**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Delhivery Freight Services Private Limited

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Delhivery Freight Services Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, 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 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 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 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 Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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;

   (d) In our opinion, the aforesaid 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these 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, 2022;

   (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 does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 34 (a) to the financial statements, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 34 (b) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year 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: 22094941AJUACV6456
Place of Signature: New Delhi
Date: May 28, 2022

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

**Re: Delhivery Freight Services Private Limited ("the Company")**

i.

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

b) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

c) Property, Plant and Equipment shall be physically verified by the management in the next year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

d) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

e) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii.

a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. There was no inventory lying with third parties.

b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii.

a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company is a private company and satisfies the conditions for exemption from the provisions of section 185 prescribed in notification dated June 5, 2015 issued by the Ministry of Corporate Affairs. Accordingly, the provisions of section 185 do not apply to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by the Company.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii.

a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of professional tax (also refer note 16 to the financial statements). As informed to us the provisions of excise duty are not applicable to the company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix.

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

x.

a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii.

a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

xiii. The Company is a private company and is thus not required to establish an Audit Committee as prescribed under Section 177 of the Companies Act, 2013. Further, as explained to us, the Company satisfies the conditions for exemption from the provisions of section 188 prescribed in notification dated June 5, 2015 issued by the Ministry of Corporate Affairs and therefore, the provisions of section 188 do not apply to the Company. Accordingly, the requirement to report on clause 3(xiii) of the Order is not applicable to the Company.

xiv.

a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.
b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi.

a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses amounting to Rs. 499.08 Million in the current year and amounting to Rs. 200.87 Million in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 36 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Based upon the audit procedures performed and the information and explanations given by the management, provisions of section 135 of companies act 2013 does not applicable to the company. Accordingly, the provisions of clause 3 (xx) of the Order are not applicable to the Company and hence not commented upon.

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

per Yogesh Midha
Partner
Membership No.: 094941
UDIN: 22094941AJUACV6456
Place: New Delhi
Date: May 28, 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DELHIVERY FREIGHT SERVICES PRIVATE LIMTED**

**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 with reference to financial statements of Delhivery Freight Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Yogesh Midha**
Partner
Membership Number: 094941
UDIN: 22094941AJUACV6456
Place of Signature: New Delhi
Date: May 28, 2022

**Delhivery Freight Services Private Limited**
**Balance Sheet as at March 31, 2022**
**CIN: U63090DL2020PTC363367**
(All amounts in Indian Rupees in millions, unless otherwise stated)

| Particulars | Notes | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current Assets** | | | |
| Property, plant and equipment | 3 | 0.63 | 0.91 |
| Non-current tax assets (net) | 7 | 45.26 | 7.05 |
| **Total Non-current Assets** | | **45.89** | **7.96** |
| **Current Assets** | | | |
| Inventories | 4 | - | 0.71 |
| Financial assets | | | |
| i) Trade receivables | 5 | 402.84 | 273.42 |
| ii) Cash and cash equivalent | 9 | 27.37 | 34.74 |
| ii) Loans | 8 | 3.82 | 0.96 |
| iv) Other financial assets | 6 | 177.70 | 161.38 |
| Other current assets | 10 | 47.02 | 22.53 |
| **Total Current Assets** | | **658.75** | **493.74** |
| **Total Assets** | | **704.64** | **501.70** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 11 | 0.10 | 0.10 |
| Other equity | 12 | (878.23) | (342.08) |
| **Total Equity** | | **(878.13)** | **(341.98)** |
| **Non-current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 13 | 904.00 | - |
| Long term provisions | 15 | 5.56 | 5.15 |
| **Total Non-current Liabilities** | | **909.56** | **5.15** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| i) Borrowings | 13 | 226.00 | 670.00 |
| ii) Trade payables | 17 | | |
| Total outstanding dues of micro and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | | 310.88 | 108.64 |
| iii) Other financial liabilities | 14 | 113.37 | 45.94 |
| Provisions | 15 | 4.40 | 3.04 |
| Other current liabilities | 16 | 18.56 | 10.91 |
| **Total Current Liabilities** | | **673.21** | **838.53** |
| **Total Liabilities** | | **1,582.77** | **843.68** |
| **Total Equity and Liabilities** | | **704.64** | **501.70** |
| **Summary of significant accounting policies** | **2.2** | | |

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

As per our report of even date

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

**For and on behalf of the board of directors of**
**Delhivery Freight Services Private Limited**

**per Yogesh Midha**
**Partner**
Membership no : 094941

**Amit Agarwal**
**Director**
DIN: 08524150

**Ajith Pai Mangalore**
**Director**
DIN: 07168138

Place : New Delhi
Date : May 28, 2022

Place : Gurugram
Date : May 28, 2022

Place : Bangalore
Date : May 28, 2022

**Delhivery Freight Services Private Limited**
**Statement of Profit and loss for the year ended March 31, 2022**
**CIN: U63090DL2020PTC363367**
(All amounts in Indian Rupees in millions, unless otherwise stated)

| Particulars | Notes | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 18 | 2,169.81 | 1,104.73 |
| Other income | 19 | 2.77 | - |
| **Total Income (I)** | | **2,172.58** | **1,104.73** |
| **Expenses** | | | |
| Freight, Handling and Servicing Costs | 20 | 2,268.09 | 1,117.14 |
| Employee benefits expense | 21 | 306.36 | 125.72 |
| Other expenses | 22 | 115.60 | 98.17 |
| Depreciation and amortisation expense | 23 | 0.28 | 0.70 |
| Finance costs | 24 | 81.64 | 34.63 |
| **Total Expenses (II)** | | **2,771.97** | **1,376.36** |
| **Loss before exceptional items and tax (III= I-II)** | | **(599.39)** | **(271.63)** |
| **Exceptional Items (IV)** | | - | - |
| **Loss before tax (V= III+IV)** | | **(599.39)** | **(271.63)** |
| **Tax expense** | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| **Total Tax Expense (VI)** | | - | - |
| **Loss for the year/period (VII= V+VI)** | | **(599.39)** | **(271.63)** |
| **Other comprehensive Income/(Loss):** | | | |
| **a) Items that will not be reclassified to statement of profit and loss in subsequent periods:** | | | |
| Re-measurement gain/(loss) on defined benefit plan | | 1.92 | 0.33 |
| Income tax relating to items that will not be re-classified to profit and loss | | - | - |
| **Subtotal (a)** | | **1.92** | **0.33** |
| **b) Items that will be reclassified to statement of profit or loss in subsequent periods:** | | | |
| Exchange differences on translation of foreign operations | | - | - |
| Income tax relating to items that will be re-classified to profit and loss | | - | - |
| **Subtotal (b)** | | - | - |
| **Total Other Comprehensive Income for the year/period (VIII= a+b)** | | **1.92** | **0.33** |
| **Total Comprehensive Loss for the year/period (IX=VII+VIII)** | | **(597.47)** | **(271.30)** |
| **Loss per equity share** | 25 | | |
| Basic | | (59,938.70) | (28,820.52) |
| Diluted | | (59,938.70) | (28,820.52) |
| **Summary of significant accounting policies** | **2.2** | | |

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

As per our report of even date

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

**For and on behalf of the board of directors of**
**Delhivery Freight Services Private Limited**

**per Yogesh Midha**
**Partner**
Membership no : 094941

Place : New Delhi
Date : May 28, 2022

**Amit Agarwal**
**Director**
DIN: 08524150

Place : Gurugram
Date : May 28, 2022

**Ajith Pai Mangalore**
**Director**
DIN: 07168138

Place : Bangalore
Date : May 28, 2022

**Delhivery Freight Services Private Limited**
**Statement of Cash Flow for the year ended March 31, 2022**
**CIN: U63090DL2020PTC363367**
(All amounts in Indian Rupees in millions, unless otherwise stated)

| | Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|---|
| A) | **Operating Activities** | | |
| | Loss before tax | (599.39) | (271.63) |
| | **Adjustment to reconcile loss before tax to net cash flows** | | |
| | Depreciation of property, plant and equipment | 0.28 | 0.70 |
| | Allowances for doubtful debts | 36.80 | 49.33 |
| | Share based payment expense | 61.32 | 20.41 |
| | Interest expense | 81.64 | 34.54 |
| | **Operating loss before working capital changes** | **(419.35)** | **(166.65)** |
| | Movements in working capital : | | |
| | Decrease/(Increase) in Inventories | 0.71 | (0.71) |
| | Increase in trade and other receivables | (166.21) | (322.75) |
| | Increase in financial assets | (16.31) | (162.23) |
| | Increase in Loans | (2.86) | (0.10) |
| | Increase in other assets | (24.49) | (22.28) |
| | Increase/(Decrease) in other financial liabilities | (14.21) | 11.11 |
| | Increase in trade payables | 201.21 | 108.58 |
| | Increase in other liabilities | 7.65 | 10.91 |
| | Increase in provisions | 3.70 | 2.01 |
| | **Cash from operations** | **(430.16)** | **(542.11)** |
| | Income taxes paid | (38.21) | (7.05) |
| | **Net cash from operating activities (A)** | **(468.37)** | **(549.16)** |
| B) | **Investing Activities** | | |
| | Payment towards acquisition of business | - | (86.25) |
| | **Net cash used in investing activities (B)** | **-** | **(86.25)** |
| C) | **Financing Activities** | | |
| | Proceeds from issuance of equity share capital | - | 0.15 |
| | Proceeds from borrowings | 460.00 | 670.00 |
| | **Net cash flows from financing activities (C)** | **460.00** | **670.15** |
| | Net increase in cash and cash equivalents (A+B+C) | **(8.37)** | **34.74** |
| | Cash and cash equivalents at beginning of the year/period | 34.74 | - |
| | **Cash and cash equivalents at end of the year/period (refer note 9)** | **26.37** | **34.74** |

**Reconcilation of Liabilities arising from Financing Activities:**

| **Particulars** | **March 31, 2022** | **Cash Flows** | **Non cash changes** | **March 31, 2021** |
|---|---|---|---|---|
| Borrowings | 1,130.00 | 460.00 | - | 670.00 |

| **Particulars** | **March 31, 2021** | **Cash Flows** | **Non cash changes** | **March 31, 2020** |
|---|---|---|---|---|
| Borrowings | 670.00 | 670.00 | - | - |

**Summary of significant accounting policies** **2.2**

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

As per our report of even date
**For S.R.Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number : 101049W/E300004

**For and on behalf of the board of directors of**
**Delhivery Freight Services Private Limited**

**per Yogesh Midha**
**Partner**
Membership no : 094941

**Amit Agarwal**
**Director**
DIN: 08524150

**Ajith Pai Mangalore**
**Director**
DIN: 07168138

Place : New Delhi
Date : May 28, 2022

Place : Gurugram
Date : May 28, 2022

Place : Bangalore
Date : May 28, 2022

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

**A. Equity Share Capital (refer note 11)**

| Equity Share Capital | Number | (Rs. millions) |
|---|---|---|
| **At April 21, 2020** | - | - |
| Add: Issued during the period | 10,000 | 0.10 |
| **At March 31, 2021** | **10,000** | **0.10** |
| Add: Issued during the year | - | - |
| **At March 31, 2022** | **10,000** | **0.10** |

**B. Other Equity (refer note 12)**

**For the year ended March 31, 2022**

| Description | Attributable to the equity holders of the Company | | | Total |
|---|---|---|---|---|
| | Reserves and Surplus | | | |
| | Business Transfer Adjustment Reserve | Share Based Payment Reserve | Retained earnings | |
| **Balance as at April 21, 2020** | - | - | - | - |
| Loss for the period | - | - | (271.63) | (271.63) |
| Add: Business transfer adjustment | (91.19) | - | - | (91.19) |
| Add: Re-measurement gains/(losses) on defined benefit plans | - | - | 0.33 | 0.33 |
| Add: Share based payment expense | - | 20.41 | - | 20.41 |
| **Balance as at March 31, 2021** | **(91.19)** | **20.41** | **(271.30)** | **(342.08)** |
| **Balance as at April 01, 2021** | **(91.19)** | **20.41** | **(271.30)** | **(342.08)** |
| Loss for the year | - | - | (599.39) | (599.39) |
| Add: Re-measurement gains/(losses) on defined benefit plans | - | - | 1.92 | 1.92 |
| Add: Share based payment expense | - | 61.32 | - | 61.32 |
| **Balance as at March 31, 2022** | **(91.19)** | **81.73** | **(868.77)** | **(878.23)** |

**Summary of significant accounting policies** **2.2**

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

As per our report of even date

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

**For and on behalf of the board of directors of**
**Delhivery Freight Services Private Limited**

**per Yogesh Midha**
**Partner**
Membership no : 094941

Place : New Delhi
Date : May 28, 2022

**Amit Agarwal**
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Place : Gurugram
Date : May 28, 2022

**Ajith Pai Mangalore**
**Director**
DIN: 07168138

Place : Bangalore
Date : May 28, 2022

**Delhivery Freight Services Private Limited**
**Notes to Standalone Financial Statements for the end ended March 31, 2022**

## 1. Corporate Information

Delhivery Freight Services Private Limited (thereinafter referred to as "The company"), was incorporated on 21st of April 2020 under the provisions of the Companies Act, 1956. The registered office of the company is located at N24-N34, S24-S34, Air Cargo Logistics Centre-II, Opposite Gate 6 Cargo Terminal, IGI Airport, New Delhi-110037.

The company is engaged in the business of last mile logistics, 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 March 31, 2022, were approved by the Board of Directors, and authorized for issue on May 30, 2022.

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

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of Indian Accounting Standard 34 specified under section 133 of the Companies Act 2013 (“the Act”), read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended 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.

The 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 millions (as per the requirement of Schedule III), unless otherwise stated.

### 2.2 Summary of significant accounting policies

**a) Use of estimates**

The preparation of financial statements in conformity with the 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**c) 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:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle
ii) Held primarily for the purpose of trading
iii) It is expected to be realised within twelve months after the reporting period, or
iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle
ii) Held primarily for the purpose of trading
iii) It is due to be settled within twelve months after the reporting period, or
iv) 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.

**d) Foreign currencies**

The Company's financial statements are presented in Indian Rupees.

**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 exchange rates 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 statement of profit and loss with the exception of the following:

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).

**Fair value measurement**

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:

i) In the principal market for the asset or liability, or
ii) 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

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

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

iii) 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 categorisation (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 fair value measurement. The team comprises of the Chief Financial Officer (CFO) and Finance Controller.

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

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

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

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

**f) Property, plant and equipment**

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 and loss as incurred.

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

| **Property, plant and equipment** | **Useful lives as per Schedule II** | **Useful lives estimated by management** |
|---|---|---|
| Computer | 3 years | 3 years |

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives based on management's technical 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.

**i) Inventories**

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

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

**j) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customers.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 18 of the financial statements.

**Performance obligation**

At contract inception, the Company assess the goods and services promised in contracts with customers and identifies various performance obligations to provide distinct goods and services to the customers. The Company has determined following distinct goods and services that represent its primary performance obligation.

The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc. offered by the company as part of the contract

Delivery services includes revenue from Truck Load Services

Revenue from these services are recognized over the period as they are satisfied over the contract term, which generally represents the transit period including the incomplete trips at the reporting date. The transit period can vary based upon the method of transport, generally a couple days for over the road, rail, and air transportation, or several weeks in the case of an ocean shipment.The service period for these services is usually for a very short duration, generally few days or weeks. Hence, revenue from these services is recognised over the service period as the Company perform the primary obligation of delivery of goods.

**Dividend**

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

**Interest**

Interest income is recognized when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

**Contract balances**

The Policy for Contract balances i.e. contract assets, trade receivables and contract liabilities is as follows:

**Contract assets**

A contract asset is the right to receive consideration in exchange for services already transferred to the customer (which consist of unbilled revenue). By transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is unconditional.

**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 deliver services to a customer for which the Company has received consideration or part thereof (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.

**k) Retirement and other employee benefits**

Retirement benefit in the form of provident fund and 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 and loss in subsequent periods.

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

i)The date of the plan amendment or curtailment, and

ii)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:

i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

ii) Net interest expense

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. 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. The company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the restated consolidated statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the restated consolidated statement of assets and liabilities if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

**l) 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 and loss is recognised outside profit and 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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:

i) 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 and loss,
ii) 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:

i) 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 and loss,

ii) 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 and loss is recognised outside profit and 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.

**m) Share based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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

**n) Segment reporting**

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**o) Earning per share**

Basic earnings per share are calculated by dividing the net profit and 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 and 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.

**p) 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 liabilities**

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 are more uncertain future events not wholly within the control of the , 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.

**q) 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**

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

**Subsequent measurement**

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

i) Financial assets carried at amortised cost
ii) 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:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) 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 .

***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, with net changes in fair value recognised in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a 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 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 115"

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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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.

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:

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 and 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:

**Financial liabilities at amortised cost (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.

**Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or 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 and loss

Financial liabilities designated upon initial recognition at fair value through profit and 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/ losses 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 and loss.

**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.

**q) 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 Company's 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 and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**r) 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.

**s) 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.

**2.3 Change in accounting policies & disclosures**
**Change in EBITDA Policy**

Up-to financial year ended March 31, 2021, the entity was disclosing (Earnings before interest, tax, depreciation, and amortisation) (EBITDA) as a separate line item on the face of statement of profit and loss. Effective financial ended March 31, 2022, the company has omitted the disclosure of EBITDA.

This change aligns the entity's accounting policy with the general industry practice, thereby enhancing the comparability of the entity's financial statements with those of other market participants within the industry. This voluntary change in accounting policy has been disclosed by changing the presentation of comparative information for the preceding period. The change in accounting policy has impacted the financial statements as follows:

(Amounts in Indian Rupees in millions)

| **Statement of profit and Loss** | **March 31, 2022 (without considering the effect of change in accounting policy)** | **Increase/ (decrease) due to change in accounting Policy** | **March 31, 2022 (after considering the effect of change in accounting policy)** | **March 31, 2021 (as previously reported)** | **Increase/ (decrease) due to change in accounting policy** | **March 31, 2021 (restated)** |
|---|---|---|---|---|---|---|
| Finance cost | 81.64 | - | 81.64 | 34.63 | - | 34.63 |
| Depreciation and amortisation expense | 0.28 | - | 0.28 | 0.70 | - | 0.70 |
| EBITDA | (517.47) | 517.47 | - | (236.30) | 236.30 | NA |

The change in accounting policy had no impact on previously reported financial position and cash flows from operating, investing and financing activities.

**New and amended new standard**

**(i) Amendments to Ind Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

**(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.
The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

**(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

**(iv) Amendment to Schedule III**

The Company has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs (“MCA”) via notification dated March 24, 2021, in the Standalone Financial Statements disclosures, wherever applicable

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

### 3. Property, plant and equipment

| Particulars | Computers | Total |
|---|---|---|
| **Gross carrying value** | | |
| **At April 21, 2020** | **-** | **-** |
| Additions | 1.61 | 1.61 |
| Disposals | - | - |
| **At March 31, 2021** | **1.61** | **1.61** |
| **At April 01, 2021** | **1.61** | **1.61** |
| Additions | - | - |
| Disposals | - | - |
| **At March 31, 2022** | **1.61** | **1.61** |
| **Accumulated depreciation** | | |
| **At April 21, 2020** | - | - |
| Charge for the period | 0.70 | 0.70 |
| Disposals | - | - |
| **At March 31, 2021** | **0.70** | **0.70** |
| **At April 01, 2021** | **0.70** | **0.70** |
| Charge for the year | 0.28 | 0.28 |
| Disposals | - | - |
| **At March 31, 2022** | **0.98** | **0.98** |
| **Net block** | | |
| **Balance as on March 31, 2022** | **0.63** | **0.63** |
| **Balance as on March 31, 2021** | **0.91** | **0.91** |

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

**4. Inventories**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Inventories | | |
| -Packing material and consumables | - | 0.71 |
| **Total** | **-** | **0.71** |

**5. Trade Receivables**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Trade receivables | 402.84 | 273.42 |
| **Total trade receivables** | **402.84** | **273.42** |

**Break-up of trade receivables**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Trade receivables** | | |
| Unsecured, considered good | 402.84 | 273.42 |
| Trade Receivables-credit impaired | 74.14 | 49.33 |
| | **476.98** | **322.75** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Unsecured, considered good | - | - |
| Trade Receivables-credit impaired | (74.14) | (49.33) |
| | **(74.14)** | **(49.33)** |
| **Total Trade receivables** | **402.84** | **273.42** |

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

For terms and conditions relating to related party receivables, refer note 28

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The allowance for doubtful accounts as of March 31, 2022 and changes in the allowance for doubtful accounts during year ended on March 31, 2022 and March 31, 2021, were as follows:

| Particulars | March 31, 2022 |
|---|---|
| **Opening balance** | - |
| Add: Provision created during the period | 49.33 |
| Less: write offs, net of recoveries | - |
| **Closing balance as on March 31, 2021** | **49.33** |
| | |
| Add: Provision created during the year | 36.80 |
| Less: write offs, net of recoveries | (11.98) |
| **Closing balance as on March 31, 2022** | **74.14** |

**Trade receivables ageing schedule for the year ended March 31, 2022 #**

| Particulars | Not Due | Less than 6 months | 6 months -1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | 198.11 | 199.33 | 2.87 | 2.53 | - | - | **402.84** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 2.31 | 43.56 | 7.68 | - | - | **53.55** |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 0.05 | 7.00 | 7.85 | 5.69 | - | - | **20.59** |

**Trade receivables ageing schedule for the year ended March 31, 2021 #**

| Particulars | Not Due | Less than 6 months | 6 months -1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | - | 213.40 | 60.02 | - | - | - | **273.42** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | 2.77 | 14.50 | - | - | - | **17.27** |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | 0.03 | 7.90 | 24.13 | - | - | - | **32.06** |

*# Ageing has been calculated from the date of transaction where no due date of payment is specified.*

*(This space has been intentionally left blank)*

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

**6. Other Financial Assets**

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Security deposits | | | | |
| - Unsecured, Considered good | - | - | 13.27 | 2.31 |
| Unbilled receivable* | - | - | 164.43 | 159.07 |
| | **-** | **-** | **177.70** | **161.38** |

* Consists of contract assets, that 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.

**7. Non-current tax assets (net)**

| Particulars | Non Current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Advance Income tax | 45.26 | 7.05 | - | - |
| | **45.26** | **7.05** | - | - |

**8. Loans**

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| **Unsecured, considered good** | | | | |
| Advance to employees | - | - | 3.82 | 0.96 |
| | **-** | **-** | **3.82** | **0.96** |

**9. Cash and Cash equivalent**

| Particulars | Non Current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| *Balances with banks:* | | | | |
| *Cash and cash equivalents* | | | | |
| - On current accounts | - | - | 27.37 | 34.74 |
| | **-** | **-** | **27.37** | **34.74** |

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

| | Non Current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| *Balances with banks:* | | | | |
| - On current accounts | - | - | 27.37 | 34.74 |
| | **-** | **-** | **27.37** | **34.74** |

**10. Other current Assets**

| Particulars | Non Current | | Current | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Prepaid expenses | - | - | 3.02 | - |
| Balance with statutory/government authorities | - | - | 0.86 | - |
| Advance to suppliers | | | | |
| - Unsecured, Considered good | - | - | 43.14 | 22.53 |
| - Doubtful | - | - | - | - |
| | **-** | **-** | **43.14** | **22.53** |
| | **-** | **-** | **47.02** | **22.53** |

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

**11. Share capital**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Authorised Share Capital** | | |
| **Equity Shares** | | |
| 10,000 Equity Shares of Rs.10 each | 0.10 | 0.10 |
| | **0.10** | **0.10** |
| **Issued, subscribed and fully paid-up shares** | | |
| **Equity Shares** | | |
| 10,000 Equity Shares of Rs.10 each | 0.10 | 0.10 |
| | **0.10** | **0.10** |

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

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number | Rs. Millions | Number | Rs. millions |
| **Equity shares** | | | | |
| At the beginning of the year/period | 10,000 | 0.10 | - | - |
| Issued during the year | - | - | 10,000 | 0.10 |
| **Outstanding at the end** | **10,000** | **0.10** | **10,000** | **0.10** |

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

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

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

| | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| **Name of the shareholder** | **No.** | **% holding in the class** | **No.** | **% holding in the class** |
| **Equity shares of Rs.10 each fully paid** | | | | |
| Delhivery Limited | 9,999 | 99.99% | 9,999 | 99.99% |

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

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

**(d) Shareholding of promoters are disclosed as below:**

| Shares held by Promoter at the end of the year/period | March 31, 2022 | | March 31, 2021 | | % change during the year |
|---|---|---|---|---|---|
| **Promoter Name** | **No. of shares** | **% of total shares** | **No. of shares** | **% of total shares** | |
| Delhivery Limited | 9,999 | 99.99% | 9,999 | 99.99% | - |

**12. (a) Other equity**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Business Transfer Adjustment Reserve** | | |
| Balance as per the last financial statements | (91.19) | - |
| Add: Reserve created pursuant to business transfer | - | (91.19) |
| | **(91.19)** | **(91.19)** |
| **Share Based Payment Reserve** | | |
| Balance as per the last financial statements | 20.41 | - |
| Add: Share based payment expense- parent company ESOP | 61.32 | 20.41 |
| | **81.73** | **20.41** |
| **Retained earnings** | | |
| Balance as per last financial statements | (271.30) | - |
| Add: Loss during the year/period | (599.39) | (271.63) |
| Add: Re-measurement losses on defined benefit plans | 1.92 | 0.33 |
| **Net deficit in the statement of profit and loss** | **(868.77)** | **(271.30)** |
| **Total reserves and surplus** | **(878.23)** | **(342.08)** |

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

**Retained earnings**

Retained earnings are the loss that the Company has incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

**Share Based Payment Reserve**

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

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

### 13. Borrowings

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2022** | **March 31, 2021** |
| **Others** | | | | |
| Loan from related party* | 904.00 | - | 226.00 | 670.00 |
| | **904.00** | **-** | **226.00** | **670.00** |

*As per agreement with related party the loan is repayable in 5 years at 10% rate of interest.

### 14. Other Financial Liabilities

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2022** | **March 31, 2021** |
| **Other Financial Liabilities Measured at Amortised Cost** | | | | |
| Employee Welfare Fund* | - | - | 0.84 | 0.30 |
| Interest accrued and not due on borrowings | - | - | 105.28 | 31.87 |
| Employee benefit payable | - | - | 7.25 | 13.77 |
| | **-** | **-** | **113.37** | **45.94** |

* The Employee Welfare Fund (EWF) is a fund to which both employee and employer contributes. The Employee Welfare Committee of the Company handles the EWF that is used to provide benefits to employees.

### 15. Provisions

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2022** | **March 31, 2021** |
| **Provision for employee benefits** | | | | |
| - Provision for Gratuity (refer note 27) | 5.56 | 5.15 | 0.27 | 0.30 |
| - Provision for compensated absences | - | - | 4.13 | 2.74 |
| | **5.56** | **5.15** | **4.40** | **3.04** |

### 16. Other current liabilities

| Particulars | Non-current | | Current | |
|---|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2022** | **March 31, 2021** |
| Others | | | | |
| Advance from Customers | - | - | 3.80 | 2.48 |
| Statutory dues | | | | |
| Withholding tax payable | - | - | 3.31 | 5.93 |
| Provident Fund payable | - | - | 1.72 | 1.37 |
| Employee's State Insurance Payable* | - | - | 0.03 | 0.03 |
| Professional tax payable | - | - | 0.30 | 0.10 |
| Goods and Service tax | - | - | 9.40 | 1.00 |
| | **-** | **-** | **18.56** | **10.91** |

*During the year ended March 31, 2022, The company has deducted Professional Tax from employees. The company was able to deposit the Professional Tax in most of the cases except where registration is pending due to non-functioning of government portals. The companies are in the process of obtaining registration and the Professional Tax collected will be deposited once the aforesaid issues are resolved.

### 17. Trade Payables

| Particulars | Non-current | | | Current |
|---|---|---|---|---|
| | **March 31, 2022** | **March 31, 2021** | **March 31, 2022** | **March 31, 2021** |
| **Trade payable** | | | | |
| Total outstanding dues of micro and small enterprises | - | - | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | - | - | 310.88 | 108.64 |
| | **-** | **-** | **310.88** | **108.64** |

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 29

Trade payable ageing schedule for year ended March 31, 2022

| **Particulars** | **Unbilled** | **Not Due** | **<1 year** | **1-2 years** | **3 years** | **More than 3 years** | **Total** |
|---|---|---|---|---|---|---|---|
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 215.69 | - | 50.91 | 44.28 | - | - | 310.88 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |

Trade payable ageing schedule for year ended March 31, 2021

| **Particulars** | **Unbilled** | **Not Due** | **<1 year** | **1-2 years** | **3 years** | **More than 3 years** | **Total** |
|---|---|---|---|---|---|---|---|
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 62.14 | - | 46.50 | - | - | - | 108.64 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |

*(This space has been intentionally left blank)*

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

**18. Revenue from Contracts with Customers**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| **Sale of services** | | |
| Revenue from Services* | 2,169.81 | 1,104.73 |
| | **2,169.81** | **1,104.73** |
| *Revenue from Truck Load services | 2,169.81 | 1,104.73 |
| | **2,169.81** | **1,104.73** |

**Timing of rendering of services**

| | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Services rendered over time | 2,169.81 | 1,104.73 |
| **Total Revenue from Contract with customers** | **2,169.81** | **1,104.73** |

Reconciling the amount of revenue recognised in the standalone statement of profit and loss with the contracted price

| | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Revenue as per contracted price | 2,183.88 | 1,106.97 |
| Less: Credit note | (14.07) | (2.24) |
| | **2,169.81** | **1,104.73** |

**Contract Balances**

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

| | March 31, 2022 | March 31,2021 |
|---|---|---|
| Trade Receivables (Unconditional right to consideration) | 402.84 | 273.42 |
| Contract assets (refer note 1 below) | 164.43 | 159.07 |
| Contract liabilities (refer note 2 below) | 3.80 | 2.48 |

**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.

**Contract assets**

| Particulars | March 31, 2022 | March 31,2021 |
|---|---|---|
| **Opening balance** | 159.07 | - |
| Add: Contract assets created during the year/period | 164.43 | 159.07 |
| Add: Contract assets created during the year/period | (159.07) | - |
| **Closing balance** | **164.43** | **159.07** |

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.

**Contract liabilities**

| | March 31, 2022 | March 31,2021 |
|---|---|---|
| Opening Balance | 2.48 | - |
| Add: Revenue deferred | 3.80 | 2.48 |
| Less: Revenue Recognised | (2.50) | - |
| **Closing Balance** | **3.78** | **2.48** |

**19. Other Income**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Credit Balance written back | 2.77 | - |
| | **2.77** | **-** |

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

**20. Freight, Handling and Servicing Costs**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Line haul expenses | 2,247.36 | 1,101.34 |
| Rent | 0.45 | - |
| Contractual manpower expenses | 13.38 | 15.80 |
| Lost Shipment expense (net) | 6.90 | - |
| | **2,268.09** | **1,117.14** |

**21. Employee Benefits Expense**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Salaries, wages and bonus # | 234.60 | 99.02 |
| Contribution to provident and other funds** | 6.76 | 4.22 |
| Share Based Payment Expense (refer note 30) | 61.32 | 20.41 |
| Gratuity expense (refer note 27) | 2.33 | 1.83 |
| Staff welfare expenses | 1.35 | 0.24 |
| | **306.36** | **125.72** |

** Defined contribution plan

# above includes Rs 46.10 millions towards one-time bonus paid to eligible employees of the Company.

**22. Other Expenses**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Rates and Taxes | 3.71 | 6.27 |
| Allowances for doubtful debts | 36.80 | 49.33 |
| Travelling and conveyance | 8.43 | 2.88 |
| Communication cost | 0.29 | 0.07 |
| Software and technology expenses | 2.62 | 0.16 |
| Legal and professional fees | 0.85 | 0.14 |
| Audit Fees** | 1.25 | 2.00 |
| Printing and stationery | 1.00 | - |
| Business Support Services | 60.57 | 37.32 |
| Miscellaneous expenses | 0.08 | - |
| | **115.60** | **98.17** |

| ****Payment to auditor** | **March 31, 2022** | **April 21, 2020 to March 31, 2021** |
|---|---|---|
| **As Auditor:** | | |
| Audit fee | 1.25 | 2.00 |
| **In Other Capacity** | | |
| Other services (certification fees) | - | - |
| Reimbursement of expense | 0.04 | - |
| | **1.29** | **2.00** |

**23. Depreciation and amortization expense**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 0.28 | 0.70 |
| | **0.28** | **0.70** |

**24. Finance Cost**

| Particulars | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| **Interest at amortised cost** | | |
| - to others | 81.64 | 34.54 |
| **Others** | | |
| -Bank Charges* | 0.00 | 0.09 |
| | **81.64** | **34.63** |

** Value Less than Rs. 1 Lakhs*

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

### 25. Earnings per share (EPS)

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

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

| | March 31, 2022 | April 21, 2020 to March 31, 2021 |
|---|---|---|
| Loss attributable to equity holders of the company | (599.39) | (271.63) |
| Weighted average number of equity shares in calculating basic EPS (No's.) | 10,000.00 | 9,424.66 |
| Weighted average number of equity shares in calculating diluted EPS (No's.) | 10,000.00 | 9,424.66 |
| Face value of equity shares (Rs.) | 10.00 | 10.00 |
| **Basic earnings per equity share** | **(59,938.70)** | **(28,820.52)** |
| **Diluted earnings per equity share** | **(59,938.70)** | **(28,820.52)** |

**26 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 27.

**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.

**Loss allowance on trade receivables:**

Provision for expected credit losses of trade receivables and contract assets. The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observ.At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 5. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

*(This space has been intentionally left blank)*

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

**27. 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 gratuity plan is an unfunded plan and the Company does not make contribution to recognised funds.

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, 2022** | **March 31, 2021** |
|---|---|---|
| Opening defined benefit obligation | 5.45 | - |
| Acquisition | - | 4.24 |
| Interest cost | 0.40 | 0.55 |
| Current Service Cost | 1.93 | 1.28 |
| Actuarial (gain)/ loss on obligation | (1.95) | (0.62) |
| **Closing defined benefit obligation** | **5.83** | **5.45** |

**Expense Recognised in the statement of Profit and Loss**

| **Gratuity Cost for the period/year** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Current Service Cost | 1.93 | 1.28 |
| Interest Cost | 0.40 | 0.55 |
| **Net Gratuity Cost** | **2.33** | **1.83** |

| **Remeasurement (gains)/losses in other comprehensive income** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Actuarial changes arising from changes in financial assumptions | (0.37) | - |
| Experience adjustments | (1.55) | 0.33 |
| **Amount recognised in OCI during the period/year** | **(1.92)** | **0.33** |

***Actuarial assumptions***

| | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Discount rate | 7.06% | 6.76% |
| Salary Growth Rate | 7.00% | 7.00% |
| Mortality | IALM(2012-14) ultimate | IALM(2012-14) ultimate |
| 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 March 31, 2022 amd March 31, 2021 is as shown below:**

| | **March 31, 2022** | **March 31, 2022** | **March 31, 2021** | **March 31, 2021** |
|---|---|---|---|---|
| Sensitivity level | Discount rate increase by 0.5% | Discount rate decrease by 0.5% | Discount rate increase by 0.5% | Discount rate decrease by 0.5% |
| Impact on defined benefit obligation | (0.35) | 0.39 | (0.33) | 0.36 |
| Sensitivity level | Future salary increase by 0.5% | Future salary decrease by 0.5% | Future salary increase by 0.5% | Future salary decrease by 0.5% |
| Impact on defined benefit obligation | 0.34 | (0.31) | 0.29 | (0.27) |

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/ year.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 12.05 years (March 31, 2021: 11.78 years).

| | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 0.27 | 0.30 |
| Between 1 and 5 years | 1.16 | 1.36 |
| More than 5 years | 4.40 | 7.58 |
| **Total expected payments** | **5.83** | **10.24** |

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

**28. Related party transactions**

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

**Related parties under Ind AS 24:**

| | | |
|---|---|---|
| Parent Company | Delhivery Limited (formerly known as Delhivery Private Limited) (w.e.f April 21, 2020) | |
| Fellow companies | Delhivery Cross - Border Services Private Limited (formerly known as Skynet Logistics Private Limited) (w.e.f April 21, 2020) | |
| | Spoton Logistics Private Limited (w.e.f August 24, 2021) | |
| | Delhivery USA LLC (w.e.f April 21, 2020) | |
| | Delhivery Corp Limited, London, United Kingdom (w.e.f April 21, 2020) | |
| | Delhivery HK Pte. Ltd. (w.e.f April 21, 2020) | |
| | Delhivery Singapore Pte. Ltd (w.e.f. August 08, 2021) | |
| | Orion Supply Chain Private Limited (w.e.f April 21, 2020) | |
| Key Management Personnel ("KMP') | Mr. Amit Agarwal (w.e.f April 21, 2020) | Chief Financial Officer and Director |
| | Mr. Ajith Pai Mangalore (w.e.f April 21, 2020) | Director |
| | Mr. Nikhil Vij (w.e.f October 12, 2021) | Director |

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

**A. Transactions during the year/period:**

| Nature of transactions | Key management personnel | | Parent | | Fellow Companies | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Deemed Investment | - | - | 61.32 | 20.51 | - | - | **61.32** | **20.51** |
| **Loans received during the year** | | | | | | | | |
| - Delhivery Limited | - | - | 460.00 | 670.00 | - | - | **460.00** | **670.00** |
| **Other Expense** | | | | | | | | |
| Business Support Services | - | - | 60.57 | 37.31 | - | - | **60.57** | **37.31** |
| Interest Expense | - | - | 81.64 | 34.39 | - | - | **81.64** | **34.39** |
| **Line Haul expense** | | | | | | | | |
| - Delhivery Limited | - | - | 24.68 | - | - | - | **24.68** | **-** |
| - Orion Supply Chain Services Private Limited | - | - | - | - | 64.79 | 58.21 | **64.79** | **58.21** |

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

| Nature of balances | Key management personnel | | Parent Company | | Fellow Company | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| **Outstanding balance receivable/(payable)** | | | | | | | | |
| - Delhivery Limited (Loan balance) | - | - | (1,130.00) | (670.00) | - | - | **(1,130.00)** | **(670.00)** |
| - Delhivery Limied (Services Received) | - | - | (91.47) | (43.66) | - | - | **(91.47)** | **(43.66)** |
| - Delhivery Limied (provision for Expenses) | - | - | (19.39) | - | - | - | **(19.39)** | **-** |
| - Delhivery Limited (Trade Payables) | - | - | 1.50 | - | - | - | **1.50** | **-** |
| - Orion Supply Chain Private Limited (Advance from supplier) | - | - | - | - | 1.84 | (1.99) | **1.84** | **(1.99)** |
| - Orion Supply Chain Private Limited (Services received) | - | - | - | - | (1.90) | - | **(1.90)** | **-** |
| **Other Financial Assets** | | | | | | | | |
| Interest payable on Loans: | | | | | | | | |
| - Delhivery Limited | - | - | (105.28) | (31.81) | - | - | **(105.28)** | **(31.81)** |

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

**29.1 Fair Values**

**Financial instruments by category**

**The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:**

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss | | Carrying value |
|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | |
| **Assets:** | | | | |
| Cash and cash equivalents (refer note 9) | 27.37 | - | - | 27.37 |
| Trade receivables (refer note 5) | 402.84 | - | - | 402.84 |
| Other financial assets (refer note 6) | 177.70 | - | - | 177.70 |
| **Total** | **607.91** | **-** | | **607.91** |
| **Liabilities:** | | | | |
| Trade payables (refer note 17) | 310.88 | - | - | 310.88 |
| Borrowing (refer note 13) | 1,130.00 | - | - | 1,130.00 |
| Other financial liabilities (refer note 14) | 113.37 | - | - | 113.37 |
| **Total** | **1,554.25** | **-** | **-** | **1,554.25** |

**The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:**

| Particulars | Amortised cost | Financial assets/ liabilities at fair value through profit or loss | | Carrying value |
|---|---|---|---|---|
| | | Designated upon initial recognition | Mandatory | |
| **Assets:** | | | | |
| Cash and cash equivalents (refer note 9) | 34.74 | - | - | 34.74 |
| Trade receivables (refer note 5) | 273.42 | - | - | 273.42 |
| Other financial assets (refer note 6) | 161.38 | - | - | 161.38 |
| **Total** | **469.54** | **-** | **-** | **469.54** |
| **Liabilities:** | | | | |
| Trade payables (refer note 17) | 108.64 | - | - | 108.64 |
| Borrowing (refer note 13) | 670.00 | - | - | 670.00 |
| Other financial liabilities (refer note 14) | 45.94 | - | - | 45.94 |
| **Total** | **824.58** | **-** | **-** | **824.58** |

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

i) 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.

**29.2 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. 402.84 millions as of March 31, 2022 (March 31, 2021 : Rs. 273.42 millions) . 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.

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

**29.2 Financial risk management objectives and policies (contd.)**

**Credit risk exposure**

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

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.
In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.
The Company's largest customer accounted for approximately 6% of net sales for the year ended March 31, 2022 (March 31, 2021 - 11%)

**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, 2022:

| Particulars | Less than 1 year | 1-2 years | 2-4 years | > 4 years | Total |
|---|---|---|---|---|---|
| Trade payables (refer note 17) | 310.88 | - | - | - | 310.88 |
| Borrowing (refer note 13) | 1,130.00 | - | - | - | 1,130.00 |
| Other financial liabilities (refer note 14) | 113.37 | - | - | - | 113.37 |

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

| Particulars | Less than 1 year | 1-2 years | 2-4 years | > 4 years | Total |
|---|---|---|---|---|---|
| Trade payables (refer note 17) | 108.64 | - | - | - | 108.64 |
| Borrowing (refer note 13) | 670.00 | - | - | - | 670.00 |
| Other financial liabilities (refer note 14) | 45.94 | - | - | - | 45.94 |

**Equity price risk**

Price risk The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), government securities . In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies

**29.3 Capital management**

For the purpose of the company's capital management, capital includes issued equity capital, intruments 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.

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Borrowings | 1,130.00 | 670.00 |
| Less: cash and cash equivalents (refer note 9) | (27.37) | (34.74) |
| **Net debt** | **1,102.63** | **635.26** |
| | | |
| Equity | 0.10 | 0.10 |
| Total capital | 0.10 | 0.10 |
| **Capital and net debt** | **1,102.73** | **635.36** |
| Gearing ratio | **100%** | **100%** |

No Material changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2022.

*(This space has been intentionally left blank)*

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

**30. Share-based payments**

The parent of the company provides share-based compensation plans to its employees under various schemes. At the time of formation of new entity DFSPL some of the employees were transferred from the parent entity to DFSPL as a result their ESOP cost for those employee is also transferred in the newly formed entity.

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

**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:

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of options | WAEP (Rs.) | No. of options | WAEP (Rs.) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Cancelled during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

**“Delhivery Employees Stock Option Plan - II, 2020” :**

**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:

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of options | WAEP (Rs.) | No. of options | WAEP (Rs.) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Cancelled during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

**Delhivery Employees Stock Option Plan III, 2020 :**

**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:

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | No. of options | WAEP (Rs.) | No. of options | WAEP (Rs.) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Cancelled during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

**31. 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') i.e. Chief Executive Officer of the Company, being the 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 has significant operations based in India, hence there are no reportable geographical segments in financial results.

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

### 32. Commitments and contingencies

As on March 31, 2022, there are no capital commitments and contingent liabilities pending against the company.

### 33. Income taxes

As at the year ended on March 31, 2022 and March 31, 2021, 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.

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **Deffered Tax Assets** | | |
| Deductible temporary differences | 26.77 | 18.24 |
| Brought forward losses | 173.62 | 82.12 |
| Unabsorbed Deperciation | 0.62 | 0.40 |
| Recognised in books | Nil | Nil |

Maturity period of brought forward losses for which no deferred tax are recognised in the financial statements:

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| FY 2028-2029 | 82.12 | 82.12 |
| FY 2029-2030 | 91.50 | - |

**Reconcilation of Tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Accounting profit before income tax | (599.39) | (271.63) |
| At India's statutory income tax rate of 31.20% (March 31, 2021: 31.20%) | (187.01) | (84.75) |
| Losses on which deferred taxes not recognised | 173.62 | 82.16 |
| Unabsorbed depreciation on which deferred taxes not recognised | 0.19 | 0.39 |
| Other temporary differences on which deferred taxes not recognised | 13.20 | 2.20 |

### 34. Disclosure under Rule 11(e) of Companies (Audit & Auditors) Rules 2014 :

**(a)** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

**(i)** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

**(ii)** provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries.

**(b)** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

**(i)** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

**(ii)** provide any guarantee, security, or the like on behalf of the ultimate beneficiaries,

### 35. Other Statutory Information

The company did not have any material transactions with companies struck off under section 248 of the companies Act 2013 or section 560 of companies act, 1956 during the year ended March 31, 2022.

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

## 36. Ratio analysis and its elements

Ratios

| Particular | March 31, 2022 | March 31, 2021 | % Change from March 31, 2022 to March 31, 2021) |
|---|---|---|---|
| Current Ratio (refer note (i) below) | 0.98 | 0.59 | -66% |
| Debt equity ratio (refer note (ii) below) | (1.29) | (1.96) | 34% |
| Debt service coverage ratio | Not Applicable | Not Applicable | Not Applicable |
| Return on equity ratio (refer note (iii) below) | 0.98 | 0.21 | -361% |
| Inventory turnover ratio (refer note (iii) below) | 6,079.61 | 10,524.71 | 42% |
| Trade receivable ratio | 6.42 | 4.68 | -37% |
| Trade payable Turnover ratio (refer note (iv) below) | 11.36 | 13.71 | 17% |
| Net capital turnover ratio (refer note (iv) below) | (149.99) | (2.91) | -5053% |
| Net Profit Ratio (refer note (v) below) | (0.28) | (0.24) | -14% |
| Return on capital employed (refer note (v) below) | (2.64) | (0.27) | -890% |
| Return on investments | Not Applicable | Not Applicable | Not Applicable |

**<u>Reasons for variance of more than 25% in above ratios</u>**

(i) Change is on account of cash inflow from financing activity resulting in increase in borrowings.

(ii) Change is on account of Increase in debt on account of Loan taken.

(iii) As company operations started from April 21, 2020 and due to outbreak of COVID 19 in FY 2020-21 and nationwide lockdown, there has been reduction in consumer demand, consequent to which the turnover and the profit of the company declined in year ended March 31, 2021 resulting in improvement in these ratio vis-a-vis March 31, 2022 and March 31, 2021.

(iv) Change is account on better working capital management in year ended March 31, 2022 vis-à-vis March 31, 2021

(v) Change is on account of loss widening due to increase of operation during the current period.

| Particular | Numerator | Denominator | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Numerator | Denominator | Numerator | Denominator |
| Current ratio | Current Assets | Current Liabilities | 658.75 | 673.21 | 493.74 | 838.53 |
| Debt equity ratio | Debt (Borrowings) | Shareholder’s Equity | 1,130.00 | (878.13) | 670.00 | (341.98) |
| Debt service coverage ratio | Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets | Interest & Lease Payments + Principal Repayments | (419.35) | - | (166.66) | - |
| Return on equity ratio | Net Profits after taxes | Average Shareholder’s Equity | (597.47) | (610.06) | (271.30) | (1,278.01) |
| Inventory turnover ratio | Net Sales | Average Inventory | 2,169.81 | 0.36 | 7,367.30 | 0.70 |
| Trade receivable ratio | Net Sales | Average Accounts Receivable | 2,169.81 | 338.13 | 7,367.30 | 1,572.60 |
| Trade payable ratio | Net Purchases and operating expenses | Average Trade Payables | 2,383.69 | 209.76 | 8,117.72 | 592.11 |
| Net capital turnover ratio | Net Sales | Working Capital | 2,169.81 | (14.47) | 7,367.30 | (2,531.13) |
| Net profit ratio | Net Profit | Net Sales | (597.47) | 2,169.81 | (1,774.54) | 7,367.30 |
| Return on capital employed | Earning before interest and taxes | Tangible Net Worth + Total Debt + Deferred Tax Liability | (599.39) | 226.63 | (1,578.62) | 5,911.27 |

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

**37.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**38.** The Company has received financial support letter from its holding company to continue its business for a foreseeable future.

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 : May 28, 2022

**For and on behalf of the Board of Directors of**
**Delhivery Freight Services Private Limited**

| | |
|---|---|
| **Amit Agarwal** | **Ajith Pai Mangalore** |
| **Director** | **Director** |
| DIN: 08524150 | DIN: 07168138 |
| Place : Gurugram | Place : Bangalore |
| Date : May 28, 2022 | Date : May 28, 2022 |