

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 2020, 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 standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and 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, 2020, 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 with reference to financial statements 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.

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, 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;
 - (c) 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;



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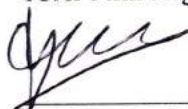
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- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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: 20094941AAAAEE1535

Place of Signature: New Delhi

Date: 25-09-2020



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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 have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given 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.
There was no inventory lying with third parties.
- (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 loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties 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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company



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- (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 and audit procedures performed by 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 to which amount relates	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 and audit procedures performed by us, 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.



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- (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 and audit procedures performed by us, 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 and audit procedures performed by us, 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: 20094941AAAAEE1535

Place of Signature: New Delhi

Date: 25-09-2020



ANNEXURE 2 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, 2020 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



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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, 2020, 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: 20094941AAAAEE1535

Place of Signature: New Delhi

Date: 25-09-2020



Delhivery Private Limited

Statement of Balance Sheet as at March 31, 2020

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

		March 31, 2020	March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	1	23,578	16,103
Capital work in progress		2,672	88
Goodwill	2	1,638	1,638
Other Intangible assets	3	939	1,111
Right-of-use assets	4	47,812	-
Financial assets			
Investments	5	38,613	3,006
Loans	8	-	273
Other financial assets	9	53,853	20,300
Advance income tax	10	10,474	3,963
Prepayments and other assets	11	122	1,329
		179,701	49,811
Current assets			
Inventories	6	1,783	2,263
Financial assets			
Investments	5	81,044	113,042
Trade receivables	7	60,188	21,157
Loans	8	400	938
Cash and cash equivalent	12	10,602	165,967
Other bank balances	13	28,866	79
Other financial assets	9	61,519	18,170
Prepayments and other assets	11	10,237	6,698
		254,639	328,314
		434,340	378,125
Total assets			
Equity and liabilities			
Equity			
Equity share capital	14	97	96
Instruments entirely equity in nature	14	3,917	3,917
Other equity	15	312,153	338,085
Total equity		316,167	342,098
Non-current liabilities			
Financial liabilities			
Borrowings	16	9,981	3,562
Lease liability	31	38,706	-
Trade payables	20	-	248
Long term provisions	18	2,494	1,641
Other non-current liabilities	19	3,152	756
		54,333	6,207
Current liabilities			
Financial liabilities			
Borrowings	16	9,054	2,879
Lease liability	31	11,077	-
Trade payables	20	-	-
Total outstanding dues of micro and small enterprises		80	6
Total outstanding dues of creditors other than micro and small enterprises		26,314	15,471
Other current financial liabilities	17	6,731	2,958
Provisions	18	203	123
Other current liabilities	19	10,381	8,383
		63,840	29,820
Total liabilities		118,173	36,027
		434,340	378,125
Total equity and liabilities			

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

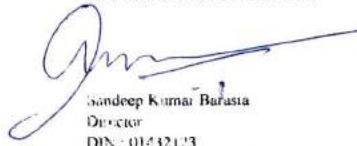

 Per Yogesh Midha
 Partner
 Membership no. 094941
 Place : New Delhi
 Date : September 25, 2020



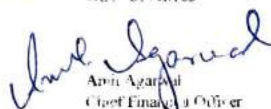
For and on behalf of the Board of Directors of

Delhivery Private Limited

CIN : U63090DL2011PTC221234


 Sandeep Kumar Barasta
 Director
 DIN : 01432123


 Sahil Barua
 Director
 DIN : 0511571


 Anil Agarwal
 Chief Financial Officer


 Kirti Gupta
 Company Secretary
 Membership No. : A56050

Place : Gurugram
 Date : September 25, 2020

Place : Gurugram
 Date : September 25, 2020

Delhivery Private Limited

Standalone Statement of Profit and loss for the year ended March 31, 2020

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

	Notes	March 31, 2020	March 31, 2019
Revenue from contracts with customers	21	277,745	165,383
Other income	22	20,898	4,114
Total income (I)		298,643	169,497
Expenses			
Employee benefits expense	23	50,456	35,537
Purchase of traded goods		577	-
Fair value loss on share buy back obligations at fair value through profit or loss	40	-	148,066
Other expenses	24	241,938	151,629
Total (II)		292,971	335,232
Profit/(Loss) before interest, tax, depreciation and amortisation (EBITDA) (II)-(I)		5,672	(165,735)
Depreciation and amortisation expense	25	25,438	9,220
Finance costs	26	6,634	1,879
Loss before exceptional items and tax (III)		(26,400)	(176,835)
Exceptional Items (IV)	27	(2,013)	(1,270)
Loss before tax (III+IV)		(28,413)	(178,104)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(28,413)	(178,104)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss in subsequent years:			
Re-measurement gain/(loss) on defined benefit plan		(76)	(1)
Income tax effect		-	-
Items that will be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations		(5)	(22)
Income tax effect		-	-
Other comprehensive loss for the year		(81)	(23)
Total comprehensive loss for the year		(28,494)	(178,127)
Loss per share			
Basic, computed on the basis of loss for the year	28	(551)	(3,467)
Diluted, computed on the basis of loss for the year		(551)	(3,467)
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/E/300004



per **Yogesh Midha**
Partner

Membership no . 094941

Place : New Delhi

Date : September 25, 2020



For and on behalf of the Board of Directors of

Delhivery Private Limited

CIN: U63090DL2011PTC221234


Sandeep Kumar Barasia
Director
DIN : 01432123


Sanil Barua
Director
DIN : 05131571


Amit Agarwal
Chief Financial Officer


Kriti Gupta
Company Secretary
Membership No. : A56650

Place : Gurugram
Date : September 25, 2020

Place : Gurugram
Date : September 25, 2020

Delhivery Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
A) Operating activities		
Loss before tax	(28,413)	(178,104)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment	13,217	8,948
Amortization of intangible assets	720	272
Depreciation of right-of-use assets	11,501	-
Allowances for doubtful debts	4,472	2,754
Bad debt written off	178	361
Allowances for doubtful advances	95	76
Provision for diminution in value of non-current investments	756	1,270
Inventory written off	756	-
Share based payment expense	4,881	3,794
Interest expense	1,132	972
Interest on lease liability	3,780	-
Stamp duty expense	(38)	-
Unrealised gain on investment at fair value through profit and loss	(1,335)	(101)
Interest Income	(14,294)	(3,285)
Interest income on unwinding of discount on security deposits paid	(398)	(202)
Gain on sale of current investments	(3,948)	(247)
Fair value loss on share buy back obligations at fair value through profit or loss	-	148,066
Fair value loss on financial instruments at fair value through profit or loss	-	1,071
Loss/(Profit) on disposal of property, plant and equipment	81	(5)
Operating loss before working capital changes	(6,857)	(14,360)
Movements in working capital :		
Increase in inventories	(276)	(567)
Increase in trade and other receivables	(43,682)	(8,119)
Increase in financial assets	(20,699)	(3,635)
Increase in other assets	(2,959)	(1,245)
Decrease in loans	807	58
Increase/(Decrease) in trade payables	10,995	(59)
Increase/(Decrease) in other liabilities	1,998	(4,078)
Increase in provisions	857	584
Cash used in operations	(59,816)	(31,421)
Income taxes paid	(4,511)	(2,286)
Net cash used in operating activities (A)	(64,327)	(33,707)
B) Investing activities		
Purchase of property, plant & equipment (including other intangible assets, capital work in progress and capital advances)	(20,882)	(15,664)
Payment towards acquisition of business	-	(2,654)
Investment in subsidiaries and associates	(1,109)	(581)
Proceeds on sale of financial assets - Liquid mutual fund units, debt instruments	456,963	29,102
Payment to acquire financial assets - Liquid mutual fund units, debt instruments	(454,935)	(118,122)
Maturity of bank deposits (having original maturity of more than 12 months) including margin money deposits	17,544	28,052
Investments in bank deposits (having original maturity of more than 12 months) including margin money deposits	(71,856)	(16,871)
Investment in bank deposits (having original maturity of more than 3 months)	(28,787)	(42)
Interest received	9,638	3,285
Net cash used in investing activities (B)	(93,424)	(93,495)
C) Financing activities		
Proceeds from issuance of equity share capital (stock options exercised)	147	-
Proceeds from issuance of share capital (Instruments entirely equity in nature)	-	289,010
Proceeds from long term borrowings (net of current maturities of Rs 2,278.45 Lakhs (March 31, 2019 : Rs. 564.23 Lakhs))	10,145	4,962
Interest paid	(1,086)	(935)
Interest on lease liability	(3,780)	-
Principal payment of lease liability	(9,215)	-
Repayments of short term borrowings	(2,879)	(3,197)
Proceeds from short term borrowings	9,054	2,879
Net cash flows from financing activities (C)	2,386	292,719
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(155,366)	165,517
Cash and cash equivalents at beginning of the year	165,967	450
Cash and cash equivalents at end of the year (refer Note 12)	10,602	165,967



Delhivery Private Limited**Standalone Cash Flow Statement for the year ended March 31, 2020**

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

Non-cash financing activities

Fair value change in share buyback obligation

March 31, 2020**March 31, 2019**

148,066

Reconciliation of liabilities arising from financing activities

Particulars	March 31, 2020	Cash Flows	Non Cash Changes	April 01, 2019
Long-term borrowings (including current maturity)	16,628	10,145	-	6,483
Short-term borrowings	9,054	6,175	-	2,879
Lease liability	49,783	12,995	30,699	32,079
	75,465	29,315	30,699	41,441

Summary of significant accounting policies

2.3

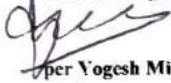
The accompanying notes are an integral part of the consolidated financial statements.

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

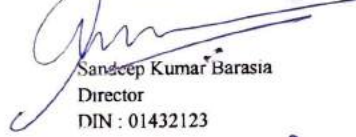
Date : September 25, 2020



For and on behalf of the Board of Directors of

Delhivery Private Limited

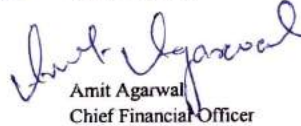
CIN: U63090DL2011PTC221234



Sandeep Kumar Barasia

Director

DIN : 01432123



Amit Agarwal

Chief Financial Officer

Place : Gurugram


Date : September 25, 2020



Sanil Barua

Director

DIN : 05131571



Kriti Gupta

Company Secretary

Membership No : A56650

Place : Gurugram

Date : September 25, 2020

Delhivery Private Limited
 Standalone Statement of changes in equity for the year ended March 31, 2020
 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

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, 2018	958,395	96
Add: Issued during the year	-	-
At 31 March 2019	958,395	96
Add: Issued during the year (stock options exercised)	16,527	1
At 31 March 2020	974,922	97

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

	Number	(Rs. Lakhs)
At March 31, 2018	-	-
Add: Converted to instruments entirely equity in nature during the year	291,667	29
At 31 March 2019	291,667	29
Add: Issued during the year	-	-
At 31 March 2020	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

	Number	(Rs. Lakhs)
At March 31, 2018	-	-
Add: Converted to instruments entirely equity in nature during the year	3,888,068	3,888
At 31 March 2019	3,888,068	3,888
Add: Issued during the year	-	-
At 31 March 2020	3,888,068	3,888

B. Other Equity (refer note 15)

For the year ended March 31, 2020

Description	Attributable to the equity holders of the Company			Items of OCI	Total
	Securities premium	Reserves and Surplus Share based payment reserve	Retained earnings	Foreign currency translational reserve	
Balance as at April 1, 2019	739,477	9,663	(411,084)	29	338,085
Loss for the year	-	-	(28,413)	-	(28,413)
Other comprehensive income/(loss)	-	-	-	-	-
Re-measurement gains/(losses) on defined benefit plans	-	-	(76)	-	(76)
Exchange differences on translation of foreign operations	-	-	-	(5)	(5)
Total comprehensive income/(loss)	-	-	(28,489)	24	(28,494)
Add: ESOPs exercised [transferred Rs. 1094 Lakhs (31 March 2019: Rs. Nil) from share based payment reserve]	1,239	-	-	-	1,239
Less: transferred to securities premium on exercise of stock options	-	(1,094)	-	-	(1,094)
Share issues expenses	(18)	-	-	-	(18)
Add: Share based payment expense	-	4,881	-	-	4,881
Add: Effect of adoption of Ind AS 116 leases	-	-	(2,446)	-	(2,446)
Balance as at March 31, 2020	740,698	13,450	(442,019)	24	312,153

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 Share based payment reserve	Retained earnings	Foreign currency translational reserve	
Balance as at April 01, 2018	9,292	5,869	(232,979)	51	(217,767)
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)	(22)	(178,127)
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	(411,084)	29	338,085

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.Batlbot & Associates LLP
 Chartered Accountants
 (CAI Firm registration number : 101049W/E300004)

For and on behalf of the Board of Directors of
 Delhivery Private Limited
 CIN: 63090DI2011PTC221234

per Yogesh Midha
 Partner
 Membership no 094941
 Place : New Delhi
 Date : September 25, 2020



Sandeep Kumar Borsani
 Director
 DIN: 01432123

Anant Agarwal
 Chief Financial Officer

Place: Gurugram
 Date: September 25, 2020

Sahil Barua
 Director
 DIN: 05131571

Kriti Gupta
 Company Secretary
 Membership No: A56650

Place: Gurugram
 Date: September 25, 2020

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 2020, were approved by the Board of Directors and authorized for issue on September 25, 2020.

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) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

These financial statements have been prepared 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.



Delhivery Private Limited
Notes to standalone Financial Statements for the year ended 31 March 2020

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 cumulatively 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, as per the Company's accounting policies. For this analysis,



Delhivery Private Limited**Notes to standalone Financial Statements for the year ended 31 March 2020**

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 accumulated 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	3-5	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, 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



Delhivery Private Limited

Notes to standalone Financial Statements for the year ended 31 March 2020

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

Till March 31, 2019

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

With effect from April 1, 2019

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment.

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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 21.

Revenue Recognition – Include Contract Balances:

Contract assets



Delhivery Private Limited

Notes to standalone Financial Statements for the year ended 31 March 2020

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 inbounded
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.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the good.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the company considers the effects of



variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

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).

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
- 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 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. 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 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases (Refer note 31)

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that have a lease term of 12 month or less and are of low value assets.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with modified retrospective approach, The Company has taken the cumulative adjustment to retained earnings & Lease equalization Reserve, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been



applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

As at March 31, 2020 and April 01, 2019

- 'Right-of-use assets' were recognised and presented separately in the balance sheet.
- 'Lease liabilities' were recognised and presented separately in the balance sheet.

For the year ended March 31, 2020

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of the decrease in 'Property, plant and equipment'). This resulted in increase in Depreciation and Amortization Expenses of Rs. 11,501 Lakhs (March 2019: Nil)
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by Rs. 12,995 lakhs (March 2019: Nil)
- Finance costs increased by Rs. 3,780 Lakhs (March 2019: Nil) relating to the interest expense on additional lease liabilities recognised.
- Cash outflows from operating activities decreased by Rs. 12,995 Lakhs (March 2019: Nil) and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It 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 Appendix 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

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.



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 the 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. An entity is also required to determine the 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 had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the carrying value of the Company's interest in its associates is Nil.



Delhivery Private Limited
Notes to standalone financial statements for the year ended March 31, 2020
(All amounts in Indian Rupees in lakhs, unless otherwise stated)

3. Property, plant and equipment

	Computers/ Servers*	Office Equipment	Furniture and Fixtures	Vehicles #	Plant and Equipment	Leasehold Improvements	Total
Gross carrying value							
At 1 April 2018	3,359	4,357	4,160	1,741	4,179	4,915	22,711
At 1 April 2018	3,359	4,357	4,160	1,741	4,179	4,915	22,711
Additions	1,997	4,658	4,168	94	1,899	2,460	15,276
Disposals	680	192	-	-	-	-	872
At March 31, 2019	4,675	8,823	8,328	1,835	6,078	7,375	37,114
At March 31, 2019	4,675	8,823	8,328	1,835	6,078	7,375	37,114
Additions	2,097	5,433	3,535	3,308	3,622	2,781	20,774
Disposals	699	490	178	-	86	-	1,453
At March 31, 2020	6,073	13,766	11,683	5,143	9,614	10,156	56,435
At March 31, 2020	6,073	13,766	11,683	5,143	9,614	10,156	56,435
Accumulated depreciation							
At 1 April 2018	2,387	2,054	2,378	673	2,564	2,832	12,888
At 1 April 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
At March 31, 2019	3,017	4,102	4,469	1,267	3,760	4,396	21,011
At March 31, 2019	3,017	4,102	4,469	1,267	3,760	4,396	21,011
Charge for the year	1,799	3,758	2,769	1,138	1,838	1,915	13,217
Disposals	663	461	168	-	79	-	1,371
At March 31, 2020	4,153	7,399	7,070	2,405	5,519	6,311	32,857
At March 31, 2020	4,153	7,399	7,070	2,405	5,519	6,311	32,857
Net block							
Balance as on March 31, 2020	1,920	6,367	4,613	2,738	4,095	3,845	23,578
Balance as on March 31, 2019	1,658	4,721	3,859	568	2,318	2,979	16,103

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

Vehicles under loan contracts as at 31 March 2020 were 4,905 lakhs (31 March 2019: 1702 lakhs). Additions during the year is Rs. 3,203 lakhs (31 March 2019: 62 lakhs). Loans assets are hypothecated as security for the related loan.

Company reassesses the life of assets at the end of each reporting year. Company has estimated the useful life of Urovo device originally as 5 years which has been changed to 3 years from the current financial year. This is classified under office equipment. Accordingly, company has recognised depreciation expense in profit and loss account amounting to Rs. 168 lakhs and decrease the carrying value of the fixed assets by the same amount. There is no material impact on the basic and diluted earnings per share.



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4. Other intangible assets and Right-of-use assets

	Software	Customer relationships	Non - compete	Total	Goodwill *	Right-of-use assets (Refer note 31)
Gross carrying value						
At 1 April 2018	654	-	-	654	-	-
At 1 April 2018	654	-	-	654	-	-
Additions	611	611	17	1,193	1,638	-
Disposals	-	-	-	-	-	-
At March 31, 2019	1,219	611	17	1,847	1,638	-
At March 31, 2019	1,219	611	17	1,847	1,638	-
Adjustments pursuant to Ind AS 116	-	-	-	-	-	29,289
Additions	548	-	-	548	-	30,024
Disposals	-	-	-	-	-	-
At March 31, 2020	1,767	611	17	2,395	1,638	59,313
Accumulated amortization						
At 1 April 2018	463	-	-	463	-	-
At 1 April 2018	463	-	-	463	-	-
Charge for the year	240	31	1	273	-	-
Disposals	-	-	-	-	-	-
At March 31, 2019	704	31	1	736	-	-
At March 31, 2019	704	31	1	736	-	-
Charge for the year	362	348	10	720	-	11,501
Disposals	-	-	-	-	-	-
At March 31, 2020	1,066	379	11	1,456	-	11,501
Net Block						
Balance as on March 31, 2020	701	232	6	939	1,638	47,812
Balance as on March 31, 2019	515	580	16	1,111	1,638	-

* The Company performs test for goodwill impairment at least annually on March 31, or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. Any adverse changes in key assumptions about our businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge.



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

5. Financial assets - Investments

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments at Cost				
Investments in Unquoted equity instruments (fully paid)				
Investment in subsidiaries				
Skynet Logistics Private Limited				
5,510,000 (March 31, 2019 : 5,510,000) equity shares of Rs 10 each (At cost less provision for diminution in value Rs 551 lakhs (March 31, 2019: Nil)	-	551	-	-
Delhivery Corp Limited, London , United Kingdom				
1,650,165 (March 31, 2019 : 1,428,165) equity shares of 1 GBP each (At cost less provision for diminution in value Rs 1,475 lakhs (March 31, 2019: Rs 1,270 lakhs)	-	-	-	-
Delhivery HK Pte Limited, Honk Kong *				
2,209,446 (March 31, 2019: 1) equity share of 1 HKD each	199	0	-	-
Delhivery USA LLC, USA				
981,060 (March 31, 2019: Nil) equity shares of USD 1 each	703	-	-	-
Orion Supply Chain Private Limited				
10,000 (March 31, 2019: Nil) equity shares of Rs. 10 each	1	-	-	-
Investments at fair value through Profit & Loss				
Investments in Associates				
Investments in Unquoted equity instruments (fully paid)				
Leucon Technology Private Limited: 5 (March 31, 2019 : 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, 2019: Rs 1 lakhs))	-	-	-	-
Investments in Unquoted preference shares (fully paid)				
Leucon Technology Private Limited: 4,653 (March 31, 2019 : 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, 2019: Rs. 950 lakhs))	-	-	-	-
Other Investments				
Investments in Unquoted equity instruments (fully paid)				
Leapmile Logistics Private Limited: 100 (March 31, 2019 : 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, 2019: Rs 3 lakhs))	-	-	-	-
Moonshots Internet Private Limited: 100 (March 31, 2019: 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, 2019: Rs 7 lakhs))	-	-	-	-
NAXR Logistics Private Limited: 2000 (March 31, 2019 : 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, 2019 : Rs 200 lakhs)	-	-	-	-
Other Investments				
Investments in Unquoted preference shares (fully paid)				
Leapmile Logistics Private Limited: 3,472 (March 31, 2019 : 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, 2019 : Rs 117 lakhs)	-	-	-	-
Moonshots Internet Private Limited: 31,924 (March 31, 2019 : 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, 2019: Rs 2,393 lakhs)	-	-	-	-
NAXR Logistics Private Limited: 105 (March 31, 2019 : 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, 2019 : Rs 15 lakhs)	-	-	-	-
NAXR Logistics Private Limited: 3,007 (March 31, 2019 : 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, 2019: Rs 1,500 lakhs)	-	-	-	-
	904	551	-	-

*Value less than Rs. 0.5 Lakhs in previous year

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Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

5. Financial assets - Investments (contd.)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments at fair value through Profit & Loss				
(a) Perpetual Bond (Quoted)				
500 (March 31, 2019: Nil) 9.45% State Bank Of India Series III Bd Perpetual of Rs. 10,13,561 (March 31, 2019: Nil)	5,068	-	-	-
250 (March 31, 2019: 250) units of Export Import Bank of India of Rs. 991,044 (March 31, 2019: 9,81,838) each	2,478	2,455	-	-
250 (March 31, 2019: Nil) 9.90% Icici Bank Limited Sr Dde18At 9 90 Bd Perpetual (31-Dec-2099) of Rs. 10,07,403 (March 31, 2019: Nil)	2,519	-	-	-
500 (March 31, 2019: Nil) 8.85% Hdfc Bank Basel Iii Perpetual Bonds Series 1/2017-18 (12-May-2060) of Rs. 9,89,824 (March 31, 2019: Nil)	4,949	-	-	-
(b) Non Convertible Debentures (Quoted)				
Nil (March 31, 2019: 100) units of Kotak Mahindra Investment Ltd SR-0017.9NCD of Rs. 10,00,000 each (March 31, 2019: Rs. 10,00,000 each)	-	-	-	1,000
750 (March 31, 2019: Nil) 8.6308% Kotak Mahindra Investments Limited Sr008 Ncd 29Jl21 Fvrs 10,00,000 (29-Jul-2021) of Rs. 10,16,138 each (March 31, 2019: Nil)	7,621	-	-	-
50 (March 31, 2019: Nil) 11 50% Housing Development Finance Corporation Ltd Sr-R-010 Rr Ncd 22Ju20 Fvrs1Cr (22-Jun-2020) of Rs. 1,04,89,740 (March 31, 2019: Nil)	-	-	5,245	-
250 (March 31, 2019: Nil) 7.55% Hdb Financial Services Limited Sra/1/108 Ncd 19Ju20 (19 Jun-2020) of Rs. 10,02,736 (March 31, 2019: Nil)	-	-	2,507	-
50 (March 31, 2019: Nil) Housing Development Finance Corporation Ltd Sr-R-016 Rr Ncd 16Sp20 Fvrs1Cr (16-Sep-2020) of Rs. 1,01,98,860 (March 31, 2019: Nil)	-	-	5,099	-
1000 (March 31, 2019: Nil) 9.02% Lic Housing Finance Limited Tr371 Ncd03Dc20 of Rs. 10,13,524 (March 31, 2019: Nil)	-	-	10,135	-
500 (March 31, 2019: Nil) 7.70% Tata Capital Financial Services Limited 10-07-2020 of Rs. 10,00,071 (March 31, 2019: Nil)	-	-	5,000	-
500 (March 31, 2019: Nil) 8.30% Tata Capital Financial Services Limited Sr Ncd 04Ju21 of Rs. 9,97,747 (March 31, 2019: Nil)	4,989	-	-	-
500,000 (March 31, 2019: Nil) 8.80% Tata Capital Financial Services Limited Sr 1 Cat Iii&Iv 8.8 Ncd of Rs. 1,009 (March 31, 2019: Nil) 27Sp21	5,018	-	-	-
250 (March 31, 2019: Nil) Lic Housing Finance Limited Tranche 263 Opt 2 8.67 Loa 26Ag20 Fvrs10Lac Of Rs. 10,06,877 (March 31, 2019: Nil)	-	-	2,517	-
500 (March 31, 2019: Nil) 9.45% State Bank Of India Ncd Fv10Lac 22Mar2030 (22-Mar-2030) Of Rs. 10,13,561 (March 31, 2019: Nil)	5,068	-	-	-
880 (March 31, 2019: Nil) units of KOTAK MAHINDRAINVESTMENTS LIMITED SR025 NCD 23Jl 20FVRS10LAC of Rs. 11,34,366 (March 31, 2019: Nil)	-	-	9,951	-
(c) Commercial Paper (Quoted)				
1000 (March 31, 2019: Nil) Kotak Mahindra Prime Ltd Cp 07-May-2020 of Rs. 4,60,617 (March 31, 2019: Nil)	-	-	4,606	-
1000 (March 31, 2019: Nil) HDB Financial Services Limited Cp 06-May-2020 Of Rs. 4,60,716 (March 31, 2019: Nil)	-	-	4,607	-
(d) Mutual fund (Quoted)				
Nil (March 31, 2019: 667) units of Birl Sunlife Floating rate fund of Rs. 300.43 each (March 31, 2019: Rs. 300.43)	-	-	-	2
5,50,778 (March 31, 2019: 7,32,430.75) units of Aditya Birla Sun Life Overnight fund - Direct Plan - Growth of Rs.1,080.25 (March 31, 2019: Rs.1,026.25)	-	-	5,950	7,517
Nil (March 31, 2019: 15 71,879.90) Hdfc Overnight Fund - Direct Plan - Growth Option of Rs. Nil (March 31, 2019: Rs 2,822.37)	-	-	-	44,364
Nil (March 31, 2019: 2,20 38,911) units of ICICI Pru Overnight Fund Direct-G of Rs. Nil (March 31, 2019: Rs 102.38)	-	-	-	22,563
Nil (March 31, 2019: 7,42,070) Kotak Overnight Fund - Direct Plan - Growth of Rs. Nil (March 31, 2019: Rs 1,012)	-	-	-	7,516
Nil (March 31, 2019: 7,29,641) unit of SBI Overnight Direct-Growth of Rs. Nil (March 31, 2019: Rs 3,092)	-	-	-	22,563
Nil (March 31, 2019: 289 408.93) units of Ubi Overnight Fund - Direct Plan - Growth of Rs. Nil (March 31, 2019: Rs 2,597.39)	-	-	-	7,517
27,42,340 (March 31, 2019: Nil) Aditya Birla Sun Life Liquid Fund - Dir - Growth of Rs. 319.55 (March 31, 2019: Nil)	-	-	8,763	-
71,813 (March 31, 2019: Nil) units of HDFC Liquid Fund - Dir - Growth of Rs. 3,906.61 (March 31, 2019: Nil)	-	-	2,805	-
1,98,748 (March 31, 2019: Nil) Axis Banking & PSU Debt Direct-Growth of Rs. 1,940.99 (March 31, 2019: Nil)	-	-	3,858	-
9,77,007 (March 31, 2019: Nil) units of Bharat Bond ETF 2023-Growth of Rs.1,023.53 (March 31 2019: Nil)	-	-	10,000	-
	37,709	2,455	81,044	113,042
	38,613	3,006	81,044	113,042
Other disclosures				
Aggregate book value of quoted investments	117,170	115,250		
Aggregate market value of quoted investments	118,753	115,497		
Aggregate amount of unquoted investments	904	551		
Aggregate provision for impairment in value of investments	6,339	6,339		



Delhivery Private Limited**Notes to standalone financial statements for the year ended March 31, 2020**

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

6. Inventories

	March 31, 2020	March 31, 2019
Inventories		
-Packing material and consumables	1,783	2,263
Total	1,783	2,263

7. Trade Receivables

	March 31, 2020	March 31, 2019
Trade receivables	60,188	21,157
Total trade receivables	60,188	21,157

Break-up of trade receivables

	March 31, 2020	March 31, 2019
Trade receivables		
Unsecured, considered good	60,188	21,157
Trade receivables-credit impaired	8,662	5,470
	68,850	26,627
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade receivables-credit impaired	(8,662)	(5,470)
	(8,662)	(5,470)
Total trade receivables	60,188	21,157

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.
For terms and conditions relating to related party receivables, refer Note 33

Trade receivables includes:

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

Oravel Stays Pvt. Ltd.	31	56
Snapdeal Private Limited	468	202



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

8. Loans

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Unsecured, considered good				
Loans and advances to related parties (refer note 33)				
- Unsecured, considered good	-	-	400	938
- Doubtful	-	-	938	-
			1,338	938
Impairment allowance (allowance for bad and doubtful balances)	-	-	(938)	-
Loans and advances to others	-	273	-	-
	-	273	400	938

9. Other Financial Assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security deposits				
- Unsecured, considered good	4,265	2,893	6,472	2,940
- Doubtful	-	-	125	61
	4,265	2,893	6,597	3,001
Impairment allowance (allowance for bad and doubtful balances)	-	-	(125)	(61)
	4,265	2,893	6,472	2,940
Margin money deposits*				
Deposits with original maturity for more than 12 months	13,516	12,627	3,629	147
	34,581	4,689	20,054	5
	48,097	17,316	23,683	152
Other receivables #				
- Unsecured, considered good	-	81	304	163
- Doubtful	-	-	-	-
	-	81	304	163
Impairment allowance (allowance for bad and doubtful balances)	-	-	-	-
	-	81	304	163
Accrued income				
Unbilled receivable	-	-	27,369	14,131
Interest accrued on deposits	-	10	1,346	226
Interest accrued on investments	1,491	-	2,338	293
	1,491	10	31,053	14,650
Interest accrued on inter company deposits (refer note 33)	-	-	-	-
- Unsecured, considered good	-	-	7	265
- Doubtful	-	-	319	-
	-	-	326	265
Impairment allowance (allowance for bad and doubtful balances)	-	-	(319)	-
	-	-	7	265
	53,853	20,300	61,519	18,170
# Includes dues from Officers and directors	-	-	23	23

* Margin money deposits include deposits given to the following :

	March 31, 2020	March 31, 2019
Banks	16,375	12,375
Vendors	100	100
Customers	670	299
Total	17,145	12,774

Break up of financial assets carried at amortised cost

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security deposit (refer note 9)	4,265	2,893	6,472	2,940
Trade receivables (refer note 7)	-	-	60,188	21,157
Cash and cash equivalents (refer note 1.2)	-	-	10,602	165,967
Margin money deposits (refer note 9)	13,516	12,627	3,629	147
Deposits with original maturity for more than 12 months (refer note 9)	34,581	4,689	20,054	5
Other bank balances (refer note 17)	-	-	28,866	79
Loans (refer note 8)	-	273	400	938
Advances recoverable in cash or kind (refer note 9)	-	81	304	163
Accrued Income (refer note 9)	1,491	10	31,053	14,650
Investments (refer note 5)	904	551	-	-
	54,757	21,124	161,568	206,046



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

10. Advance income tax

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance income tax	10,474	5,963	-	-
	10,474	5,963	-	-

11. Prepayments and other assets

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances				
- Unsecured, considered good	68	695	-	-
- Doubtful	3	-	-	-
	71	695	-	-
Impairment allowance (allowance for bad and doubtful balances)	3	-	-	-
	68	695	-	-
Prepaid expenses	54	634	1,210	1,192
	54	634	1,210	1,192
Balance with statutory/government authorities				
- Goods and service tax	-	-	5,167	3,106
- Other balance with government authorities	-	-	469	292
- Doubtful	-	-	-	-
	-	-	5,636	3,398
Advance to suppliers				
- Unsecured, considered good	-	-	2,344	833
- Doubtful	-	-	43	15
	-	-	2,387	848
Impairment allowance (allowance for bad and doubtful balances)	-	-	(43)	(15)
	-	-	2,344	833
Others				
Amount recoverable from third party agent- cash collected on our behalf	-	-	1,047	1,275
Money held in trust	-	3,961	-	12,127
Less: Liabilities against money held in trust	-	(3,961)	-	(12,127)
	-	-	1,047	1,275
	122	1,329	10,237	6,698

12. Cash and cash equivalent

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balances with banks:				
- On current accounts	-	-	10,602	10,967
- In deposit accounts (with original maturity of less than 3 months)	-	-	-	155,000
	-	-	10,602	165,967

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

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balances with banks:				
- On current accounts	-	-	10,602	10,967
- In deposit accounts (with original maturity of less than 3 months)	-	-	-	155,000
	-	-	10,602	165,967

13. Other bank balances

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balances with banks:				
- Deposits with original maturity of more than three months but less than 12 months	-	-	28,866	79
- Deposits with original maturity of more than 12 months	34,581	4,689	20,054	5
- Margin money deposits	13,516	12,627	3,629	147
	48,097	17,316	52,549	231
Amount disclosed as "Other financial asset" (refer note 3)	48,097	17,316	23,683	152
	-	-	28,866	79



14. Share capital

	March 31, 2020	March 31, 2019
Authorised Share Capital		
Equity Shares		
2,000,228 (March 31, 2019: 1,360,228) Equity Shares of Rs. 10 each	200	136
Instruments Entirely Equity in Nature		
3,00,000 (March 31, 2019: 3,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 10/- each (Series A)	30	30
42,35,337 (March 31, 2019: 42,35,337) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each (Series B, C, D, D1, E and F)	4,235	4,235
	4,465	4,401
Issued, subscribed and fully paid-up shares		
Equity Shares		
974,952 (March 31, 2019: 958,395) Equity Shares of Rs. 10 each	97	96
	97	96
Instruments Entirely Equity in Nature		
291,667 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 10/- each - Series A	29	29
448,719 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series B	449	449
478,434 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series C	478	478
653,551 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series D	654	654
48,531 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series D1	49	49
801,139 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series E	801	801
1,457,694 (March 31, 2019: Nil) 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs. 100/- each - Series F	1,458	1,458
	3,917	3,917

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

	March 31, 2020		March 31, 2019	
	Number	Rs. lakhs	Number	Rs. lakhs
Equity shares				
At the beginning of the year	958,395	96	958,395	96
Issued during the year (stock options exercised)	16,557	1	-	-
Outstanding at the end of the year	974,952	97	958,395	96
Instruments Entirely Equity in Nature - 0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS)				
Series A				
At the beginning of the year	291,667	29	-	-
Converted to instruments entirely equity in nature during the year	-	-	291,667	29
Outstanding at the end of the year	291,667	29	291,667	29
Series B				
At the beginning of the year	448,719	449	-	-
Converted to instruments entirely equity in nature during the year	-	-	448,719	449
Outstanding at the end of the year	448,719	449	448,719	449
Series C				
At the beginning of the year	478,434	478	-	-
Converted to instruments entirely equity in nature during the year	-	-	478,434	478
Outstanding at the end of the year	478,434	478	478,434	478
Series D				
At the beginning of the year	653,551	654	-	-
Converted to instruments entirely equity in nature during the year	-	-	653,551	654
Outstanding at the end of the year	653,551	654	653,551	654
Series D1				
At the beginning of the year	48,531	49	-	-
Converted to instruments entirely equity in nature during the year	-	-	48,531	49
Outstanding at the end of the year	48,531	49	48,531	49
Series E				
At the beginning of the year	801,139	801	-	-
Converted to instruments entirely equity in nature during the year	-	-	801,139	801
Outstanding at the end of the year	801,139	801	801,139	801
Series F				
At the beginning of the year	1,457,694	1,458	-	-
Issued during the year	-	-	1,457,694	1,458
Outstanding at the end of the year	1,457,694	1,458	1,457,694	1,458
	4,179,735	3,917	4,179,735	3,917

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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

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. 2,959 per share on 17th October 2016, Series E - 6,40,911, 1,60,228 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, 2020		March 31, 2019	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs.10 each fully paid				
Suraj Saharan	119,500	12.26%	128,199	13.38%
Mohit Tandon	122,142	12.53%	128,752	13.43%
Kapil Bharati	50,752	5.21%	51,752	5.40%
Sahil Barua	127,285	13.06%	131,285	13.70%
Multiples Private Equity Fund I Limited	145,159	14.89%	270,153	28.19%
Internet Fund III Pre Ltd	180,448	18.51%	180,448	18.83%
Canada Pension Plan Investment Board (CPPIB)	93,304	9.57%	-	-
Alpine Opportunity Fund II LP	62,904	6.45%	-	-
0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.10/- each (Series A)				
Times Internet Limited	291,667	100.00%	291,667	100.00%
0.001% Cumulative Compulsorily Convertible Preference Shares (CCCPS) of Rs.100/- each (Series B, C, D, D1, E and F)				
Times Internet Limited	197,017	5.07%	197,017	5.07%
Nexus Ventures III, Ltd	573,968	14.76%	726,599	18.69%
SVF Doorbell (Cayman) Ltd.	1,415,933	36.42%	1,235,331	31.77%
Internet Fund III PTE Ltd.	198,489	5.11%	666,473	17.14%
CA Swift Investments	653,915	16.82%	653,915	16.82%
Deli. Cm. Pte Ltd.	223,760	5.76%	223,760	5.76%
Canada Pension Plan Investment Board (CPPIB)	345,511	8.89%	-	-

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

	March 31, 2020	March 31, 2019
Securities Premium		
Balance as per the last financial statements	739,477	9,292
Add: ESOPs exercised [transferred Rs. 1,094 lacs (March 31, 2019: Nil) from Share Based Payment Reserve]	1,239	-
Add: Securities premium on conversion of CCCPS from Financial Liability to Instruments entirely equity in nature	-	443,007
Add: Securities premium on CCCPS issued during the year (Series F)	-	287,552
Less: Share issue expense	(18)	(374)
	740,698	739,477
Share Based Payment Reserve		
Balance as per the last financial statements	9,663	5,860
Add: Share based payment expense	4,881	3,794
Less: transferred to securities premium on exercise of stock options	(1,094)	-
	13,450	9,654
Retained earnings		
Balance as per last financial statements	(411,084)	(232,979)
Add: Loss during the year	(28,413)	(178,104)
Add: Re-measurement losses on defined benefit plans	(76)	(1)
Add: Effect of adoption of Ind AS 116 Leases (Refer note 31)	(2,446)	-
Net surplus in the statement of profit and loss	(442,019)	(411,084)
Items of Other Comprehensive Income		
Exchange differences on translation of foreign operations	24	29
Total reserves and surplus	312,153	338,085

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.

Share Based Payment Reserve

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



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

16. Borrowings

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term loan				
Vehicle loan from bank (secured)*	2,020	364	1,619	610
Secured bank loan**	7,961	3,198	5,029	2,311
	9,981	3,562	6,648	2,921
The above amount includes				
- Secured borrowings	9,981	3,562	6,648	2,921
Amount disclosed under the head "Other financial liabilities" (note 17)	-	-	(6,648)	(2,921)
	9,981	3,562	-	-
Others				
Bill discounting facility from the bank (secured) ***	-	-	5,000	2,879
Bank overdraft repayable on demand (secured) #	-	-	4,054	-
	9,981	3,562	9,054	2,879

*Vehicle loans carries interest @8.7% to 9.15% (March 31, 2019 : 8.5% to 9.2%) per annum and are repayable in 35 equated monthly instalments of Rs 0.20 lakhs (March 31, 2019: 0.19 lakhs) to 0.77 lakhs (March 31, 2019 - 0.68) 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.

Further Loan has been availed from Axis Bank carrying interest rate @ 8.45% to 9.15% and are repayable in 48 equated monthly instalments of Rs. 208.33 lacs plus interest thereon. 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 8.30% to 8.85% (March 31, 2019 : 3 months MCLR plus 0.55% ranging from 8.5% to 9.5%). 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 7.5% (March 31, 2019 : 6.5%).

17. Other financial liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Other financial liabilities measured at amortised cost				
Interest accrued and not due on borrowings	-	-	83	37
Current maturities of long term borrowings (refer note 16)	-	-	6,648	2,921
	-	-	6,731	2,958

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Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

18. Provisions

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
- Provision for gratuity (refer note 30)	1,641	1,059	77	30
- Provision for compensated absences	833	552	126	93
	2,474	1,611	203	123
Other provisions				
Provision for asset retirement obligation	20	30	-	-
	20	30	-	-
Total provisions	2,494	1,641	203	123

Movement in above balances

	Compensated absences	Gratuity	Asset retirement obligation
As at April 01 2018	466	688	27
Arising during the year	341	430	3
Utilised	(162)	(29)	-
As at March 31, 2019	645	1,089	30
Arising during the year	560	736	-
Utilised	(246)	(107)	(10)
As at March 31, 2020	959	1,718	20

19. Other current liabilities

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Others				
- Employee benefit payable	-	-	4,472	3,240
- Advance from customers	-	-	318	491
- Capital creditors	3,152	756	-	-
- Security deposit	-	-	843	235
- Employee welfare fund	-	-	283	131
- Others	-	-	554	554
Statutory dues				
- Withholding tax payable	-	-	1,303	823
- Provident fund payable	-	-	380	295
- Employee's state insurance payable	-	-	36	44
- Professional tax payable	-	-	33	24
- Labour welfare fund payable	-	-	1	1
Amount payable, collected on behalf of the customers	-	-	2,158	2,545
	3,152	756	10,381	8,383

20. Trade payables

	Non-current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade payable				
Total outstanding dues of creditors other than micro and small enterprises	-	248	26,314	15,471
Total outstanding dues of micro and small enterprises (refer note 39 for details of dues to micro and small enterprises)	-	-	80	6
	-	248	26,394	15,477

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, 2020**

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

21. Revenue from contracts with customers

	March 31, 2020	March 31, 2019
Service income*	277,170	165,383
Sale of Goods	575	-
	277,745	165,383
*includes		
Income from Delivery services	217,973	152,182
Income from Warehousing services	12,344	13,201
Income from Orion	36,505	-
Income from End-to-End services	9,149	-
Other revenue	1,199	-
	277,170	165,383

Timing of rendering of services

	March 31, 2020	March 31, 2019
Services rendered at a point in time	265,401	152,182
Services rendered over time	12,344	13,201
Total revenue from contract with customers	277,745	165,383

Contract balances

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

	March 31, 2020	March 31, 2019
Trade receivables (unconditional right to consideration)	60,188	21,157
Contract assets (Refer note 1 below)	27,369	14,131
Contract liabilities (Refer note 2 below)	318	491

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, 2020, and changes in the allowance for doubtful accounts during the 12 months ended on March 31, 2020 and March 31, 2019, were as follows:

Particulars	March 31, 2020	March 31, 2019
Opening balance	5,470	1,794
Add: Provision created during the year	5,415	3,846
Less: write offs, net of recoveries	(2,223)	(170)
Closing balance	8,662	5,470



Delhivery Private Limited**Notes to standalone financial statements for the year ended March 31, 2020**

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

22. Other income

	March 31, 2020	March 31, 2019
22.1 Finance income		
Interest Income on		
- Bank deposits	6,883	2,296
- Non-current investments	3,064	214
- Current investments	4,214	550
- Inter-corporate loans	133	132
- Income tax refund	-	93
- Unwinding of discount on security deposits paid	398	202
Total finance income (A)	14,692	3,487
22.2 Other income		
Fair value gain on investment at fair value through profit or loss	1,335	101
Net gain on sale of current investments	3,948	247
Profit on sale of assets	-	5
Credit balance written back	488	-
Miscellaneous Income	435	274
Total other income (B)	6,206	627
Grand Total (A+B)	20,898	4,114

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Delhivery Private Limited**Notes to standalone financial statements for the year ended March 31, 2020**

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

23. Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	40,073	27,908
Contribution to provident and other funds*	2,638	1,848
Share based payment expense (refer note 36)	4,881	3,794
Gratuity expense (refer note 30)	659	430
Staff welfare expenses	2,205	1,557
	50,456	35,537

* Defined contribution plan

24. Other expenses

	March 31, 2020	March 31, 2019
Line haul expenses	109,144	46,873
Outsourced manpower expenses	38,466	26,782
Vehicle rental expenses	42,253	26,921
Rent	10,484	16,528
Security expenses	4,410	3,831
Power, fuel & water charges	8,030	6,302
Packing material	1,170	2,900
Stores and spares	803	508
Lost Shipment expense (net)	1,683	2,094
Allowances for doubtful other assets	721	-
Rates and taxes	769	98
Business development expenses	186	15
Repairs & maintenance		
- Building	1,027	944
- Computers	96	116
- Others	1,413	1,374
Allowances for doubtful debts	4,472	2,754
Bad debts written off	178	361
Housekeeping expenses	2,064	1,604
Allowances for doubtful advances	95	76
Travelling and conveyance	2,606	1,818
Loss on disposal of property, plant and equipment (net)	81	-
Inventory written off	756	-
Communication cost	1,782	1,880
Website and technology expenses	6,135	4,121
Fair value loss on financial instruments at fair value through profit or loss	-	1,071
Legal and professional fees	977	544
Payment to auditor (Refer details below)*	98	84
Director's Remuneration (refer note 33)	264	264
Printing and stationery	622	592
Insurance expense	223	181
Recruiting expenses	137	167
Foreign exchange loss (net)	27	-
Miscellaneous expenses	766	826
	241,938	151,629

***Payment to auditor**

	March 31, 2020	March 31, 2019
As Auditor;		
Audit fee	95	82
In Other Capacity		
Other services (certification fees)	1	-
Reimbursement of expense	2	2
	98	84



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

25. Depreciation and amortization expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment	13,217	8,948
Depreciation of right-of-use assets (refer note 31)	11,501	-
Amortization of intangible assets	720	273
	25,438	9,220

26. Finance cost

	March 31, 2020	March 31, 2019
Bank charges	1,489	833
Interest expenses : bank	820	702
Interest expenses : others	27	24
Interest on bill discounting	286	246
Interest on lease liability	3,780	-
Payment gateway charges	232	73
	6,634	1,879

27. Exceptional items**Diminution in carrying value of investments**

	March 31, 2020	March 31, 2019
- Skynet Logistics Private Limited	551	-
- Delhivery Corp Limited, London , United Kingdom	205	1270
	756	1,270

Allowances for loan and other balances to related party

	March 31, 2020	March 31, 2019
- Loan to related party	938	-
- Other balances to related party	319	-
	1,257	-

28. Earnings per share (EPS)

Basic 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, 2020	March 31, 2019
Loss attributable to equity holders of the company	(28,413)	(178,127)
Weighted average number of equity shares in calculating basic and diluted EPS	52	51
Basic and diluted loss per share	(551)	(3,467)

There are potential equity shares as on March 31, 2020 and March 31, 2019 in the form of CCCPS and stock options issued. As these are antidilutive, they are ignored in the calculation of diluted earnings per share and accordingly the diluted earnings per share is the same as basic earnings per share



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 Group. 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 30.

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.

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 previous year ended March 31, 2019, the Company had 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, 2020

(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:-

Benefit liability	March 31, 2020	March 31, 2019
Opening defined benefit obligation	1,089	687
Past service cost	-	-
Interest cost	82	54
Current service cost	577	376
Benefits paid	(106)	(29)
Actuarial (gain)/ loss on obligation	76	1
Closing defined benefit obligation	1,718	1,089

Expense recognised in the statement of Profit and Loss

Gratuity cost for the period

	March 31, 2020	March 31, 2019
Current service cost	577	376
Past service cost	-	-
Interest cost	82	54
Net gratuity cost	659	430

Remeasurement gains/(losses) in other comprehensive income

	March 31, 2020	March 31, 2019
Actuarial changes arising from changes in financial assumptions	143	28
Experience adjustments	(67)	(27)
Amount recognised in OCI during the year	76	1

Actuarial assumptions

	March 31, 2020	March 31, 2019
Discount rate	6.78%	7.56%
Salary growth rate	7.00%	7.00%
Expected rate of return		
Mortality	IALM(2012-14) 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 2020 is as shown below:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Sensitivity level	Discount rate increase by 0.5%		Discount rate decrease by 0.5%	
Impact on defined benefit obligation	(104)	(63)	115	69
Sensitivity level	Future salary increase by 0.5%		Future salary decrease by 0.5%	
Impact on defined benefit obligation	105	64	(97)	(59)

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 11.26 years (March 31, 2019: 11.11 years)



31 Leases

The Company has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings & lease equalization reserve, on the date of initial application. Consequently, the company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 29,289 Lakhs and a lease liability of Rs. 32,079 Lakhs. The cumulative effect of applying the standard resulted in Rs. 2,791 Lakhs (net of taxes of Rs. 2,791 Lakhs) of which Rs. 2,446 Lakhs have been debited to retained earnings & Rs. 345 Lakhs have been debited to lease equalization reserve. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applying multiple discount rates to a portfolio of leases based on the duration of Leases which are -
 0 - 36 months - 8.75%
 37 - 72 months - 8.95%
 73 months & Above - 9%
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 31 of the 2019 financial statements and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

As at 1 April 2019	29,289
Additions	30,024
Depreciation expense (Note 25)	(11,501)
As at 31 March 2020	47,812

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 1 April 2019	32,079
Additions	26,919
Accretion of interest	3,780
Payments	(12,995)
As at 31 March 2020	49,783
Current	11,077
Non-current	38,706

The following are the amounts recognised in Statement of Profit or Loss:

Depreciation expense of right-of-use assets	(11,501)
Interest expense on lease liabilities	3,780
Expense relating to short-term leases (included in other expenses)	10,484
Total amount recognised in Profit or Loss	2,763

The company had total cash outflows for leases of Rs. 12,995 lakhs in 31 March 2020 (31 March 2019 Rs. Nil). The company also had non-cash additions to lease liabilities of Rs. 26,919 lakhs and right-of-use assets of Rs. 30,024 Lakhs in 31 March 2020 (31 March 2019 Rs. Nil).



31 Leases (Contd.)

The company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the company business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised and has assessed that the company is reasonably certain to exercise the extension options, while not exercising the termination options. Accordingly, there are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due

Rental expense recorded for short-term leases was Rs. 10,484 Lakhs for the year ended March 31, 2020

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss

The effect of adoption of Ind AS 116 is as follows:**Balance Sheet****Assets**

Right-of-use assets

Total assets**Equity**

Retained earnings

Total equity**Liabilities**

Lease liabilities

Total liabilities**Income Statement**

Depreciation and amortisation

Other expenses

Finance cost

Loss for the year**Statement of cash flows (increase/(decrease))**

Impact on Statement of Profit and Loss

Depreciation on right-of-use assets

Interest cost

Stamp duty expense

Cash generated from/(used in) operations (A)

Payment of interest portion of lease liabilities

Payment of principal portion of lease liabilities

Net cash flows from financing activities (B)**Net increase in cash and cash equivalents during the year (A+B)**

	March 31, 2020	March 31, 2019
Assets		
Right-of-use assets	47,812	-
Total assets	47,812	-
Equity		
Retained earnings	(2,446)	-
Total equity	(2,446)	-
Liabilities		
Lease liabilities	49,783	-
Total liabilities	49,783	-
Income Statement		
Depreciation and amortisation	11,501	-
Other expenses	(13,033)	-
Finance cost	3,780	-
Loss for the year	2,248	-
Statement of cash flows (increase/(decrease))		
Impact on Statement of Profit and Loss	(2,248)	-
Depreciation on right-of-use assets	11,501	-
Interest cost	3,780	-
Stamp duty expense	(38)	-
Cash generated from/(used in) operations (A)	12,995	-
Payment of interest portion of lease liabilities	(3,780)	-
Payment of principal portion of lease liabilities	(9,215)	-
Net cash flows from financing activities (B)	(12,995)	-
Net increase in cash and cash equivalents during the year (A+B)	-	-

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

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Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

32. Commitments and contingencies

A. Capital and other commitments

- a) Capital commitment not provided for (net of advances) as on March 31, 2020 is Rs. 1,390 Lakhs (March 31, 2019: Rs.39 Lakhs).
b) Other commitment (Labour guarantee- Dubai branch) as on March 31, 2020 is Rs. 13 Lakhs (March 31, 2019 : Rs. 13 Lakhs)

B. Claims disputed by the Company:

Claims against the company not acknowledged as debts*

	March 31, 2020	March 31, 2019
	18,362	18,362
	18,362	18362

* 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 (March 31, 2019: 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 18,356.50 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 Provident Fund dated February 28, 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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Delhivery Private Limited
Notes to standalone financial statements for the year ended March 31, 2020
 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

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)
 Canada Pension Plan Investment Board
 Skynet Logistics Private Limited
 Delhivery USA LLC
 Delhivery Corp Limited, London, United Kingdom
 Delhivery HK Pte. Ltd.
 Orion Supply Chain Private Limited (w.e.f December 6, 2019)

Subsidiaries

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 - Orion
Mr. Bhavesh Kishor Manglani	Head - Platforms
Mr. Kapil Bharati	Chief Technical Officer - Technology
Mr. Ajith Pai (w.e.f June 30, 2020)	Chief Operating Officer
Mr. Amit Agarwal (w.e.f July 01, 2020)	Chief Financial Officer
Mr. Sandeep Kumar Barasia	Director
Mr. Suvir Suren Sujan	Nominee Director
Mr. Varyar Sudhir Narayanankutty (till November 28, 2019)	Nominee Director
Mr. Gautam Sinha	Nominee Director
Mr. Srivatsan Ranjan	Director
Mr. Neeraj Bhardwaj	Nominee Director
Mr. Deep Verma	Nominee Director
Mr. Deepak Kapoor	Director
Ms. Hanne Birgitte Breinbjerg Sorensen	Director
Ms. Anjali Bansal	Director
Mr. Munish Ravinder Varma	Nominee Director
Mr. Yanxiang Lu (till June 04, 2020)	Nominee Director
Mr. Sumer Juneja	Nominee Director
Mr. Agus Tandiono (w.e.f November 28, 2019)	Nominee Director



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

33. Related Party Transaction (Cont'd)

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

Nature of transactions/balances	Companies having significant influence		Key management personnel		Subsidiaries		Associate		Total		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
	A. Transactions during the year:		Companies having significant influence		Key management personnel		Subsidiaries		Associate		Total
Issue of preference shares											
-SVF Doorbell (Cayman Limited)	-	244,899	-	-	-	-	-	-	-	-	244,899
-CA Swift Investments	-	31,719	-	-	-	-	-	-	-	-	31,719
-Deli 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	-	27,559	-	-	-	-	-	-	-	-	27,559
-Nexus Ventures III, Ltd.	-	41,149	-	-	-	-	-	-	-	-	41,149
-Multiples Private Equity Fund	-	9,466	-	-	-	-	-	-	-	-	9,466
-Nexus Opportunity Fund Limited	-	4,733	-	-	-	-	-	-	-	-	4,733
-Internet Fund III Pte Ltd	-	29,438	-	-	-	-	-	-	-	-	29,438
-Multiples Private Equity Fund I Limited	-	2,675	-	-	-	-	-	-	-	-	2,675
-CA Swift Investments	-	24,981	-	-	-	-	-	-	-	-	24,981
-Deli CMF Pte. Ltd, Hong Kong	-	8,085	-	-	-	-	-	-	-	-	8,085
Investments in Unquoted equity instruments (fully paid)											
- Delhivery Corp Limited, London, United Kingdom	-	-	-	580	-	-	205	-	-	-	580
- Delhivery HK Pte Ltd.*	-	-	-	0	-	-	199	-	-	-	199
- Delhivery USA LLC	-	-	-	-	-	-	703	-	-	-	703
- Orion Supply Chain Private Limited	-	-	-	-	-	-	1	-	-	-	1
Loan to related parties											
- Orion Supply Chain Private Limited	-	-	-	-	-	-	400	-	-	-	400
Other income											
Interest income : Inter-corporate loans	-	-	-	-	-	-	95	-	-	-	95
- Skyenet Logistics Private Limited	-	-	-	-	-	-	7	-	-	-	7
- Orion Supply Chain Private Limited	-	-	-	-	-	-	-	-	-	-	-
Purchase of Services											
- Leucon Technology Private Limited	-	-	-	-	-	-	-	684	-	-	684
	-	-	-	-	-	-	-	-	622	-	622

* Value less than Rs. 1 Lakh in PY 2018-19



Delhivery Private Limited

Notes to standalone financial statements for the year ended March 31, 2020

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

33. Related Party Transaction (Cont'd)

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

Nature of transactions/balances	Companies having significant influence		Key management personnel		Subsidiaries		Associate		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Services provided										
- Delhivery HK Pte Ltd.	-	-	-	-	1,059	16	-	-	1,059	16
Services received										
- Delhivery USA LLC	-	-	-	-	1	33	-	-	1	33
- Onco Supply Chain Private Limited	-	-	-	-	15	-	-	-	15	-
Remuneration to Key Managerial Personnel (refer Note below)										
Salary, bonus and contribution to PF										
Mr. Sahil Barua	-	-	228	80	-	-	-	-	228	80
Mr. Mohit Tandon	-	-	137	76	-	-	-	-	137	76
Mr. Suraj Saharac	-	-	46	80	-	-	-	-	46	80
Mr. Bhavesh Kishor Manglani	-	-	-	30	-	-	-	-	-	30
Mr. Kapil Bharti	-	-	183	77	-	-	-	-	183	77
Mr. Ajith Pai	-	-	184	82	-	-	-	-	184	82
Mr. Amit Aggarwal	-	-	84	41	-	-	-	-	84	41
Mr. Sandeep Burassa	-	-	300	268	-	-	-	-	300	268
Ms. Anjali Bansal	-	-	65	65	-	-	-	-	65	65
Mr. Deepak Kapoor	-	-	65	65	-	-	-	-	65	65
Ms. Hamie Birgitte Bremberg Sorensen	-	-	69	69	-	-	-	-	69	69
Mr. Srivatsan Ranjan	-	-	65	65	-	-	-	-	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, 2020
(All amounts in Indian Rupees in lakhs, unless otherwise stated).

33. Related Party Transaction (Cont'd)

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Outstanding balance receivable/(payable):										
- Skynet Logistics Private Limited (Loan balance)	-	-	-	-	938	938	-	-	938	938
- Skynet Logistics Private Limited (Loan provision)	-	-	-	-	(938)	(938)	-	-	(938)	-
- Orion Supply Chain Private Limited (Loan balance)	-	-	-	-	400	400	-	-	400	-
- Skynet Logistics Private Limited (Delivery services)*	-	-	-	-	67	65	-	-	67	65
- Skynet Logistics Private Limited (Delivery services provision)*	-	-	-	-	(67)	-	-	-	(67)	-
- Skynet Logistics Private Limited (COD payable)	-	-	-	-	(106)	(106)	-	-	(106)	(106)
- Leucon Technology Private Limited	-	-	-	-	-	-	(69)	(45)	(69)	(45)
- Delhivery Hk. Pte. Ltd. (receivable)	-	-	-	-	1,391	59	-	-	1,391	39
- Delhivery USA LLC (Delivery services)	-	-	-	-	(8)	(4)	-	-	(8)	(4)
- Delhivery USA LLC (Advance)	-	-	-	-	1	-	-	-	1	-
- Orion Supply Chain Private Limited (Advance)	-	-	-	-	76	-	-	-	76	-
Other Financial Assets										
Interest accrued on inter company deposits	-	-	-	-	-	-	-	-	-	-
- Skynet Logistics Private Limited	-	-	-	-	319	224	-	-	319	224
- Skynet Logistics Private Limited (Provision)	-	-	-	-	(319)	-	-	-	(319)	-
- Orion Supply Chain Private Limited	-	-	-	-	7	-	-	-	7	-
Balance outstanding at year end										
Salary Payable**										
Mr. Sahil Barua	-	-	50	11	-	-	-	-	50	11
Mr. Mohit Tandon	-	-	34	11	-	-	-	-	34	11
Mr. Suraj Saharan	-	-	12	10	-	-	-	-	12	10
Mr. Bhavesh Kishor Mangiani	-	-	-	2	-	-	-	-	-	2
Mr. Kapil Bharti	-	-	42	10	-	-	-	-	42	10
Mr. Ajith Pai	-	-	39	13	-	-	-	-	39	13
Mr. Amit Agarwal	-	-	22	5	-	-	-	-	22	5
Mr. Sandeep Barasia	-	-	54	24	-	-	-	-	54	24
Loans and advances to related parties										
Mr. Sandeep Barasia	-	-	23	23	-	-	-	-	23	23

* Value less than Rs. 1 Lakh

** Remuneration to the key managerial personnel does not include 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.



34. Business combinations**Acquisition during the previous year ended March 31, 2019****Aramex India Private Limited ('Aramex')**

The company entered into an asset 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 Rs. 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
Purchase Consideration	2,654

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, 2020 were as follows:

Particulars	Amortised cost	Fair Value through profit or loss	Carrying value
Assets:			
Cash and cash equivalents (refer note 12)	10,602	-	10,602
Other bank balances (refer note 13)	28,866	-	28,866
Investments (current) (refer note 5)	-	81,044	81,044
Investments (non-current) (refer note 5)	-	37,709	37,709
Investments in equity securities (non-current) (refer note 5)	904	-	904
Trade receivables (refer note 7)	60,188	-	60,188
Loans (current) (refer note 8)	400	-	400
Other financial assets (refer note 9)	115,372	-	115,372
Total	216,332	118,753	335,085
Liabilities:			
Trade payables (refer note 20)	26,394	-	26,394
Borrowing (refer note 16)	19,035	-	19,035
Other financial liabilities (refer note 17)	6,731	-	6,731
Total	52,160	-	52,160

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
Assets:			
Cash and cash equivalents (refer note 12)	165,967	-	165,967
Other bank balances (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
Investments in preference securities (non-current) (refer note 5)	-	-	-
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
Total	227,434	115,497	342,931
Liabilities:			
Trade payables (refer note 20)	15,725	-	15,725
Borrowing (refer note 16)	6,441	-	6,441
Other financial liabilities (refer note 17)	2,958	-	2,958
Total	25,124	-	25,124

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 the cash flow projections and financial projections/budgets approved by the management



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, 2020:

Particulars	March 31, 2020	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets	Investments (Refer Note 5)	118,753	118,753	-

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
Assets	Investments (Refer Note 5)	115,497	115,497	-

35.2 (b) Fair value hierarchy

Reconciliation of Level 3 fair value measurement is as follows:	Investments in equity/preference securities	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	1,071
Disposals during the year	-	-
Fair value loss on financial instruments at fair value through profit or loss	-	1,071
Balance at the end of the year	-	-

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

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

ii) 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. 60,188 and 21,157 Lakhs as of March 31, 2020 and March 31, 2019 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 homogeneous 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, 2020:

Particulars	Less than 1 year	1-2 years	2-4 years	> 4 years	Total
Trade payables (Refer Note 20)	26,393	-	-	-	26,393
Borrowing (Refer Note 16)	9,054	4,541	5,440	-	19,034
Other financial liabilities (Refer Note 17)	6,731	-	-	-	6,731

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

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, 2020 and March 31, 2019.

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Delhivery Private Limited**Notes to standalone financial statements for the year ended March 31, 2020**

(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 March 31, 2020, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

On September 28, 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:

	March 31, 2020		March 31, 2019	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	207,756	1,362	150,089	1,154
Granted during the year	52,124	2,985	70,325	1,854
Forfeited during the year	(8,985)	1,931	(12,658)	1,623
Exercised during the year	(16,557)	884	-	-
Outstanding at the end of the year	234,338	1,735	207,756	1,362
Exercisable at the end of the year	234,338	1,735	207,756	1,362

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 2.55 years (March 31, 2019: 2.97 years). The range of exercise prices for options outstanding at the end of the year was Rs 225.94 to Rs. 2985 (March 31, 2019: Rs. 225.94 to Rs. 2,985).

The following tables list the inputs to the models used for the GESP plans for the years ended March 31, 2020 and March 31, 2019, respectively:

	March 31, 2020	March 31, 2019
Expected volatility (%)	38.00%	38.00%
Risk-free interest rate (%)	6.5% & 6.7%	6.90%
Expected life of share options	4 to 5 years	4 to 5 years
Weighted average share price (INR)	1,735	1,362
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, 2020

(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, 2020	March 31, 2019
Mituj Marketing Private Limited	10% per annum	31/03/2021	Unsecured	-	273
				-	273

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

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	80	6
Principal amount due to micro and small enterprises	80	6
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

40. During FY 2018-19, the terms and conditions in the shareholder's agreement had been modified to not include the share buy-back clause w.e.f. December 20, 2018. Accordingly, fair value loss on share buy back obligations at fair value through profit or loss had been recorded upto the date of modification in terms i.e. December 20, 2018. Further, the company had extinguished the financial liability at the time of modification in terms.

41. As at the year ended on March 31, 2020 and March 31, 2019, 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.

42. Expenditure in foreign currency

	March 31, 2020	March 31, 2019
Legal and professional fees	275	124
Recruiting expenses	8	6
Miscellaneous expenses	336	207
Website and technology expenses	159	174
Staff welfare expenses*	0	0
Business development expenses	-	2
Line haul expenses	1,290	307
Travelling and conveyance*	2	0
Rates and taxes*	0	-
Printing and stationery*	0	-
Communication cost*	0	-
Total	2,070	820

*Value less than Rs. 0.5 Lakhs

(This space has been intentionally left blank)



43. The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the period and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements particularly on the amount of income tax expense and that of provision of taxation.

44. Estimation Uncertainty of COVID-19:

The outbreak of Coronavirus (COVID-19) pandemic globally is causing significant disturbance and slowdown of activity with economic and social disruption to the Company impacting investment in subsidiaries, receivables including trade receivables, unbilled receivables, Right to Use Asset, goodwill and intangible assets. In assessing recoverability of such assets, the Company has considered internal and external information up to the date of approval of these financial statements. The company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic condition.

45. The company has incorporated Delhivery Freight Services Private Limited, a wholly owned subsidiary of Delhivery Private Limited in April 2020. The Board of Directors of the company on June 25, 2020 had granted its approval to transfer business, as a going concern on a slump sale basis, specific to Full Track Load (FTL) business in the name of "Delhivery Freight Services Private Limited" a wholly owned subsidiary of the Company.

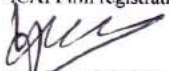
46. The figures for the previous year have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

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 25, 2020

For and on behalf of the Board of Directors of

Delhivery Private Limited

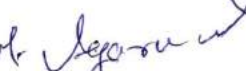
CIN : U63090DL2011PTC221234



Sandeep Kumar Barasia

Director

DIN : 01432123



Amit Agarwal

Chief Financial Officer

Place : Gurugram

Date : September 25, 2020



Sahil Barua

Director

DIN : 05131571



Kriti Gupta

Company Secretary

Membership No. : A56650

Place : Gurugram

Date : September 25, 2020

