35 and 30 equated monthly instalments of Rs. 112.26 lakhs and 113.91 lakhs alongwith interest respectively. The loan is secured by a first charge over certain of the company's movable property (not being pledge) and fixed deposits/Cash deposits.

\*\*\* Bill discounting facility has been availed from HDFC bank carrying floating rate of interest of 3 months MCLR plus 0.55% ranging from 8.50% to 9.50% (March 31, 2018 : 3 months MCLR plus 1% ranging from 9.5% to 10% ). The facility is on the bills underlying raised with the respective principals.

# Bank Overdraft (repayable on demand) is from HDFC Bank Limited. This is secured against margin money deposits. The bank overdraft is repayable on demand and carries floating rate of interest on Fixed Deposit plus 0.5%. The rate of interest on FD is 6.5% (March 31, 2018 : 8.5%).

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# 17. Other Financial Liabilities

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Share Buy Back Obligations</b>				
<b>Measured at Fair Value through profit or loss (FVTPL)</b>				
Cumulative Compulsorily Convertible Preference Shares(CCCPS)*	-	297,400	-	-
	-	<b>297,400</b>	-	-
<b>Other Financial Liabilities Measured at Amortised Cost</b>				
Interest accrued and not due on borrowings	-	-	37	-
Current maturities of long term borrowings (refer note 16)	-	-	2,921	642
	-	<b>297,400</b>	<b>2,958</b>	<b>642</b>

Carrying amount of financial liability and gain/loss on subsequent re-measurement is set out as below:

Financial Year	Share buy back obligation as at period/ year end	Break up of Share buy back obligation		
		Share buy back obligation ( Fair Value Loss over the years routed through profit & loss/ retained earnings) * (A)	Sharebuy back obligation ( Cash received on issue of CCCPS in excess of Face Value (B)	Sharebuy back obligation ( Face Value of CCCPS) (C)
2015-16 and Years prior to that	126,223	60,581	64,032	1,610
2016-17	237,111	36,486	73,712	689
2017-18	297,400	42,909	17,220	160
2018-19				
Till December 20, 2018 (date of removal of buy back clause, refer note below)*	445,466	148,066	-	-
	<b>445,466</b>	<b>288,043</b>	<b>154,964</b>	<b>2,459</b>
Less:				
Conversion of CCCPS into instruments entirely equity in nature (refer note 14)*	2,459	-	-	<b>2,459</b>
Conversion of CCCPS into Securities Premium (refer note 15)*	443,007	<b>288,043</b>	<b>154,964</b>	-
<b>As at March 31, 2019 ( refer note below) *</b>	-	-	-	-

\* As per the terms and conditions of issue of CCCPS, Company had given a right to the holders of CCCPS to require the Company to buyback CCCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) do not occur for specified period. The company assessed the probability of these rights and obligations leading to an outflow of cash or other resources, to be remote. However, based on terms of the agreement and its evaluation under IND AS 32, the CCCPS had been classified as financial instrument in the nature of financial liability designated to be measured at fair value through profit or loss at each reporting date until these CCCPS are converted into equity shares as per the conditions stated above.

Fair value of the instruments were determined based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management. Gain/loss on subsequent re-measurement has been recognised through Statement of Profit and Loss and is disclosed as "Fair value loss on financial instruments at fair value through profit or loss".

On transition to IND AS, the Company's opening balance sheet was prepared as at April 1, 2016. Therefore, the fair value loss on share buyback obligations till the year ended March 31, 2016 of INR 60,581 Lakhs was recorded in terms of transition provisions directly through opening retained earnings of the company as at March 31, 2016. While, the charge of INR 148,066 Lakhs for the financial year 2018-19, INR 42,909 Lakhs for the financial year 2017-18 and INR 36,486 Lakhs for the financial year 2016-17, aggregating to INR 227,462 Lakhs has been recognized through Statement of Profit and Loss Account of respective years. This has contributed into reduction in retained earnings on account of fair value loss on share buy back obligation by INR 148,066 Lakhs for the financial year 2018-19, INR 42,909 Lakhs for the financial year 2017-18, INR 36,486 Lakhs for the financial year 2016-17 and INR 60,581 Lakhs through opening retained earnings of the company as at March 31, 2016, aggregating to INR 288,043 Lakhs as at March 31, 2019 (March 31, 2018: INR 139,977 Lakhs) and resulting in net balance of INR (411,084) Lakhs as at March 31, 2019 (March 31, 2018: INR (232,979) Lakhs).

Further, the Company has recorded fair value loss on share buy back obligations during the year of INR 148,066 Lakhs (31 March 2018: 42,909 Lakhs) which has resulted into Loss before interest, tax, depreciation and amortisation (EBITDA) of INR 165,735 Lakhs (31 March 2018: INR 62,588 Lakhs). During the year, the terms and conditions in the shareholders' agreement has been modified to not include the share buy-back clause w.e.f. December 20, 2018. Accordingly as per the requirements of IND AS, the company has extinguished the financial liability at the time of modification in terms amounting to INR 445,466 Lakhs and credited Instruments entirely equity in nature of INR 2,459 Lakhs and Securities Premium of INR 443,007 Lakhs (INR 288,043 Lakhs pertaining to fair value changes and INR 154,964 Lakhs securities premium received in cash on issue of CCCPS in respective years) respectively (see also note 14 and 15). It has resulted into increase in securities premium by INR 288,043 Lakhs on account of fair value changes and resulting in net balance of INR 739,477 Lakhs as at March 31, 2019.

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**Delhivery Private Limited**
**Notes to standalone financial statements for the year ended March 31, 2019**
**(All amounts in Indian Rupees in lakhs, unless otherwise stated)**
**18. Provisions**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Provision for employee benefits</b>				
- Provision for Gratuity (refer note 30)	1,059	677	30	11
- Provision for compensated absences	552	395	93	70
	<b>1,611</b>	<b>1,072</b>	<b>123</b>	<b>81</b>
<b>Other Provisions</b>				
Provision for asset retirement obligation	30	27	-	-
	<b>30</b>	<b>27</b>	<b>-</b>	<b>-</b>
<b>Total Provisions</b>	<b>1,641</b>	<b>1,100</b>	<b>123</b>	<b>81</b>

	Compensated absences	Gratuity	Asset retirement obligation
<b>Movement in above balances:</b>			
As at April 01 2017	338	403	24
Arising during the year	244	285	3
Utilised	(116)	(0)	-
<b>As at March 31, 2018</b>	<b>466</b>	<b>688</b>	<b>27</b>
Arising during the year	341	430	30
Utilised	(162)	(29)	-
<b>As at March 31, 2019</b>	<b>645</b>	<b>1,089</b>	<b>57</b>

**19. Other current liabilities**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Others</b>				
- Advance from Customers	-	-	491	483
- Capital Creditors	756	940	-	-
- Security Deposit	-	-	235	57
- Employee Welfare Fund	-	-	131	47
<b>Statutory dues</b>				
Withholding tax payable	-	-	823	545
Provident Fund payable	-	-	295	173
Employee's State Insurance Payable	-	-	44	35
Professional tax payable	-	-	24	46
Labour Welfare Fund payable	-	-	1	1
Goods & Service tax payable	-	-	-	13
Amount payable, collected on behalf of the customers	-	-	2,545	7,266
	<b>756</b>	<b>940</b>	<b>4,589</b>	<b>8,666</b>

**20. Trade Payables**

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Trade payable</b>				
Total outstanding dues of creditors other than micro and small enterprises	248	199	18,711	18,451
Total outstanding dues of micro and small enterprises (refer note 39 for details of dues to micro and small enterprises)	-	-	6	-
	<b>248</b>	<b>199</b>	<b>18,717</b>	<b>18,451</b>

Trade payables are non-interest bearing and are normally settled on 0-60 days terms.  
For explanations on the Company's credit risk management processes, refer to note 35.

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**21. Revenue from contracts with customers**

	March 31, 2019	March 31, 2018
Sale of Services	165,383	101,938
	<b>165,383</b>	<b>101,938</b>
Income from Delivery Services	152,182	96,468
Income from Warehousing Services	13,201	5,420
Income from Octroi Processing	-	50
	<b>165,383</b>	<b>101,938</b>

**Impact of application of Ind AS 115 Revenue from Contracts with Customers**

The Company has adopted Ind AS 115 on Revenue from Contracts with Customers, using the modified retrospective approach. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the statement of profit and loss. The adoption of the standard did not have any material impact on the recognition and measurement of revenue and related items in the financial statements.

**Timing of rendering of services**

	March 31, 2019	March 31, 2018
Services rendered at a point in time	152,182	96,518
Services rendered over time	13,201	5,420
<b>Total Revenue from Contract with customers</b>	<b>165,383</b>	<b>101,938</b>

**Contract Balances**

The following table provides information about receivables, contracts assets, and contract liabilities from contracts with customers.

	March 31, 2019	March 31, 2018
Trade Receivables (Unconditional right to consideration)	21,157	16,175
Contract assets (Refer note 1 below)	14,131	9,889
Contract liabilities (Refer note 2 below)	491	483

**Notes:**

1. The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional.
2. Contract liability relates to payments received in advance of performance against which amount has been received from customer but services are yet to be rendered on the reporting date. Contract liabilities are recognized once the services are provided, being performance obligation of the Company.

The allowance for doubtful accounts as of March 31, 2019, and changes in the allowance for doubtful accounts during the 12 months ended on March 31, 2019, were as follows:

Particulars	March 31, 2019	March 31, 2018
Opening balance	1,794	1,525
Add: Provision created during the year	3,846	269
Less: write offs, net of recoveries	(170)	-
<b>Closing balance</b>	<b>5,470</b>	<b>1,794</b>

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**22. Other Income**

	March 31, 2019	March 31, 2018
Interest Income on		
- Bank deposits	2,296	1,975
- Non-current investments	214	967
- Current investments	550	725
- Inter-corporate loans	132	113
- Income Tax refund	93	102
- Unwinding of discount on security deposits paid	202	349
Fair value gain on Investment at fair value through profit or loss	101	144
Net gain on sale of current investments	247	609
Profit on sale of assets	5	-
Miscellaneous Income	274	158
	<b>4,114</b>	<b>5,142</b>

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**23. Employee Benefits Expense**

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	27,908	20,160
Contribution to provident and other funds*	1,848	1,327
Share Based Payment Expense (refer note 36)	3,794	5,148
Gratuity expense (refer note 30)	430	299
Staff welfare expenses	1,557	981
	<b>35,537</b>	<b>27,914</b>

\* Defined contribution plan

**24. Other Expenses**

	March 31, 2019	March 31, 2018
Line haul expenses	46,873	28,825
Outsourced manpower expenses	26,782	20,993
Vehicle rental expenses	26,921	16,839
Donation Expenses	-	9
Rent	16,528	10,075
Security expenses	3,831	2,385
Power, fuel & water charges	6,302	4,258
Packing material	2,900	1,510
Stores and spares	508	376
Lost Shipment expense (net)	2,094	593
Rates and Taxes	98	135
Business development expenses	15	5
Repairs & Maintenance		
- Building	944	732
- Computers	116	445
- Others	1,374	1,233
Provision for doubtful debts	2,754	637
Bad debts written off	361	678
Housekeeping Expenses	1,604	950
Provision for doubtful advances	76	173
Brokerage & Commission	2	21
Travelling and conveyance	1,818	1,311
Loss on disposal of property, plant and equipment/Assets written off	-	58
Communication cost	1,880	1,516
Website and technology expenses	4,121	2,536
Fair value loss on financial instruments at fair value through profit or loss	1,071	213
Legal and professional fees	544	930
Payment to auditor (Refer details below)*	84	69
Director's Remuneration (refer not 33)	264	105
Printing and stationery	592	570
Insurance expense	181	109
Recruiting expenses	167	96
Miscellaneous expenses	824	462
	<b>151,629</b>	<b>98,845</b>

**\*Payment to auditor**

As Auditor;

Audit fee

**In Other Capacity**

Reimbursement of expense

	March 31, 2019	March 31, 2018
	82	65
	2	4
	<b>84</b>	<b>69</b>

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**25. Depreciation and amortization expense**

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment	8,948	4,551
Amortization of intangible assets	272	135
	<b>9,220</b>	<b>4,686</b>

**26. Finance Cost**

	March 31, 2019	March 31, 2018
Bank charges	833	790
Interest Expenses : Bank	702	220
Interest Expenses : Others	24	7
Interest on Bill Discounting	246	102
Payment Gateway Charges	73	54
	<b>1,879</b>	<b>1,172</b>

**27. Exceptional Items**

During the year ended March 31, 2019, diminution in the carrying value of investment in respect of Delhivery Corp UK Limited amounting to Rs 1,270 lakhs (March 31, 2018: Rs. Nil), [represented by Investments in equity shares] is made.

**28. Earnings per share (EPS)**

Basic/Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
Loss attributable to equity holders of the company	178,104	68,446
Weighted average number of equity shares in calculating basic EPS	51	10
<b>Basic earnings per share</b>	<b>3,466</b>	<b>7,148</b>
Weighted average number of equity shares in calculating diluted EPS	53	10
<b>Diluted earnings per share</b>	<b>3,386</b>	<b>6,607</b>

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**29 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Share-based payments**

Employees of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). In accordance with the Ind AS 102 Share Based Payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality table. The mortality table tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 33.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Useful Life of property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation on all property plant and equipment are provided on a written-down value method based on the estimated useful life of the asset. The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives based on management's assessment of their respective economic useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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**Delhivery Private Limited**

**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

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**Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Impairment of goodwill**

The Company estimates the value-in-use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on the historical market returns of comparable companies.

**Business combinations**

During the year ended March 31, 2019, the Company made an acquisition (refer Note 34). The assets acquired were recognized at fair value at the date of acquisition. Goodwill was recognized as the remaining portion of the purchase price that was not allocated to the acquired assets as part of the purchase price allocation. To determine the fair values of individual assets acquired including property, plant and equipment, non-compete and customer relationships, complex valuation models based on assumptions were used. This measurement was dependent on estimates of future cash flows as well as the cost of capital applied.

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**30. Gratuity plan**

The Company has a defined benefit gratuity plan. The gratuity plan of India is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who are in continuous service of five years are entitled to specific benefit. The level of benefits provided depends on the employees length of service and salary at retirement age.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the Gratuity:-

<b>Benefit liability</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Opening defined benefit obligation	688	403
Past Service Cost	-	1
Interest cost	54	30
Current Service Cost	376	268
Benefits Paid	(29)	(0)
Actuarial (gain)/ loss on obligation	1	(14)
<b>Closing defined benefit obligation</b>	<b>1,089</b>	<b>688</b>

**Expense Recognised in the statement of Profit and Loss****Gratuity Cost for the period**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Current Service Cost	376	268
Past Service Cost	-	1
Interest Cost	54	30
<b>Net Gratuity Cost</b>	<b>430</b>	<b>299</b>

**Remeasurement gains/(losses) in other comprehensive income**

Actuarial changes arising from changes in financial assumptions

Experience adjustments

Amount recognised in OCI during the year

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Actuarial changes arising from changes in financial assumptions	28	(38)
Experience adjustments	(27)	24
<b>Amount recognised in OCI during the year</b>	<b>1</b>	<b>(14)</b>

**Actuarial assumptions**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Discount rate	7.56%	7.80%
Salary Growth Rate	7.00%	7.00%
Expected rate of return		
Mortality	IALM 2006-08 ultimate	IALM 2006-08 ultimate
Attrition rate		
Upto 30 years	15.00%	15.00%
Between 31 and 44 years	7.00%	7.00%
Above 44 years	2.00%	2.00%
Normal retirement age	60 years	60 years

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

**Attrition rate:** The estimate of future employee turnover

**A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Sensitivity level	Discount rate increase by 0.5%		Discount rate decrease by 0.5%	
Impact on defined benefit obligation	(63)	(41)	69	45
Sensitivity level	Future salary increase by 0.5%		Future salary decrease by 0.5%	
Impact on defined benefit obligation	64	46	(59)	42

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.11 years (March 31, 2018: 10.99 years).

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**31. Commitments and Contingencies****Operating lease commitments - Company as lessee**

The company has entered into operating leases on certain premises, with lease term between one to nine years. There is escalation clause on the lease agreement, There are no restrictions imposed by lease agreements. The total expense during the year is Rs. 16,528 lakhs (March 31, 2018 is Rs. 10,075 lakhs)

Future minimum rentals payable under non-cancellable operating leases as follows:

Within one year  
After one year but more than five years  
More than five years

March 31, 2019	March 31, 2018
3,359	1,214
1,499	1,783
-	-
<b>4,858</b>	<b>2,997</b>

**32. Commitments and contingencies****A. Capital and other commitments**

a) Capital commitment (net of advances) as on 31 March, 2019 is Rs. 39 Lakhs (31 March 2018: Rs.2,299 Lakhs).

b) Other commitment ( Labour Guarantee- Dubai Branch) as on 31 March, 2019 is Rs. 13 Lakhs (31 March 2018 : Rs. 13 Lakhs)

**B. Claims disputed by the Company:**

Claims against the company not acknowledged as debts\*

March 31, 2019	March 31, 2018
18,362	5
<b>18,362</b>	<b>5</b>

\* The claims against the company comprises of:

(a) An outsourced security vendor has commenced an action against the company in respect of debit notes raised by the company for non - performance of their agreed duties. The company has estimated that if the action is successful, estimate liability may be approx. Rs. 5 Lakhs (31 March 2018: 5 Lakhs). A trial date has not yet been set and therefore it is not practicable to state the timing of any payment. The company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognized in the financial statements.

(b) The Company received Assessment Order dated December 26, 2018 for FY 2015-2016 i.e. A.Y 2016-17 wherein the Assessing Officer (AO) raised Income tax demand of Rs 18,357 lakhs under Income Tax Act, 1961. The company has filed appeal in respect of the above demand which is pending at Commissioner of Income Tax (Appeals).

The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required and hence these demands have been disclosed as contingent liability.

C. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on subject.

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### 33. Related party transactions

#### Names of related parties and related party relationship:

#### Related parties under Ind AS 24:

Companies having significant influence

Times Internet Limited  
 Nexus Ventures III, Ltd.  
 Multiples Private Equity Fund  
 Multiples Private Equity Fund I Limited  
 Nexus Opportunity Fund Limited  
 Internet Fund III Pte Ltd  
 CA Swift Investments  
 Deli CMF Pte. Ltd, Hong Kong  
 SVF Doorbell (Cayman Limited)

Subsidiaries

Skynet Logistics Private Limited  
 Delhivery USA LLC  
 Delhivery Corp Limited, London, United Kingdom  
 Delhivery HK Pte. Ltd. (w.e.f August 3, 2018)

Associate

Leucon Technology Private Limited

Key Management Personnel ("KMP")

Mr. Sahil Barua	Chief Executive Officer
Mr. Mohit Tandon	Chief Strategy Officer - Client Servicing
Mr. Suraj Saharan	Head - Corporate Finance and Investor Relations
Mr. Bhavesh Kishor Manglani	Head - Platforms
Mr. Kapil Bharati	Chief Technical Officer - Technology
Mr. Ajith Pai	Chief Financial officer
Mr. Amit Agarwal	Vice President - Finance
Mr. Sandeep Barasia	Director
Mr. Suvir Suren Sujjan	Nominee Director
Mr. Varyar Sudhir Narayanankutty	Nominee Director
Mr. Gautam Sinha	Nominee Director
Mr. Srivatsan Ranjan	Director
Mr. Neeraj Bhardwaj	Nominee Director
Mr. Deep Verma	Nominee Director
Mr. Tang Bin (till March 14, 2019)	Nominee Director
Mr. Deepak Kapoor (w.e.f November 22, 2017)	Director
Ms. Hanne Birgitte Breinbjerg Sorensen (w.e.f December 26, 2017)	Director
Ms. Anjali Bansal (w.e.f November 10, 2017)	Nominee Director
Mr. Munish Ravinder Varma (w.e.f March 7, 2019)	Nominee Director
Yanxiang Lu (w.e.f March 14, 2019)	Nominee Director
Mr. Sumit Juneja (w.e.f March 7, 2019)	Nominee Director



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33. (Cont'd) Related Party Transaction

Summary of transactions and balances with the above related parties is as follows:

A. Transactions during the year:

Nature of Transactions/Balances	Companies having significant influence		Key Management Personnel		Subsidiaries		Associate		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Issue of preference shares under share buyback obligation										
- Dedi CMF Pte. Ltd, Hong Kong		17,380								17,380
Issue of preference shares										
- SVF Doorbell (Cayman Limited)	244,899								244,899	
- CA Swift Investments	31,719								31,719	
- Dedi CMF Pte Ltd FOSUN	12,391								12,391	
Fair value loss on financial instruments (Share buyback obligation of preference shares) at fair value through profit or loss										
- Times Internet Limited	27,539	8,935							27,539	8,935
- Nexus Ventures III, Ltd.	41,149	12,950							41,149	12,950
- Multiples Private Equity Fund	9,466	2,905							9,466	2,905
- Nexus Opportunity Fund Limited	4,733	1,228							4,733	1,228
- Internet Fund III Pte Ltd	29,438	7,637							29,438	7,637
- Multiples Private Equity Fund I Limited	2,675	694							2,675	694
- CA Swift Investments	24,981	6,467							24,981	6,467
- Dedi CMF Pte. Ltd, Hong Kong	8,085	2,093							8,085	2,093
Loans given during the year										
- Skynet Logistics Private Limited						207				207
Loans repaid during the year										
- Mr. Suraj Saharan				16						16
Investments in Unquoted equity instruments (fully paid)										
- Delivery Corp Limited, London, United Kingdom					580	639			580	639
- Delivery HK Pte Ltd.*					0				0	
Other Income										
Interest income : Inter-corporate loans										
- Skynet Logistics Private Limited					95	87			95	87
Purchase of Services										
- Leacon Technology Private Limited							622	418	622	418

\* Value less than Rs. 0.5 Lakh

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33. (Cont'd) Related Party Transactions

Summary of transactions and balances with the above related parties is as follows:

A. Transactions during the year (Cont'd.):

Nature of Transactions/Balances	Companies having significant influence		Key Management Personnel		Subsidiaries		Associate		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2018
Services provided										
- Skytel Logistics Private Limited	-	-	-	-	-	-	-	-	-	17
- Delivery HK Pte Ltd.	-	-	-	-	16	-	-	-	16	-
Services received										
- Delivery USA LLC	-	-	-	-	33	-	-	-	33	-
Remuneration to Key Managerial Personnel (refer Note below)										
Salary, bonus and contribution to PF										
Mr. Sahil Bania	-	-	80	37	-	-	-	-	80	37
Mr. Mohit Tandon	-	-	76	33	-	-	-	-	76	33
Mr. Sunj Salazar	-	-	80	37	-	-	-	-	80	37
Mr. Bhavesh Kishor Manglani	-	-	30	34	-	-	-	-	30	34
Mr. Kapil Bharti	-	-	77	36	-	-	-	-	77	36
Mr. Ajith Pai	-	-	82	36	-	-	-	-	82	36
Mr. Anil Agarwal	-	-	41	38	-	-	-	-	41	38
Mr. Sandeep Bansal	-	-	268	205	-	-	-	-	268	205
Ms. Anjali Bansal	-	-	65	65	-	-	-	-	65	65
Mr. Deepak Kapoor	-	-	65	23	-	-	-	-	65	23
Ms. Hanne Brigitte Bremberg Sorensen	-	-	69	17	-	-	-	-	69	17
Mr. Shivansh Rastan	-	-	65	-	-	-	-	-	65	-

\* Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as they are determined on an actuarial basis for the company as a whole. It also does not include share based payment transactions due to unavailability of employee wise valuation.

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**Delhivery Private Limited**

Notes to standalone financial statements for the year ended March 31, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**33. (Cont'd) Related Party Transaction**

Summary of transactions and balances with the above related parties is as follows:

**B. Balances as the year end:**

Nature of Transactions/Balances	Companies having significant influence		Key Management Personnel		Subsidiaries		Associate		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Outstanding balance receivable/(payable)</b>										
- Skynet Logistics Private Limited (Loan balance)	-	-	-	-	938	919	-	-	938	919
- Skynet Logistics Private Limited (Delivery services)**	-	-	-	-	65	0	-	-	65	0
- Skynet Logistics Private Limited (COD payable)	-	-	-	-	(106)	(105)	-	-	(106)	(105)
- Leucan Technology Private Limited	-	-	-	-	-	-	(45)	(39)	(45)	(39)
- Delhivery Hk Pte. Ltd. (receivable)	-	-	-	-	39	-	-	-	39	-
- Delhivery USA LLC (Delivery Services)	-	-	-	-	(4)	-	-	-	(4)	-
<b>Other Financial Assets</b>										
Interest accrued on inter company deposits	-	-	-	-	224	129	-	-	224	129
- Skynet Logistics Private Limited	-	-	-	-	-	-	-	-	-	-
<b>Balance outstanding at year end</b>										
<b>Salary Payable**</b>										
Mr. Sahil Banua	-	-	11	8	-	-	-	-	11	8
Mr. Mohit Tandon	-	-	11	2	-	-	-	-	11	2
Mr. Suraj Saharan	-	-	10	2	-	-	-	-	10	2
Mr. Bhavesh Kishor Manglani	-	-	2	2	-	-	-	-	2	2
Mr. Kapil Bharti	-	-	10	2	-	-	-	-	10	2
Mr. Ajith Pai	-	-	13	2	-	-	-	-	13	2
Mr. Arni Agarwal	-	-	5	5	-	-	-	-	5	5
Mr. Sandeep Barasia	-	-	24	9	-	-	-	-	24	9
<b>Loans and advances to related parties</b>										
Mr. Sandeep Barasia	-	-	23	23	-	-	-	-	23	23

\* Value less than Rs. 0.5 Lakh

\*\* Remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as they are determined on an actuarial basis for the company as a whole. It also does not include share based payment transactions due to unavailability of employee wise valuation.

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### 34. Business combinations

#### Acquisition during the year ended 31 March 2019

##### Aramex India Private Limited ('Aramex')

The company entered into an business purchase agreement with Aramex India Private Limited ('Aramex') on February 27, 2019, to purchase the assets, along with employing all such employees who wanted to be employed with the company at a total purchase consideration of INR 2,654 lakhs.

##### Assets acquired

The fair values of the identifiable assets of Aramex as at the date of acquisition were:

Particular	Amount
Property, Plant and Equipment	388
Customer Relationship	611
Non Compete	17
Goodwill	1,638
<b>Purchase Consideration</b>	<b>2,654</b>

All other disclosures as required under IND AS 103 are impracticable as:

- fair valuation was not done of the total consideration transferred or each major class of consideration at the date of acquisition or thereafter,
- there were no contingent consideration arrangements entered into with the acquiree,
- no contingent liabilities have been recognised,
- there are no such transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination,
- the above business combination is not a bargain-purchase
- the above business combination is not achieved in stages.

### 35.1 Fair Values

#### Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Particulars	Amortised cost	Fair Value through profit or loss	Carrying value
<b>Assets:</b>			
Cash and cash equivalents (Refer Note 12)	165,967	-	165,967
Bank balance other than "Cash & cash equivalents"(Refer Note 13)	79	-	79
Investments (current) (Refer Note 5)	-	1,002	1,002
Investments (non-current) (Refer Note 5)	-	114,495	114,495
Investments in equity securities (non-current) (Refer Note 5)	551	-	551
Trade receivables (Refer Note 7)	21,157	-	21,157
Loans (non-current) (Refer note 8)	273	-	273
Loans (current) (Refer note 8)	938	-	938
Other financial assets (Refer Note 9)	38,469	-	38,469
<b>Total</b>	<b>227,435</b>	<b>115,497</b>	<b>342,932</b>
<b>Liabilities:</b>			
Trade payables (Refer Note 20)	18,959	-	18,959
Borrowing (Refer Note 16)	6,441	-	6,441
Other financial liabilities (Refer Note 17)	2,958	-	2,958
<b>Total</b>	<b>28,358</b>	<b>-</b>	<b>28,358</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Amortised cost	Fair Value through profit or loss	Carrying value
<b>Assets:</b>			
Cash and cash equivalents (Refer Note 12)	450	-	450
Bank balance other than "Cash & cash equivalents"(Refer Note 13)	37	-	37
Investments (current) (Refer Note 5)	3,500	14,643	18,143
Investments (non-current) (Refer Note 5)	-	11,485	11,485
Investments in equity securities (non-current) (Refer Note 5)	1,241	4	1,245
Investments in preference securities (non-current) (Refer Note 5)	-	1,067	1,067
Trade receivables (Refer Note 7)	15,692	-	16,175
Loans (non-current) (Refer note 8)	331	-	331
Loans (current) (Refer note 8)	1,007	-	1,007
Other financial assets (Refer Note 9)	42,318	-	42,318
<b>Total</b>	<b>64,576</b>	<b>27,199</b>	<b>92,258</b>
<b>Liabilities:</b>			
Trade payables (Refer Note 20)	18,649	-	18,649
Borrowing (Refer Note 16)	4,076	-	4,076
Share Buy Back Obligations (Refer Note 17)	-	297,400	297,400
Other financial liabilities (Refer Note 17)	642	-	642
<b>Total</b>	<b>23,367</b>	<b>297,400</b>	<b>320,767</b>

The following methods / assumptions were used to estimate the fair values:

- The carrying value of trade receivables, cash and cash equivalents, trade payables, security deposits, lease liabilities and other current financial assets and other current financial liabilities measured at amortised cost approximate their fair value due to the short-term maturities of these instruments.
- The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- Fair value of quoted mutual funds is based on quoted market prices at the reporting date.
- Fair value of debt instruments is estimated based on discounted cash flows valuation technique using the cash flow projections, discount rate and credit risk.
- Fair value of the share buy back obligation is estimated based on discounted cash flow valuation technique using cash flow projections and financial projections/budgets approved by the management.

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### 35.2 (a) Fair value hierarchy

#### Fair value hierarchy

Level 1 - Quoted prices in active markets

Level 2 - Significant observable inputs

Level 3 - Significant unobservable inputs

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

Particulars	March 31, 2019	Fair value measurement using		
		Level 1	Level 2	Level 3
Liabilities	Share Buy Back Obligations	-	-	-
Assets	Investment in Equity Securities	-	-	-
Assets	Investment in Preference Securities	-	-	-
Assets	Other Investments	115,497	115,497	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2018:

Particulars	March 31, 2018	Fair value measurement using		
		Level 1	Level 2	Level 3
Liabilities	Share Buy Back Obligations	297,400	297,400	-
Assets	Investment in Equity Securities	4	-	4
Assets	Investment in Preference Securities	1,067	-	1,067
Assets	Other Investments	26,128	26,128	-

### 35.2 (b) Fair value hierarchy

#### Investments in equity/preference securities

Reconciliation of Level 3 fair value measurement is as follows:		March 31, 2019	March 31, 2018
Balance at the beginning of the year		1,071	1,284
Disposals during the year		-	-
Fair value loss on financial instruments at fair value through profit or loss		1,071	213
Balance at the end of the year		-	1,071

### 35.2 (c) Fair value hierarchy

Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets / liabilities as of 31 March 2019 and 31 March 2018:

Financial Assets	Valuation technique(s)	Key Input(s)	Sensitivity
Investments in equity securities (non-current) (Refer Note 5)		i) Discount rate	
Investments in preference securities (non-current) (Refer Note 5)	Refer Note below*	ii) Growth rate for long term cash flow projections	
		iii) Future cash flow projections	Refer Note below**

\* The fair values of financial assets included in level 3 have been determined in accordance with generally accepted pricing models based on a discounted cashflow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counter parties.

\*\* Sensitivity to changes in unobservable inputs: The fair value of these financial assets is directly proportional to the estimated future cash flow projections based on the budgets approved by the management. If the cash flow projections were to increase / decrease by 1% with all the other variables held constant, the fair value of these financial assets and financial liabilities would increase / decrease by 1%.

### 35.3 Financial risk management objectives and policies

#### Financial risk management

##### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

#### A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Company ensures optimization of cash through fund planning and robust cash management practices.

#### B) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As majority of the financial assets and liabilities of the Company are either non-interest bearing or fixed interest bearing instruments, the Company's net exposure to interest risk is negligible.

#### W) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entire revenue and majority of the expenses of the Company are denominated in Indian Rupees.

Management considers currency risk to be low and does not hedge its currency risk. As variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

#### Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 21,156.50 and 16,175.05 Lakhs as of March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as the company's historical experience for customers.

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**35.3 Financial risk management objectives and policies (contd.)****Credit risk exposure**

The company has established an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and 12 months expected credit loss for other receivables. An impairment analysis is performed at each reporting date on an individual basis for major parties. In addition, a large number of minor receivables are combined into homogenous categories and assessed for impairment collectively. The calculation is based on historical data of actual losses.

**Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Trade payables (Refer Note 20)	18,717	248	-	-	18,965
Borrowing (Refer Note 16)	2,879	364	3,198	-	6,441
Other financial liabilities (Refer Note 17)	2,958	-	-	-	2,958

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Trade payables (Refer Note 20)	18,451	199	-	-	18,650
Borrowing (Refer Note 16)	3,197	879	-	-	4,076
Share Buy Back Obligations (Refer Note 17)	-	-	-	297,400	297,400
Other financial liabilities (Refer Note 17)	642	-	-	-	642

**35.4 Capital management**

For the purpose of the company's capital management, capital includes issued equity capital, instruments entirely equity in nature, securities premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. In the opinion of the Directors, the Company's capital risk is low.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**36. Share-based payments**

General Employee Share-option Plan (GESP): Delhivery Employees Stock Option Plan, 2012

The company provides share-based payment schemes to its employees. During the year ended 31 March 2019, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

On 28<sup>th</sup> September 2012, the board of directors approved the Delhivery Employees Stock Option Plan, 2012 for issue of stock options to the key employees and directors of the company. According to the Scheme 2012, it applies to bona fide confirmed and who are in whole – time employment of the company and as decided by the board of directors of the company or appropriate committee of the board constituted by the board from time to time. The options granted under the Scheme shall vest not less than one year and not more than four years from the date of grant of options. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time and the equity shares arising on exercise of such options shall not be subject to any lock-in period.

**Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	<b>March 31, 2019</b>		<b>March 31, 2018</b>	
	<b>No. of options</b>	<b>WAEP (Rs.)**</b>	<b>No. of options</b>	<b>WAEP (Rs.)**</b>
Outstanding at the beginning of the year*	150,089	1,154	105,251	899
Granted during the year	70,325	1,854	62,300	1,628
Forfeited during the year	(12,964)	1,623	(12,199)	4,743
Exercised during the year	-	-	(5,263)	1,202
Outstanding at the end of the year	207,450	1,377	150,089	1,154
Exercisable at the end of the year	207,450	1,377	150,089	1,154

\* Exercise price revised by the company during the financial year 2017 - 18

\*\* Values represented over here are absolute in number, as values are less than Rs. 10,000

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2019 is 2.97 years (31 March 2018: 3.22 years). The range of exercise prices for options outstanding at the end of the year was Rs 225.94 to Rs. 2985 (31 March 2018: Rs. 225.94 to Rs. 1,509).

The following tables list the inputs to the models used for the GESP plans for the years ended 31 March 2019 and 31 March 2018, respectively:

	<b>31 March 2019</b>	<b>31 March 2018</b>
Expected volatility (%)	38.00%	12.00%
Risk-free interest rate (%)	6.90%	7.80%
Expected life of share options	4 to 5 years	5 to 6 years
Weighted average share price (INR )	1,377	900
Model used	Black Scholes Option Pricing Model	

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

**37. Operating Segments**

The primary reporting of the Company has been performed on the basis of business segment. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ('CODM') has evaluated of the Company's performance at an overall level as one segment which is 'Logistics Services' that includes warehousing, last mile logistics, designing and deploying logistics management systems, logistics and supply chain consulting/advice, inbound/procurement support. and operates in a single business segment based on the nature of the services, the risks and returns, the organization structure and the internal financial reporting systems. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment. The Company reports geographical segment which is based on the areas in which major operating divisions of the Company operate. The significant part of Company operations are based in India.

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**Delhivery Private Limited****Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**38. Disclosure required under Sec 186(4) of the Companies Act 2013**

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the party	Rate of Interest	Due date	Secured/ unsecured	March 31, 2019	March 31, 2018
Mituj Marketing Private Limited	10% per annum	31/03/2021	Unsecured	273	331
				<b>273</b>	<b>331</b>

**39. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

There are no Micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company.

40. As at the year ended on 31 March 2019 and 31 March 2018, the Company is having net deferred tax assets primarily comprising of unabsorbed Depreciation and carry forward Losses under tax laws. However in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

**41. Expenditure in foreign currency**

	March 31, 2019	March 31, 2018
Legal and professional fees	124	75
Recruiting expenses	6	4
Miscellaneous expenses	207	93
Website and technology expenses	174	56
Staff Welfare Expenses*	0	1
Business development expenses	2	-
Line haul expenses	307	-
Travelling and conveyance*	0	-
Total	<b>820</b>	<b>229</b>

\*Value less than Rs. 0.5 Lakh

**42. Recent accounting pronouncements-****A) New Standard issued**

The Ministry of Corporate Affairs on 30 March 2019 notified the new leasing standard, viz., Ind AS 116 Leases. Ind AS 116 is applicable for the financial year beginning on or after 1 April 2019 for all Ind AS companies. It replaces virtually all the existing leasing requirements under Ind AS 17 Leases.

The new standard will require lessees to recognize most leases on their balance sheets. Lessees will use a single accounting model for all leases, with limited exemptions. Foreign currency leases will increase P&L volatility due to a restatement of foreign currency liability. An entity has an option to adopt Ind AS 116 using either the full retrospective method or the modified retrospective method. An entity that elects the modified retrospective method would apply Ind AS 116 retrospectively to only the current period by recognising the cumulative effect of initially applying Ind AS 116 as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application. Under the modified retrospective method, Ind AS 116 would be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. An entity would need to disclose how it applied the modified retrospective method.

The Company is in process to evaluate the impact of the new standard on financial statements

**B) On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting Standards (Ind AS)****(i) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

**(ii) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

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**Delhivery Private Limited**

**Notes to standalone financial statements for the year ended March 31, 2019**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

43. The company in its board meeting dated February 15, 2018 has approved the scheme of amalgamation with Skynet Logistics Private Limited (Transferor Company or 'Skynet'). Skynet is a wholly-owned subsidiary of the company and is engaged in similar related businesses. Through consolidation, the synergies that exist among the entities in terms of similar business processes and resources can be put to the best advantage of the stakeholders. Accordingly, the company has filed an application with the Hon'ble National Company Law Tribunal, Delhi Bench, New Delhi on May 17, 2018 with appointment date being the date on which the scheme shall become effective i.e. the date on which the last of the approvals or sanctions specified in the Scheme shall have been obtained or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal, Delhi Bench, New Delhi or any other Appropriate Authority and with effect from which date the Transferor company shall amalgamate. The approval from Hon'ble National Company Law Tribunal, Delhi Bench, New Delhi or any other Appropriate Authority is yet to be received.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004



per Yogesh Midha

Partner

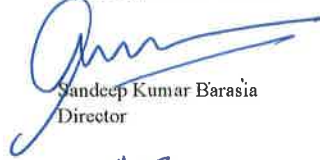
Membership No.: 094941



Place: New Delhi

Date : September 27, 2019

For and on behalf of the Board of Directors of  
Delhivery Private Limited



Sandeep Kumar Barasia  
Director

  
Ajith Pai  
CFO

Sahil Barua  
Director

  
Deepak Manglani  
Company Secretary