

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Spoton Logistics Private Limited

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

#### **Opinion**

We have audited the accompanying standalone financial statements of Spoton Logistics 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 standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid standalone 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 standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

We draw attention to Note 6 to the Standalone Financial Statements for the year ended 31 March 2022 regarding the goodwill recorded pursuant to Scheme of Arrangement ('the Scheme') for amalgamation of Vankatesh Pharma Private Limited ('the transferor Company') and Spoton Logistics Private Limited ('the Transferee Company'), which has been described in the aforesaid note. The Scheme has been approved by the NCLT vide its order dated 27 November 2019 with an appointed date of 30 August 2018 and a certified copy has been filed by the Company with the Registrar of Companies, Gujarat, on 10 January 2020. We further draw attention to the fact that in accordance with the Scheme approved by the NCLT, the Company continues to amortise Goodwill over a period of 5 years in the Standalone Financial Statements, which overrides the relevant requirement of Ind AS 103 'Business Combinations' and Ind AS 36 'Impairment of assets' (according to which acquired Goodwill is not permitted to be

amortised and is required to be tested annually for impairment). The financial impact of the aforesaid treatment has been disclosed in the Note 6 to the Standalone 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 Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2021 and the

transition date opening balance sheet as at April 01, 2020 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2021 and March 31, 2020 dated October 31, 2021 and February 12, 2021 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

### **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 standalone 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 standalone 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the standalone 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 43 to the standalone 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: 94941  
UDIN: 22094941AJUAQA9282  
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: Spoton Logistics 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 maintained proper records showing full particulars of intangible assets.
- c) All Property, Plant and Equipment were physically verified by the management in the previous 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 Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of 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 investments made are not prejudicial to the Company's interest.
- 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it though there are slight delays in professional tax. 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) The dues of 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 not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
The Finance Act 1994	Service tax, Interest and Penalty	600 Mn	FY 2012-2017	CESTAT – Bengaluru	

Note: During the previous years, the Company has deposited Rs 14 Mn and a further amount of Rs. 16 Mn in current year under protest in connection with a dispute with service tax authorities for the year 2012 -2017.

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) Term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (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 fraud/ material fraud by the Company or no fraud / 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 has an internal audit system commensurate with the size and nature of its business.
  - b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- 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 not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 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 44 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: 22094941AJUAQA9282  
Place: New Delhi  
Date: May 28, 2022

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SPOTON LOGISTICS PRIVATE LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Spoton Logistics Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone 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: 22094941AJUAQA9282

Place of Signature: New Delhi

Date: May 28, 2022

**Spoton Logistics Private Limited**  
**Balance Sheet as at March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	187.57	182.21	180.40
Goodwill	6	357.40	628.20	881.01
Other intangible assets	6	49.15	57.82	57.56
Right-of-use assets	34	46.83	905.89	792.00
Intangible assets under development	7(a)	-	6.67	7.91
<b>Financial assets</b>				
Investments	11	425.30	215.96	215.96
Other financial assets	12	20.30	132.91	120.83
Advance income tax (net)	13	194.18	272.77	287.28
Other assets	14	31.36	20.78	17.87
Deferred tax assets (net)	8	27.52	-	-
<b>Total non-current assets</b>		<b>1,339.60</b>	<b>2,423.21</b>	<b>2,560.82</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	9	1,755.79	1,611.15	1,452.04
Cash and cash equivalents	10	151.26	228.29	106.48
Other financial assets	12	893.21	556.47	319.79
Other assets	14	174.08	205.37	146.44
<b>Total current assets</b>		<b>2,974.34</b>	<b>2,601.28</b>	<b>2,024.75</b>
<b>Total assets</b>		<b>4,313.94</b>	<b>5,024.49</b>	<b>4,585.57</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	15	206.41	198.26	176.52
Other equity	16	407.56	475.50	325.32
<b>Total equity</b>		<b>613.97</b>	<b>673.76</b>	<b>501.84</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	17	1,328.09	1,059.48	1,113.75
Lease liabilities	34	25.98	640.46	544.56
Provisions	20	68.99	56.05	56.72
Deferred tax liabilities (net)	8	-	37.61	207.14
<b>Total non-current liabilities</b>		<b>1,423.06</b>	<b>1,793.60</b>	<b>1,922.17</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	17	572.64	703.33	848.10
Lease liabilities	34	82.33	312.82	289.68
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	18	14.03	15.39	6.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	1,230.32	1,344.37	860.12
Other financial liabilities	19	233.53	120.70	93.50
Provisions	20	27.04	30.84	28.39
Other current liabilities	21	117.03	29.68	35.17
<b>Total current liabilities</b>		<b>2,276.92</b>	<b>2,557.13</b>	<b>2,161.57</b>
<b>Total liabilities</b>		<b>3,699.97</b>	<b>4,350.74</b>	<b>4,083.74</b>
<b>Total equity and liabilities</b>		<b>4,313.94</b>	<b>5,024.49</b>	<b>4,585.57</b>

Summary of Significant accounting policies 2.3  
The accompanying notes are an integral part of the Financial Statements  
As per our report of even date attached:

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

**For and on behalf of the Board of Directors of**  
Spoton Logistics Private Limited  
UIN : U63090GJ2011PTC108834

**per Yogesh Midha**  
Partner  
Membership No.: 094941

**Ajith Pai Mangalore**  
Director  
DIN: 07168138

**Abhik Mitra**  
Director  
DIN: 00337465

**Krishna Chandrasekar**  
Chief financial officer

**Pavithra P**  
Company Secretary

Place: New Delhi  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

**Spoton Logistics Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from contracts with customers	22	9,969.09	7,620.69
Other income	23	90.31	26.73
<b>Total income (I)</b>		<b>10,059.40</b>	<b>7,647.42</b>
<b>Expenses</b>			
Freight, handling and servicing cost	24	7,316.69	5,727.61
Employee benefits expense	25	1,068.00	791.09
Finance costs	26	445.19	365.42
Depreciation and amortization expense	27	795.76	701.79
Other expenses	28	489.86	385.16
<b>Total expenses (II)</b>		<b>10,115.50</b>	<b>7,971.07</b>
<b>Loss before exceptional items and tax (III= I-II)</b>		<b>(56.10)</b>	<b>(323.65)</b>
Exceptional items (IV)	30	17.98	-
<b>Loss before tax (V=III-IV)</b>		<b>(74.08)</b>	<b>(323.65)</b>
Tax expense, comprising:	8		
Current tax		145.09	111.92
Deferred tax		(66.68)	(173.04)
<b>Total tax expense (VI)</b>		<b>78.41</b>	<b>(61.12)</b>
<b>Loss for the year after tax (VII= V-VI)</b>		<b>(152.49)</b>	<b>(262.53)</b>
<b>Other comprehensive income:</b>			
<b>(a) Items that will not be reclassified to profit or loss in subsequent periods:</b>			
(i) Re-measurement gains on defined benefit plans	32	6.14	10.03
(ii) Income tax relating to items that will not be re-classified to profit or loss	8	(1.55)	(3.50)
<b>Other comprehensive income for the year (VIII)</b>		<b>4.59</b>	<b>6.53</b>
<b>Total comprehensive loss for the year (IX= VII+VIII)</b>		<b>(147.90)</b>	<b>(256.00)</b>
<b>Loss per equity share</b>			
- Basic earnings per share (INR)	29	(7.51)	(14.01)
- Diluted earnings per share (INR)	29	(7.51)	(13.40)
Summary of Significant accounting policies	2.3		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached:

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

**For and on behalf of the Board of Directors of**  
Spoton Logistics Private Limited  
UIN : U63090GJ2011PTC108834

**per Yogesh Midha**  
Partner  
Membership No.: 094941

**Ajith Pai Mangalore**    **Abhik Mitra**  
Director                      Director  
DIN: 07168138              DIN: 00337465

**Krishna Chandrasekar**  
Chief financial officer

**Pavithra P**  
Company Secretary

Place: New Delhi  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

**Spoton Logistics Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**a. Equity share capital**  
**For the year ended March 31, 2022**

	Number	(INR Millions)
Equity shares of INR 10 each issued, subscribed and fully paid At April 1, 2021	1,98,25,558	198.26
Add: Issued during the year	8,15,536	8.16
<b>Outstanding at the end of the Year</b>	<b>2,06,41,094</b>	<b>206.42</b>

**For the year ended March 31, 2021**

	Number	(INR Millions)
Equity shares of INR 10 each issued, subscribed and fully paid At April 1, 2020	1,76,51,645	176.52
Add: Issued during the year	21,73,913	21.74
<b>Outstanding at the end of the Year</b>	<b>1,98,25,558</b>	<b>198.26</b>

**b. Other equity**

Particulars	Deemed equity contribution from parent entity	Securities Premium	Retained earnings	Employee stock option outstanding account	Total
<b>As at April 1, 2021</b>	-	1,329.69	(928.15)	73.97	475.51
Loss for the year	-	-	(152.49)	-	(152.49)
Re-measurement gain on defined benefit obligation (net of tax)	-	-	4.59	-	4.59
<b>Total other comprehensive income</b>	-	-	(147.90)	-	(147.90)
Add: Employee stock option expenses	-	-	-	86.24	86.24
Add: Premium received during the year on issuance of equity shares (refer to note 16)	-	78.70	-	-	78.70
Add: ESOP settlement adjustment	-	-	-	(160.21)	(160.21)
Add: Deemed equity contribution	75.23	-	-	-	75.23
<b>As at March 31, 2022</b>	<b>75.23</b>	<b>1,408.39</b>	<b>(1,076.05)</b>	<b>-</b>	<b>407.57</b>
<b>As at April 1, 2020</b>	-	951.43	(672.15)	46.04	325.32
Loss for the year	-	-	(262.53)	-	(262.53)
Re-measurement gain on defined benefit obligation (net of tax)	-	-	6.53	-	6.53
<b>Total other comprehensive income</b>	-	-	(256.00)	-	(256.00)
Add: Premium received during the year on issuance of equity shares (refer to note 16)	-	378.26	-	-	378.26
Add: Employee stock option expenses	-	-	-	27.93	27.93
<b>As at March 31, 2021</b>	<b>-</b>	<b>1,329.69</b>	<b>(928.15)</b>	<b>73.97</b>	<b>475.51</b>

Summary of Significant accounting policies (refer Note 2.3)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached:

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

**For and on behalf of the Board of Directors of**  
Spoton Logistics Private Limited  
UIN : U63090GJ2011PTC108834

**per Yogesh Midha**  
Partner  
Membership No.: 094941

**Ajith Pai Mangalore**  
Director  
DIN: 07168138

**Abhik Mitra**  
Director  
DIN: 00337465

**Krishna Chandrasekar**  
Chief financial officer

**Pavithra P**  
Company Secretary

Place: New Delhi  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

**Spoton Logistics Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Loss before tax	(74.08)	(323.65)
<b>Adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	107.04	107.40
Amortization of intangible assets (including goodwill)	287.31	266.48
Depreciation of right-of-use assets	401.41	327.91
Impairment of goodwill	17.98	-
Allowance for bad and doubtful debts (net)	(12.22)	62.38
Bad debts written off	0.37	0.03
Share- based payment expense	161.45	27.93
Provision for doubtful advances	12.84	-
Rent concession on lease liabilities (refer note 23)	-	(16.93)
Gain on termination of lease contracts	(34.03)	(0.47)
Profit on sale of property, plant and equipment (net)	(0.08)	-
Interest income on unwinding of discount on security deposits paid	(38.64)	(6.13)
Interest expense	372.45	301.75
Interest on lease liabilities	72.74	63.67
Interest income	(0.28)	(3.20)
<b>Operating profit</b>	<b>1,274.26</b>	<b>807.17</b>
<b>Net change in working capital :</b>		
(Increase) in trade receivables	(132.79)	(221.52)
(Increase) in other financial assets	(200.84)	(257.89)
Decrease/(Increase) in other assets	8.24	(58.90)
Increase/(Decrease) in other liabilities	87.35	(5.49)
Increase in financial liabilities	34.42	2.13
Increase in provisions	15.28	11.81
(Decrease)/Increase in trade payables	(115.38)	493.04
<b>Cash generated from operations</b>	<b>970.55</b>	<b>770.34</b>
Income taxes paid	(66.51)	(97.41)
<b>Net cash generated from operating activities (A)</b>	<b>904.03</b>	<b>672.93</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment (including capital creditors and capital advances)	(108.63)	(118.05)
Sale of property, plant & equipment	0.36	-
Interest received	0.50	4.22
Purchase of investments	(209.34)	-
<b>Net cash flows used in investing activities (B)</b>	<b>(317.11)</b>	<b>(113.83)</b>
<b>Financing activities</b>		
Proceeds from issue of equity share capital	8.15	21.74
Security premium from issue of equity share capital	78.70	378.26
Repayment from long term borrowings	(3.31)	(1,216.25)
Proceeds from long term borrowings	-	128.66
Repayment of short term borrowings	(462.66)	(134.26)
Loan taken from related party	1,626.71	-
Proceeds/(Repayment) of Non convertible Debentures	(1,036.20)	950.00
Payment of principal portion of lease liabilities	(341.87)	(291.13)
Payment of interest portion of lease liabilities	(72.74)	(63.67)
Employee stock option settlement	(160.21)	-
Interest paid	(300.52)	(210.67)
<b>Net cash flow used in financing activities ( C)</b>	<b>(663.95)</b>	<b>(437.32)</b>
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(77.03)</b>	<b>121.78</b>
Cash and cash equivalents at the beginning of the year	228.29	106.48
<b>Cash and cash equivalents at end of the year (refer note 8)</b>	<b>151.26</b>	<b>228.26</b>
<b>Non-cash financing and investing transaction</b>		
Acquisition of right-of-use assets	165.31	432.79



**Spoton Logistics Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**Change in liabilities arising from financing activities**

Particulars	Opening balance April 1, 2021	Cash flows	Interest accretion	Others	Closing balance March 31, 2022
Long-term borrowings (refer note 17)	1,062.81	587.19	86.20	(72.82)	1,663.38
Short-term borrowings (refer note 17)	700.00	(462.66)	-	-	237.34
Lease liabilities (refer note 34)	953.28	(414.61)	72.74	(503.10)	108.31

Particulars	Opening balance April 1, 2020	Cash flows	Interest accretion	Others	Closing balance March 31, 2021
Long-term borrowings (refer note 17)	1,216.25	(137.59)	72.81	(88.66)	1,062.81
Short-term borrowings (refer note 17)	745.60	(134.26)	-	88.66	700.00
Lease liabilities (refer note 34)	834.24	(354.80)	63.67	410.17	953.28

Summary of Significant accounting policies (refer note 2.3)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached :

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

**For and on behalf of the Board of Directors of  
Spoton Logistics Private Limited**  
**UIN : U63090GJ2011PTC108834**

**per Yogesh Midha**  
Partner  
Membership No.: 094941

**Ajith Pai Mangalore**  
Director  
DIN: 07168138

**Abhik Mitra**  
Director  
DIN: 00337465

**Krishna Chandrasekar**   **Pavithra P**  
Chief financial officer   Company Secretary

Place: New Delhi  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

# Spoton Logistics Private Limited

## Notes to Standalone Financial Statements for the year ended March 31, 2022

### 1. Company overview

Spoton Logistics Private Limited (“the Company”) was incorporated on November 17, 2011 as Private Limited Company under Companies Act, 1956.

The Company is engaged in the domestic road business i.e., transportation freight through surface transport within the territory of India. The Company has recently entered Air business i.e., transportation of goods/consignments through Air. On June 29, 2019 the Company has changed its registered office from Bengaluru, Karnataka to Ahmedabad, Gujarat.

During the year, a Share Purchase Agreement dated July 29, 2021, as amended by Amendment Agreement executed on August 19, 2021, was executed amongst the Company, Delhivery Limited (“Acquirer” or “Issuer Company”) and M/s Samara Alternate Investment Fund, M/s Samara Capital Partners Fund II Limited, M/s Virginia Tech Foundation Inc., M/s Xponentia Opportunities Fund-I and Xponentia Fund Partners LLP (collectively referred as “the Sellers”). The Board of Directors of the Company approved on August 24, 2021 and took on record the transfer of 19,825,558 fully paid-up equity shares of face value Rs. 10 each of the Company, collectively held by the Sellers, free and clear of all encumbrances of any nature. The effective date of acquisition is August 24, 2021.

The financial statements are approved for issue by the Company’s Board of Directors on May 28, 2022.

### 2. Basis of preparation and principles of consolidation

#### 2.1 Basis of preparation

These Standalone Financial Statements have been prepared, in all material respects, in accordance with the requirements of Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

#### i. Functional currency

The functional currency of the Company is the Indian rupee. Standalone The Financial Statements are presented in Indian Rupees and all amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest million (as per the requirement of Schedule III), unless otherwise stated.

#### ii. Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items:

<u>Items</u>	<u>Measurement basis</u>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

#### iii. Current versus non-current classification

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

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle.

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

- b. Held primarily for the purpose of trading.
- c. Expected to be realized within twelve months after the reporting period; or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

Refer Note 31 for Significant accounting judgements, estimates and assumptions.

## **2.2 Basis of transition to Ind AS**

The adoption of Ind AS is carried out in accordance with Ind AS 101 on 1 April 2020 being the transition date. In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity at the transition date. The Company's financial statements up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 46.

Ind AS 101 allows first-time adopters, certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS. Refer note 46 for exemptions taken by the Company for first time adoption by the Company.

## **2.3 Summary of significant accounting policies**

### **i. Foreign currency transactions and balances**

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

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

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

**Spoton Logistics Private Limited**  
**Notes to Standalone Financial Statements for the year ended March 31, 2022**

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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

**a. Transition to Ind AS**

Ind AS 101 permits an entity to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its carrying value and use that carrying value as its deemed cost at that date. Accordingly, the Company has elected to use the carrying value of all the items of property, plant and equipment on the date of transition and designate the same as deemed cost on the date of transition.

**b. Recognition and Measurement**

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement profit or loss.

**c. Subsequent expenditure**

Subsequent expenditure is capitalized only if it's probable that the future economic benefits associated with the expenditure will flow to the Company.

**Depreciation**

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

<b>Property, plant and equipment</b>	<b>Useful lives estimated by the management</b>	<b>Useful lives as per Schedule II</b>
Buildings	30 years	30 years
Furniture and fittings	5 years	10 years
Office Equipments	5 years	5 years
Electrical Installations and Equipments	10 years	10 years
Computers	3 years	3 years
Plant and Machinery	5 years	10 years
Vehicles	4 years	8 to 10 years

Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is less.

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 period end and adjusted prospectively, if appropriate.

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

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

The depreciation method applied to an asset shall be reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate in accordance with Ind AS 8.

Depreciation on the assets purchased during the period 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 recognized is derecognized 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 statement of profit or loss when the asset is derecognized.

#### **iii. Intangible assets**

Ind AS 101 permits an entity to elect to measure an item of intangible assets at the date of transition to Ind AS at its carrying value and use that carrying value as its deemed cost at that date. Accordingly, the Company has elected to use the carrying value of all the items of intangible assets on the date of transition and designate the same as deemed cost on the date of transition.

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

IT Software's are to be depreciated 5 years as its useful life.

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

#### **iv. Business Combinations and Goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2020. As such, Indian GAAP balances relating to business combinations entered into before that date, including Goodwill, have been carried forward.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a Subsidiary comprises the

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured initially at their fair values at the acquisition date.

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

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

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

The excess of the

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

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

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

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

#### **v. Lease**

##### **Company as a lessee**

The Company accounted for Ind AS 116 as per the exemption available in Ind AS 101 i.e. lease liabilities at the present value of the remaining lease payments and right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease with the cumulative effect recognized at the date of initial application i.e., 1 April 2020 on retained earnings.

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

##### **a) Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

#### **b) Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **c) Short term leases and lease of low value assets**

The Company has elected not to recognise right of-use assets and lease liabilities for leases of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **vii. Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer, at an amount that reflects the consideration which the company expects to be entitled to 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 customer. A 5-step approach is used to recognize revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

#### **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.

#### **Transportation services**

Revenue is recognized for these performance obligations as they are satisfied over the contract term, which generally represents the transit period including the incomplete trips at the balance sheet date. The transit period can vary based upon the method of transport, generally a couple days for over the road, rail, and air transportation. The revenue is recognized net of discounts, credit notes etc. established at the time of sale.

#### **Other allied services**

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

Revenue from renting of warehouse and end to end services are recognised over time as the customer simultaneously avails the benefits of these services. Hence, the revenue from such services is recognised monthly, in accordance with the amount fixed as per the agreements.

The Company collects Goods & Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Revenue from sale of unclaimed goods are recognised as and when the unclaimed goods are sold as per the Company's policy.

#### **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 receivable). 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. 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 deliver 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.

#### **viii. Other income**

##### **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.

#### **ix. Employee benefits**

##### **i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### **ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund and Employee State Insurance to Government administered provident fund scheme which is a defined contribution plan. The Company's



## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

contribution is recognized as an expense in the Statement of profit or loss during the period in which the employee renders the related service.

#### **iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

##### **Gratuity**

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), considering any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **iv. Other employee benefits**

##### **Compensated absences**

The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognizes accumulated compensated absences based on independent actuary using the projected unit credit method as at the balance sheet date. The Company recognizes actuarial gains and losses immediately in the statement of profit or loss. The Company, in case of non-accumulating compensated absences are recognized in the period in which the absences occur.

#### **v. Share based payment transactions**

##### **Equity-Settled transactions**

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for vested equity settled options that have already vested on or before 1 April 2020. As such, Indian GAAP balances relating to such vested options have been carried forward.

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

Service and non-market performance conditions are not considered 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 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 recognized 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 recognized is the expense had the terms had not been modified if the original terms of the award are met. An additional expense is recognized 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 Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### **x. Taxes**

##### **Current 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 balance sheet date.

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and its intended to realize the assets and settle the liabilities on a net basis or simultaneously.

**Spoton Logistics Private Limited**  
**Notes to Standalone Financial Statements for the year ended March 31, 2022**

**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 balance sheet date.

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

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

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

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- b. In respect of deductible temporary differences associated with investments in subsidiary, 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 balance sheet 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 balance sheet 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 balance sheet date.

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

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

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement as part of Deferred tax asset. The Company reviews the same at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-tax during the specified period.

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

#### **xi. Earnings per share**

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

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

#### **xii. Provisions and Contingent Liabilities**

##### **i) Provisions**

Provisions are recognized 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 or 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 recognized as a finance cost.

##### **ii) Contingent Liability**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past event but is not recognized 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 recognized.

#### **xiii. Measurement of fair value**

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

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

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

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

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

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

#### **Fair value hierarchy**

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

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

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

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 balance sheet date, 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 are analyzed. 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.

#### **xiii. Financial instruments**

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.

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.

##### **A. Financial assets**

###### **(i) Initial recognition and measurement**

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

###### **(ii) Subsequent classification and measurement**

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

1. Financial assets carried at amortised cost; or
2. Financial assets at fair value through profit or loss (FVTPL)
3. Fair value through other comprehensive income (FVOCI)

###### **1. Financial assets at amortised cost (debt instruments)**

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

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. Financial assets are not reclassified subsequently to their initial recognition, except if and if in the period the Company changes its business model for managing financial assets

#### **2. Financial assets at FVTPL (debt instruments)**

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 statement of profit or loss.

#### **3. Financial assets at FVOCI (debt instruments)**

A debt instrument' is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

#### **(iii) Derecognition**

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

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

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

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

## Spoton Logistics Private Limited

### Notes to Standalone Financial Statements for the year ended March 31, 2022

#### (iv) 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 balance sheet 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company 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 Company 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 balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

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

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

**Spoton Logistics Private Limited**  
**Notes to Standalone Financial Statements for the year ended March 31, 2022**

**B. Financial liabilities**

**(i) Initial recognition and measurement**

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

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

The Company's financial liabilities include debenture, trade and other payables, loans and borrowings including bank overdrafts.

**(ii) Subsequent measurement**

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

i. Financial liabilities at fair value through profit or loss - Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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 by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

ii. 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.

**(iii) Derecognition**

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

**(iv) 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.

**xv. Impairment of non-financial assets**

The Company assesses, at each balance sheet 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



## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses are recognized in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

#### **xv. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the cost of asset.

#### **xvi. 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.

To the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

#### **xvii. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the balance sheet date are not accounted but disclosed.

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

#### **3. Standards notified but not yet effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements

#### **4. New and amended standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The company has not early adopted any other standard or amendment that has been issued but is not yet effective:

##### **i. 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 April 01, 2021.

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

##### **iii. Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April

## **Spoton Logistics Private Limited**

### **Notes to Standalone Financial Statements for the year ended March 31, 2022**

1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

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

iv. Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognize those costs as part of applying the acquisition method. Instead, the acquirer recognizes those costs in its post-combination financial statements in accordance with other Ind AS.

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

v. 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.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**5. Property, plant and equipment**

Particulars	Leasehold improvements	Furniture & fittings	Office Equipments	Computers	Plant & machinery	Motor vehicles	Total
<b>At deemed cost</b>							
<b>Gross block</b>							
<b>At April 1, 2020*</b>	<b>27.80</b>	<b>13.02</b>	<b>39.64</b>	<b>55.94</b>	<b>43.51</b>	<b>0.49</b>	<b>180.40</b>
Additions	26.94	9.09	11.51	34.05	27.61	-	109.20
Disposals	-	-	-	(0.04)	-	-	(0.04)
<b>At March 31, 2021</b>	<b>54.74</b>	<b>22.11</b>	<b>51.15</b>	<b>89.95</b>	<b>71.12</b>	<b>0.49</b>	<b>289.56</b>
Additions	21.11	4.13	20.43	60.22	6.78	-	112.67
Disposals	-	-	-	-	-	(0.49)	(0.49)
<b>At March 31, 2022</b>	<b>75.85</b>	<b>26.24</b>	<b>71.58</b>	<b>150.17</b>	<b>77.90</b>	<b>-</b>	<b>401.74</b>
<b>Accumulated depreciation</b>							
<b>At April 1, 2020*</b>	-	-	-	-	-	-	-
Charge for the year (refer note 27)	11.87	7.19	18.70	41.36	28.07	0.21	107.40
Disposals	-	-	-	(0.04)	-	-	(0.04)
<b>At March 31, 2021</b>	<b>11.87</b>	<b>7.19</b>	<b>18.70</b>	<b>41.31</b>	<b>28.07</b>	<b>0.21</b>	<b>107.36</b>
Charge for the year (refer note 27)	21.51	7.14	18.81	39.92	19.66	-	107.04
Disposals	-	-	-	-	-	(0.21)	(0.21)
<b>At March 31, 2022</b>	<b>33.38</b>	<b>14.33</b>	<b>37.51</b>	<b>81.23</b>	<b>47.73</b>	<b>-</b>	<b>214.19</b>
<b>Net block</b>							
<b>At April 1, 2020</b>	<b>27.80</b>	<b>13.02</b>	<b>39.64</b>	<b>55.94</b>	<b>43.51</b>	<b>0.49</b>	<b>180.40</b>
<b>At March 31, 2021</b>	<b>42.87</b>	<b>14.92</b>	<b>32.45</b>	<b>48.64</b>	<b>43.05</b>	<b>0.28</b>	<b>182.21</b>
<b>At March 31, 2022</b>	<b>42.48</b>	<b>11.91</b>	<b>34.07</b>	<b>68.94</b>	<b>30.17</b>	<b>-</b>	<b>187.57</b>

The title deed of immovable properties included in property, plant and equipment are held in the name of the Company and are pledged as security against the borrowings taken by the Company.

\* On transition to Ind AS (i.e. April 1, 2020), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

There has been no revaluation performed during the year.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**6. Intangible assets**

Particulars	Computer Software	Goodwill	Total
<b>At deemed cost</b>			
<b>Gross block</b>			
At April 1, 2020**	57.56	881.01	938.57
Additions	3.57	-	3.57
Transferred from intangible assets under development	10.36	-	10.36
At March 31, 2021	71.49	881.01	952.50
Additions	25.82	-	25.82
At March 31, 2022	97.31	881.01	978.32
<b>Accumulated amortisation</b>			
At April 1, 2020**	-	-	-
Charge for the year (refer note 27)	13.67	252.81	266.48
At March 31, 2021	13.67	252.81	266.48
Charge for the year (refer note 27)#	34.49	252.82	287.31
Impairment for the year#	-	17.98	17.98
At March 31, 2022	48.16	523.61	571.77
<b>Net block</b>			
At April 1, 2020**	57.56	881.01	938.57
At March 31, 2021	57.82	628.20	686.02
At March 31, 2022	49.15	357.40	406.55

\*\* On transition to Ind AS (i.e. April 1, 2020), the Company has elected to continue with the carrying value of all intangibles assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangibles assets.

There has been no revaluation performed during the year.

**Goodwill**

The carrying amount of goodwill has been allocated as follows:-

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Goodwill on business combination	357.40	628.20	881.01
	<b>357.40</b>	<b>628.20</b>	<b>881.01</b>

# The Company has goodwill arising on account of certain business combinations aggregating to carrying value of INR 881.01 million as on April 1, 2020. In line with Appendix C to Ind AS 101, the Company has chosen not to apply Ind AS 103 retrospectively to past business combinations i.e ( business combination that occurred before the date of transition to Ind AS) and carry the Goodwill in the opening Ind AS Balance Sheet in accordance with the transition date balance as per previous GAAP. Accordingly, the carrying value of Rs 881.01 million is based on the carrying value as on April 1, 2020 as per Indian GAAP.

Of the above INR 881.01 million, goodwill with carrying value of INR 863 million as on April 1, 2020 is related to Scheme of Arrangement between Vankatesh Pharma Private Limited and the Holding Company. Based on the accounting treatment specified in the National Company Law Tribunal order, the Holding Company is amortising the goodwill over a period of 5 years and accordingly, the amortization charge for the year ended March 31, 2021 is INR 252.81 million.

Even though, as per Ind AS 103, goodwill arising on business combinations need to be carried at cost less impairment, if any, the above treatment of amortizing Goodwill has been followed by the Company as mandated by the concerned Scheme approved by the relevant authorities.

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

The recoverable amounts of CGUs are based on value-in-use, which are determined based on five year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. Considering this and the consistent use of such robust five-year information for management reporting purposes, the company uses five-year plans for the purpose of impairment testing. Management believes that this planning horizon reflects the assumptions for the expected performance in the markets in which the Company operates.

Management has done impairment analysis as on March 31, 2022 and accordingly recognised an impairment loss amounting to INR 17.98 million.

**Assumptions considered while performing goodwill impairment testing are as follows:**

EBITDA	The EBITDA margins have been estimated based on past experience after considering the impact of incremental revenue and synergies benefits that the company will get in future due to increase in process efficiencies. Margins will be positively impacted from the efficiencies, growth in top line and cost rationalisation / others initiatives driven by the company;
Discount rate	Discount rate reflects the current market assessment of the risks specific to a CGU based on the weighted average cost of capital for respective CGU.
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/ external sources of information. The average terminal growth rate used in extrapolating cash flows beyond the planning year is 5%.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the additional capital expenditure required to meet the business growth.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**7(a). Intangible Asset under Development (IAUD)**

<b>Particulars</b>	<b>Intangible assets under development</b>
<b>At April 1, 2020</b>	<b>7.91</b>
Additions	9.12
Transferred to intangible assets	(10.36)
<b>At March 31, 2021</b>	<b>6.67</b>
Additions	31.71
Written off during the year	(38.38)
<b>At March 31, 2022</b>	<b>-</b>

**Spoton Logistics Private Limited**

Notes to the Financial Statements for the year ended March 31, 2022

(All amount in INR Millions unless otherwise stated)

**7(b). Intangible Asset under Development (IAUD) Ageing Schedule**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.67	-	-	-	6.67
<b>Total</b>	<b>6.67</b>	-	-	-	<b>6.67</b>

As at April 1, 2020

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.91	-	-	-	7.91
<b>Total</b>	<b>7.91</b>	-	-	-	<b>7.91</b>

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**8. Deferred tax**

**Amount recognised in Statement of profit and loss (A):**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current income tax:</b>		
Current tax	145.09	111.92
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(66.68)	(173.04)
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>78.41</b>	<b>(61.12)</b>

**Income tax recognised in Other Comprehensive Income ( B ) :**

Deferred tax relating to items in OCI in the year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax income on defined benefit plans	(1.55)	(3.50)
<b>Income tax credit to OCI</b>	<b>(1.55)</b>	<b>(3.50)</b>

**Reconciliation of effective tax rate ( C ) :**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Accounting loss before income tax</b>	(74.08)	(323.65)
At India's statutory income tax rate of 25.168% (March 31, 2021: 34.944%)	(18.64)	(113.10)
<b>Non-deductible expenses for tax purposes:</b>		
Effect of change in tax rate	10.51	-
Effect of permanent differences	94.93	42.19
Other	(8.39)	9.82
<b>Total</b>	<b>78.41</b>	<b>(61.08)</b>
<b>Income tax expense as per statement of profit and loss</b>	<b>78.41</b>	<b>(61.12)</b>



**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

(All amount in INR Millions unless otherwise stated)

**8. Deferred tax (continued)**

**Recognised deferred tax assets and liabilities ( D ):**

**Deferred tax relates to the following items:**

Particulars	Balance sheet			Recognised in OCI		Recognised in Statement of Profit and Loss	
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Deferred tax asset arising on account of :</b>							
Effect of gratuity, compensated absences and bonus	35.38	30.37	36.38	1.55	3.50	(6.57)	2.51
Effect of provision for doubtful debts	31.13	47.49	25.68	-	-	16.36	(21.81)
Effect of depreciation on property, plant and equipment	32.20	21.10	-	-	-	(11.10)	(21.10)
Effect of interest on borrowings	-	25.44	-	-	-	25.44	(25.44)
Effect of interest on leases and right of use assets	15.47	28.96	22.19	-	-	13.49	(6.77)
Effect of Provision for doubtful advances	3.28	-	-	-	-	(3.28)	-
Effect of employee stock option plan	0.00	25.32	16.09	-	-	25.32	(9.23)
Effect of discounting of security deposit	-	3.22	0.35	-	-	3.22	(2.87)
<b>Deferred tax liabilities arising on account of :</b>							
Effect of goodwill	(89.94)	(219.50)	(307.83)	-	-	(129.56)	(88.33)
	<b>27.52</b>	<b>(37.60)</b>	<b>(207.14)</b>	<b>1.55</b>	<b>3.50</b>	<b>(66.68)</b>	<b>(173.04)</b>

**Reflected in the Balance Sheet as follows:**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Deferred tax assets	117.46	181.90	100.69
Deferred tax liabilities	(89.94)	(219.50)	(307.83)
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>27.52</b>	<b>(37.60)</b>	<b>(207.14)</b>

**Reconciliation of deferred tax assets/ (liabilities) (net):**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance</b>	<b>(37.60)</b>	<b>(207.14)</b>
Tax income during the year recognised in profit or loss	66.68	173.04
Tax expense during the year recognised in OCI	(1.55)	(3.50)
<b>Closing balance of deferred tax assets/ (liabilities) (net)</b>	<b>27.52</b>	<b>(37.60)</b>

**Amendment related to goodwill under income tax act**

The Finance Act, 2021 has introduced an amendment to Section 32 of Income tax Act 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective April 1, 2020.

In accordance with the requirements of Income taxes, the Company has recognised one time tax expense amounting to INR 307.86 million in retained earnings on April 1, 2020 as the outcome on the difference between Goodwill as per books of accounts and its updated tax base of NIL which resulted from the aforementioned amendment. This deferred tax liability is not expected to be a cash outflow in the future and its reversal is deemed unlikely as the value of its associated goodwill is expected by value in use.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax asset (or/and deferred tax liability) basis the rate prescribed in the said section. Accordingly, deferred tax asset have reduced by INR 10.50 million . The tax charge for the year have increased by INR 10.50 million.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**9. Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Trade receivables	1,755.79	1,611.15	1,452.04
<b>Total trade receivables</b>	<b>1,755.79</b>	<b>1,611.15</b>	<b>1,452.04</b>
<b>Break-up for above:</b>			
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Trade receivables</b>			
Unsecured - considered good	1,755.79	1,611.15	1,452.04
Trade receivables – credit impaired	123.66	135.88	73.49
	<b>1,879.45</b>	<b>1,747.03</b>	<b>1,525.53</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Trade receivables- credit impaired	(123.66)	(135.88)	(73.49)
	<b>(123.66)</b>	<b>(135.88)</b>	<b>(73.49)</b>
<b>Total Trade receivables (net)</b>	<b>1,755.79</b>	<b>1,611.15</b>	<b>1,452.04</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance</b>		135.88
Add: Provision of trade receivables-credit impaired		-
Less: Write offs, net of recoveries		(12.22)
<b>Closing balance</b>	<b>123.66</b>	<b>135.88</b>

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.

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

*(This space has been intentionally left blank)*

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**9.(a) Trade receivables ageing schedule**  
**As at March 31, 2022**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	965.30	761.58	28.92	-	-	-	1,755.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	15.52	-	-	-	-	15.52
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	7.69	13.75	45.34	26.80	14.56	108.14
<b>Total</b>	<b>965.30</b>	<b>784.78</b>	<b>42.67</b>	<b>45.34</b>	<b>26.80</b>	<b>14.56</b>	<b>1,879.45</b>

**As at March 31, 2021**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,057.78	509.90	43.47	-	-	-	1,611.15
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	39.50	17.53	-	-	-	57.03
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	7.41	9.33	41.67	20.22	0.22	78.85
<b>Total</b>	<b>1,057.78</b>	<b>556.81</b>	<b>70.33</b>	<b>41.67</b>	<b>20.22</b>	<b>0.22</b>	<b>1,747.03</b>

**As at April 1, 2020**

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	682.17	755.23	14.64	-	-	-	1,452.04
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	24.85	-	-	-	-	24.85
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	8.21	10.76	29.43	0.24	-	48.64
<b>Total</b>	<b>682.17</b>	<b>788.29</b>	<b>25.40</b>	<b>29.43</b>	<b>0.24</b>	<b>-</b>	<b>1,525.52</b>

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**10. Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<i>Balances with banks:</i>			
- In current accounts	150.47	227.50	105.30
Cash on hand	0.79	0.79	1.18
	<b>151.26</b>	<b>228.29</b>	<b>106.48</b>

**11. Investments**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Investment in subsidiary at cost:</b>			
5,000 (March 31, 2021: 3,250, April 01, 2020: 3,250) equity shares of Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited) of INR 100 each, fully paid-up*	425.30	215.96	215.96
	<b>425.30</b>	<b>215.96</b>	<b>215.96</b>

\* Represents 100% (March 31, 2021: 65%, April 01, 2020: 65%) investment in equity share capital of Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited), the Subsidiary Company acquired by the Company on November 29, 2019 from the existing shareholders ("the existing shareholders"). The investment was made in 3,250 equity shares of INR 100 each at a value of INR 66,450 each. Subsequent to the financial year 2020-21, the Option Deed Agreement dated December 04, 2019 was terminated and the Company acquired balance 35% of equity shares directly from the non-controlling shareholders.

**12. Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Unsecured, considered good</b>			
Contract assets	617.41	474.81	203.08
Security deposits	247.59	202.70	150.27
Interest accrued on fixed deposits	0.18	0.40	1.43
Margin money deposits*	7.39	7.08	85.84
Other receivables	40.94	4.39	-
	<b>913.52</b>	<b>689.38</b>	<b>440.62</b>
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
Security deposits	12.92	132.70	119.89
Margin money deposits*	7.39	0.21	0.94
<b>Total non-current financial assets</b>	<b>20.30</b>	<b>132.91</b>	<b>120.83</b>
<b>Current</b>			
<b>Unsecured, considered good</b>			
Contract assets	617.41	474.81	203.08
Interest accrued on fixed deposits	0.18	0.40	1.43
Security deposits	238.59	70.00	30.38
Less: Provision for doubtful/ security deposits	(3.92)	-	-
Security deposits (net)	234.68	70.00	30.38
Margin money deposits*	-	6.87	84.90
Other receivables	40.94	4.39	-
<b>Total current financial assets</b>	<b>893.21</b>	<b>556.47</b>	<b>319.79</b>

\*Refers to margin money deposits against bank guarantee issued by banks, which are lien marked with various government authorities. These deposits cannot be withdrawn by the Company within 12 months from the balance sheet date.

**13. Advance income tax (net)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance income tax (net of provision)	194.18	272.77	245.93
Minimum alternate tax credit entitlement	-	-	41.35
	<b>194.18</b>	<b>272.77</b>	<b>287.28</b>

**14. Other assets**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Unsecured, considered good, unless stated otherwise</b>			
Capital advances	0.23	5.49	2.55
Prepaid expenses	164.99	156.62	131.99
Advances to employees	2.64	1.03	1.32
Balance with government authorities*	30.94	37.81	14.30
Advances to suppliers	6.64	25.20	14.14
	<b>205.44</b>	<b>226.15</b>	<b>164.31</b>
<b>Breakup of above:</b>			
<b>Non-Current</b>			
Capital advances	2.16	5.49	2.55
Less: Provision for doubtful capital advances	(1.93)	-	-
Capital advances (net)	0.23	5.49	2.55
Prepaid expenses	0.19	0.99	1.01
Balance with government authorities*	30.94	14.30	14.31
<b>Total non-current</b>	<b>31.36</b>	<b>20.78</b>	<b>17.87</b>
<b>Current</b>			
Advances to suppliers	13.85	25.20	14.14
Less: Provision for doubtful advances to suppliers	(7.21)	-	-
Advances to suppliers (net)	6.64	25.20	14.14
Prepaid expenses	164.80	155.63	130.98
Advances to employees	2.64	1.03	1.32
Balance with government authorities*	-	23.51	-
<b>Total current</b>	<b>174.08</b>	<b>205.37</b>	<b>146.44</b>

\* Represents amount deposited under protest with service tax department. For more details refer note 39.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**15. Share Capital**

**Authorised Share Capital**

Particulars	As at	As at	As at
	March 31, 2022	March 31, 2021	April 1, 2020
188,000,000 ( March 31, 2021: 188,000,000, April 01 ,2020: 188,000,000) equity shares of INR 10 each	1,880.00	1,880.00	1,880.00
	<b>1,880.00</b>	<b>1,880.00</b>	<b>1,880.00</b>

**Issued, subscribed and fully paid-up equity shares**

20,641,094 (March 31, 2021: 19,825,558, April 01, 2020: 17,651,645 ) equity shares of INR 10 each, fully paid-up	206.41	198.26	176.52
	<b>206.41</b>	<b>198.26</b>	<b>176.52</b>

**Terms and rights attached to the equity shares**

The Company has only one class of shares referred to as equity shares having par value of INR 10. All equity shares carry similar voting rights of 1:1 and similar dividend rights. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

**Reconciliation of shares outstanding at the beginning and end of the reporting year**

Particulars	Number of shares	As at	Number of shares	As at
		March 31, 2022	March 31, 2021	March 31, 2021
At the beginning of the year	1,98,25,558	198.26	1,76,51,645	176.52
Number of shares issued during the year*	8,15,536	8.15	21,73,913	21.74
Number and value of shares outstanding at the end of the year	<b>2,06,41,094</b>	<b>206.41</b>	<b>1,98,25,558</b>	<b>198.26</b>

\* Pursuant to the provisions of Section 62 (1)(a) of the Companies Act, 2013, during the year, the Company has issued 8,15,536 (March 31,2021 : 2,173,913, April 01, 2020 : Nil) equity shares of the face value INR 10 fully paid up, at the premium of INR 96.49 (March 31, 2021: 174, April 01, 2020 : Nil) each in proportion of the existing shareholding. The shares were issued to promoters i.e. ESOPs has been converted to equity which has been subsequently sold by them to Delhivery Limited in September 2021.

**List of persons holding more than 5% shares in the Company**

Particulars	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Name of the shareholders						
Delhivery Limited*	2,06,41,094	100%	-	0%	-	0%
Samara Alternate Investment Fund	-	0%	82,02,207	41.37%	74,66,563	42.30%
Samara Capital Partners Fund II Limited	-	0%	60,64,223	30.59%	51,69,432	29.29%
Xponentia Fund Partners LLP	-	0%	14,70,515	7.42%	20,65,787	11.70%
Xponentia Opportunities Fund - I	-	0%	34,85,874	17.58%	23,47,124	13.30%

The Company is professionally managed and have no promoters.

\*With effect from August 24, 2021 , the company has been acquired by Delhivery Limited

There was no equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

Refer note 33 for terms and disclosure in relation to employee stock option plan.

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***16. Other equity**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
<b>Securities Premium</b>			
Balance at the beginning of the year	1,329.69	951.43	951.43
Add: Premium received during the year on issuance of equity shares	78.70	378.26	-
Balance at the end of the year	<u>1,408.39</u>	<u>1,329.69</u>	<u>951.43</u>
<b>Retained earnings</b>			
Balance at the beginning of the year	(928.15)	(672.15)	(672.15)
Add: Loss for the year	(152.49)	(262.53)	-
Add: Remeasurement gains on defined benefit obligation	4.59	6.53	-
Add: ESOP settlement adjustment	-	-	-
Balance at the end of the year	<u>(1,076.05)</u>	<u>(928.15)</u>	<u>(672.15)</u>
<b>Employee stock option outstanding account</b>			
Balance at the beginning of the year	73.97	46.04	46.04
Add: Employee stock option expenses during the year	86.24	27.93	-
Less: Employee stock option settled during the year	(160.21)	-	-
Balance at the end of the year	<u>(0.00)</u>	<u>73.97</u>	<u>46.04</u>
<b>Deemed equity contribution from parent entity</b>			
Balance at the beginning of the year	-	-	-
Add: Deemed equity contribution	75.23	-	-
Balance at the end of the year	<u>75.23</u>	<u>-</u>	<u>-</u>
<b>Total other equity</b>	<b>407.57</b>	<b>475.51</b>	<b>325.32</b>

**Nature and purpose of reserves****Securities premium**

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

**Deemed equity contribution from parent entity**

Post acquisition of the Company by Delhivery, the new options have been granted by Delhivery ("the acquirer") to the employees of Spoton. Refer to Note 33 for further details of these plans.

**Employee stock option outstanding account**

The Company has two share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 30 for further details of these plans.

**Retained earnings**

Retained earnings are the profits/(loss) that the Company has earned/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 the 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.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**17. Borrowings**

Particulars	As at	As at	As at
	March 31, 2022	March 31, 2021	April 1, 2020
<b>Long term borrowings</b>			
Non convertible Debentures (refer note (i) below)	-	1,022.81	-
Loan from related parties (refer note (v) below)	1,626.71		
Term loan from:			
- Financial institutions (refer note (iii) below)	-	-	1,216.25
- Banks (refer note (ii) below)	36.68	40.00	-
Less: Current maturities of long-term debt	(335.30)	(3.33)	(102.50)
<b>Total long term borrowings</b>	<b>1,328.09</b>	<b>1,059.48</b>	<b>1,113.75</b>
<b>Short term borrowings</b>			
Term loan from:			
- Banks (refer note (ii) below)	86.81	88.66	-
Loan repayable on demand from related parties (refer note (v) below)			
- Loan from Delhivery Limited		-	-
Loan repayable on demand from banks (refer note (iv) below)			
- Cash credit	0.53	1.34	175.60
- Working capital loans	150.00	610.00	570.00
	237.34	700.00	745.60
Add: Current maturities of long-term debt (refer above)	335.30	3.33	102.50
	<b>572.64</b>	<b>703.33</b>	<b>848.10</b>

**Notes:**

**(i) Terms of repayment of Senior, Secured, Unrated, Unlisted, Non-Convertible Debentures ("NCDs") along with rate of interest on loan and nature of security**

The Company issued, subscribed and allotted Nil (March 31, 2021: INR 950 million, April 1, 2020: Nil) 13% non-convertible debentures of INR 1,000,000 each on a private placement basis. The NCDs redemption is on quarterly basis after the principal moratorium period of 30 months from the date of first disbursement. The repayment schedule covers 1st year: 0%, 2nd year: 0%, 3rd year: 10%, 4th year: 30%, 5th year: 40% and 6th year: 20%. The coupon rate is 13% p.a compounded monthly payable quarterly.

The facility is secured by:

- 97% share pledge of the Issuer.
- Non-Disposal Undertaking over 3% of the Issuer shares held by Virginia Tech Foundation along with a suitable Drag Along Rights.
- Non Disposal Undertaking over 31% shares of the Issuer along with suitable Drag Along Rights to the Investor as Interim Security until the creation of pledge over these shares.
- Non-Disposal Undertaking ("NDU") on Issuer's entire shareholding at all points of time during this transaction Tenor (65% currently) in Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited).
- First pari-passu charge on tangible fixed assets (present and future) of the Issuer.
- Second charge on the current assets (present and future) of the Issuer.
- Charge on the Debt Service Reserve Account ("DSRA")

Post acquisition of the Company by Delhivery i.e. August 23, 2021, the Company has repaid the outstanding balance along with interest till original maturity period of January, 2023 and make whole amount as per below-

Particulars	Amount
Principal repayment	950.00
Interest till original maturity period	180.52
Make whole amount	86.20
<b>Total Amount paid</b>	<b>1,216.72</b>

**(ii) Terms of repayment of secured loan from banks along with rate of interest on loan and nature of security**

**1) HDFC Bank:**

Working Capital term loan amounts to INR 86.81 million (March 31, 2021: INR 88.66 million, April 1, 2020: Nil) was sanctioned to the Holding Company, pursuant to the "Emergency Credit Line Guaranteed Scheme" (ECLGS) of Government of India. The loan is to be repaid in 48 equal monthly installment of INR 1.85 million each after moratorium period of 12 months from the date of disbursement. The repayment of loan will begin from March 07, 2022. The interest rate of 7.5% p.a (1 year MCLR + 0.25% subject to maximum of 9.25% p.a) is payable on a monthly basis from the date of disbursement. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Limited, Ministry of Finance, Government of India) and also secured by the extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. The entire loan amount has been classified under current borrowings due to non-compliance of the bank covenants.

The financial covenants relating to Adjusted total network, Total liabilities/ Total net worth and Interest coverage ratio have not been complied with for year ended on March 31, 2022. However in view of the ongoing relationship with the lending banks, the management believes that this non-compliance will not result in levy of penalty on the Company. Basis, the breach of covenant which has not been cured before the Financial Statements have been approved, the working capital term loan from HDFC bank has been classified as current borrowings.

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***2) Axis Bank:**

Term loan amounting to INR 26.72 million (March 31, 2021: INR 36.67 million, April 01, 2020: Nil ) disclosed under non current borrowings and current maturity amounting to INR 9.96 million (March 31, 2021: INR 3.33 million, April 01, 2020: Nil) disclosed under current borrowings. Pursuant to "Emergency Credit line Guranteed Scheme" (ECLGS) of Government of India, the bank sanctioned working capital term loan to the Company. The loan was to be repaid in 48 equal monthly installment of INR 0.83 million each after moratorium period of 12 months from the date of disbursement and the last installment is INR 0.83 million. The repayment of loan has begun from December 31, 2021. The interest rate of 7.5% p.a (1 year MCLR + 0.05%) payable on monthly basis from the date of disbursement. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Limited, Ministry of Finance, Government of India). Also secured second pari-passu charge on entire current assets and entire movable fixed assets of the Holding Company, both present and future.

**17. Borrowings****(iii) Terms of repayment of secured term loan from others along with rate of interest rate and nature of security.****Piramal Capital & Housing Finance Limited:**

Term loan amounting to Nil (March 31, 2021: Nil, April 1, 2020: INR 1,216.25 million) disclosed under Non current borrowings and current maturities of long-term borrowing Nil (March 31, 2021: Nil, April 1, 2020: INR 102.5 million). The term loan has been repaid in full before original maturity during the year 2020-21. The interest rate is Piramal PLR minus spread (current year interest rate range 13.65% - 14.65% p.a). The said loan is secured by first charge on all the present fixed assets and movable assets and second charge on present and future receivables and future fixed and movable assets.

**(iv) Terms of secured short term borrowings from banks:**

Cash credit and working capital demand loans carry interest ranging between 7.60% to 9.65% per annum computed on a monthly basis on the actual amount utilised, and are repayable on demand.

Short term borrowings from banks are secured by:

- Charge on present and future current assets and movable fixed assets of the subsidiary.
- Letter of comfort by the Holding Company.

**(v) Loan from related parties**

The company has borrowed unsecured funds from Delhivery Limited (formerly known as Delhivery Private Limited) carrying interest ranging between 8.75% to 10% per annum and are repayable in five equal annual installment.

**(vi) Unused line of credit**

The below table provides the details of un-drawn credit facilities that are available to the company:

	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Secured loans	749.47	288.68	286.85

**18. Trade payables**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 37)*	14.03	15.39	6.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,230.32	1,344.37	860.12
	<b>1,244.34</b>	<b>1,359.76</b>	<b>866.74</b>

\*Trade payables are non-interest bearing and are normally settled on 0-60 days terms.



**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

(All amount in INR Millions unless otherwise stated)

**18. (a) Trade payables ageing schedule**

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Billed not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	14.03	-	-	-	14.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	109.33	140.97	959.85	-	15.79	4.38	1,230.32
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>109.33</b>	<b>140.97</b>	<b>973.88</b>	<b>-</b>	<b>15.79</b>	<b>4.38</b>	<b>1,244.35</b>

As at March 31, 2021

	Outstanding for following periods from due date of payment						
	Billed not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	12.75	-	2.64	-	-	-	15.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	33.96	428.15	864.42	11.43	4.71	1.70	1,344.37
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>46.71</b>	<b>428.15</b>	<b>867.06</b>	<b>11.43</b>	<b>4.71</b>	<b>1.70</b>	<b>1,359.76</b>

As at April 1, 2020

	Outstanding for following periods from due date of payment						
	Billed not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	3.30	2.36	0.96	-	-	-	6.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	146.47	226.74	480.16	5.20	1.23	0.32	860.12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>149.77</b>	<b>229.10</b>	<b>481.12</b>	<b>5.20</b>	<b>1.23</b>	<b>0.32</b>	<b>866.74</b>

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***19. Other financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 1, 2020</b>
<b>Current</b>			
Security deposits	16.32	16.51	16.21
Capital creditors	30.67	10.80	4.01
Interest accrued but not due on borrowings	81.23	22.69	4.41
Payable to employees (refer note 35)	105.31	70.70	68.87
	<b>233.53</b>	<b>120.70</b>	<b>93.50</b>

**20. Provision for employee benefits**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 1, 2020</b>
Provisions for gratuity	75.31	68.73	67.06
Provisions for compensated absences	20.72	18.16	18.05
	<b>96.03</b>	<b>86.89</b>	<b>85.11</b>
<b>Breakup of above-</b>			
<b>Non-current</b>			
Provisions for gratuity	68.99	56.05	56.72
	<b>68.99</b>	<b>56.05</b>	<b>56.72</b>
<b>Current</b>			
Provisions for gratuity	6.32	12.68	10.34
Provisions for compensated absences	20.72	18.16	18.05
	<b>27.04</b>	<b>30.84</b>	<b>28.39</b>

**21. Other current liabilities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 1, 2020</b>
Statutory liabilities	117.03	29.68	35.17
	<b>117.03</b>	<b>29.68</b>	<b>35.17</b>

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**22. Revenue from contracts with customers**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Sale of services</b>		
Revenue from part truck load services	9,958.52	7,617.81
	<b>9,958.52</b>	<b>7,617.81</b>
<b>Other operating income</b>		
Income from sale of unclaimed items	10.57	2.88
	<b>9,969.09</b>	<b>7,620.69</b>

In the following table, revenue from contract with customers disaggregated by primary geographical market :

**(i) Revenue from contracts with customers**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
- India	9,958.52	7,617.81
- Rest of the world	-	-
<b>Total revenue from operations</b>	<b>9,958.52</b>	<b>7,617.81</b>

**(ii) Disaggregation by timing of revenue recognition**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Services rendered over time	9,958.52	7,617.81
Services rendered point in time	-	-
Total	<b>9,958.52</b>	<b>7,617.81</b>

**(iii) Contract balances**

The following table provides information about trade receivables and contract assets from customers :

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Trade Receivables (Unconditional right to consideration)	1,755.79	1,611.15
Contract assets (refer note 1 below)	617.41	474.81

**(iv) Changes in contract assets are as follows:**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Opening balance	474.81	203.08
Add: Contracts assets created during the year	548.59	474.81
Less: Contracts assets billed during the year	(405.99)	(203.08)
Closing balance	<b>617.41</b>	<b>474.81</b>

**Note:**

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.

**23. Other income**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Interest income on</b>		
- Bank deposits at amortized cost	0.28	3.20
- Income tax refund	5.06	-
- Unwinding of discount on security deposits paid	38.64	6.13
Rent concession on lease liabilities	-	16.93
Allowance for bad and doubtful debts written back, net	12.22	-
Profit on termination of lease	34.03	0.47
Profit on sale of property, plant and equipment (net)	0.08	-
	<b>90.31</b>	<b>26.73</b>

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**24. Freight, handling and servicing cost**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Linehaul charges	4,595.71	3,584.13
Pick-up and delivery charges	1,959.72	1,527.97
Sub-contractor costs	32.23	34.15
Franchisee commission	80.48	75.43
Packing materials and consumables	43.06	31.98
Manpower and conveyance charges	468.41	399.82
Rent (refer note 34)	137.08	74.13
	<b>7,316.69</b>	<b>5,727.61</b>

**25. Employee benefits expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and allowances	780.68	654.06
Gratuity expense (refer note 32)	16.24	14.67
Employee stock option expenses	161.45	27.93
Contribution to provident fund and other funds	48.36	42.43
Staff welfare expenses	61.27	52.00
	<b>1,068.00</b>	<b>791.09</b>

**26. Finance costs**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest</b>		
- Interest on borrowings	46.65	188.89
- Interest on loan from related party	89.04	-
- Interest on non convertible debentures	236.15	111.86
- Interest on dues to micro and small enterprises	0.61	1.00
- Interest on lease liabilities	72.74	63.67
	<b>445.19</b>	<b>365.42</b>

**27. Depreciation and amortization expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	107.04	107.40
Amortization of goodwill	252.82	252.81
Amortization of intangible assets	34.49	13.67
Depreciation of right-of-use assets (refer note 34)	401.41	327.91
	<b>795.76</b>	<b>701.79</b>

**28. Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Lease and hire charges	59.26	47.70
Rates and taxes	3.38	3.92
Power and fuel	53.64	38.49
Office maintenance	52.91	39.42
Insurance	3.39	3.87
Repairs and maintenance		
- plant and machinery	2.32	2.10
- others	20.80	12.78
Legal and professional charges	54.28	27.78
Auditor's remuneration (refer to note 28.1)	4.70	3.80
Travelling and conveyance	22.10	11.81
Printing and stationery	10.08	7.69
Allowance for bad and doubtful debts, net	-	62.38
Provision for doubtful advances	12.84	-
Information technology service cost	52.25	35.77
Intangible asstes written off *	38.38	-
Communication cost	21.98	19.48
Bank charges	6.68	2.47
Bad debts written off	0.37	0.03
Security expenses	67.68	63.30
Sales and marketing expenses	2.82	2.37
	<b>489.86</b>	<b>385.16</b>

\* During the year , the company has written off the software i.e. "Espoton Next Gen", which was being developed with the support of vendor Capgemini on which the total expense incurred amounting to INR 38.38 millions. As a result of acquisition of the group by the Delhivery Limited the software which was in development stage became redundant, as the ultimate parent company already has the software in place.

**28.1. Auditors remuneration**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit	4.40	3.27
Tax audit	0.30	0.35
Out of pocket expenses reimbursed	-	0.18
	<b>4.70</b>	<b>3.80</b>

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***29. Earnings per share**

Basic Earnings Per Share (EPS) and Diluted Earnings Per Share (EPS) amounts are calculated by dividing the loss for the year attributable to equity shareholders of the Holding Company by the weighted average number of Equity shares outstanding during the year.

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

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Loss attributable to equity shareholders of the Holding Company	(152.49)	(262.53)
Number of equity shares at the beginning of the year	1,98,25,558	1,76,51,645
Add: Weighted average number of equity shares issued during the year	4,91,556	10,83,979
Weighted average number of equity shares considered for calculation of Basic earnings per share	<b>2,03,17,114</b>	<b>1,87,35,624</b>
Number of shares to be issued upon exercise of ESOP	-	8,53,392
Weighted average number of equity shares considered for calculation of Diluted earnings per share	<b>2,03,17,114</b>	<b>1,95,89,016</b>
<b>Earnings per share</b>		
Basic	(7.51)	(14.01)
Diluted	(7.51)	(13.40)

**30. Exceptional items**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Impairment of goodwill	17.98	-
	<b>17.98</b>	<b>-</b>

During the year ended March 31, 2022, the management has impaired goodwill recorded on purchase of TNT in its entirety as management does not foresee any synergy benefit flowing to the group amounting to INR 17.98 million. In view of this unprecedented event, the management has considered it to be outside of the ordinary course of business and accordingly disclosed it as "Exceptional" in the Financial statements.

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**31. 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

**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 summary statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Share-based payments:**

Employees of the Holding 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 the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

**(ii) 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 period.

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 32.

**(iii) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the Financial Statements 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.

**(iv) Lease:**

The lease payments shall include fixed payments, variable lease payments, residual value guarantees and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**(v) Useful Life of property, plant and equipment:**

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and anticipated technological changes.

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**31. Significant accounting judgements, estimates and assumptions (continued)**

**(vi) Loss allowance on trade receivables:**

Provision for expected credit losses of trade receivables: The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on months 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. At every balance sheet 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 is disclosed in Note 9. 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

**(vii) Deferred Taxes:**

Deferred income tax asset 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 utilized. Deferred income tax liabilities are recognised for all taxable temporary differences.

**(viii) Impairment of Goodwill:**

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

**(ix) Provisions and contingencies:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**(x) Revenue Recognition (Ind AS 115) :**

The allocation of the transaction price over timing of satisfaction of performance obligation:

Under the revenue recognition standard Ind AS 115 revenue has been recognised when control over the services transfers to the customer i.e., when the customer has the ability to control the use of the transferred services provided and generally derive their remaining benefits. The revenue from logistics service is recognised over a period of time.

The company has recognized the revenue in respect of undelivered shipments to the extent of completed activities undertaken with respect to delivery. At period end, the company, based on its tracking systems classifies the ongoing shipments in transit into stages of delivery (first mile, linehaul, last mile) and applies estimated percentage of service completion to recognise revenue which is calculated on the basis of number of days the shipment has been in transit from the pickup date till reporting date as a percentage of average days taken to deliver these shipments from the pickup date.

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**32. Gratuity plan**

**a) Defined Contribution Plans**

The Company makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund and state plans such as Employees' State Insurance (ESI), which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The Company contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related services.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss, which are included in contribution to provident and other funds:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund and Employee's Pension Scheme	42.22	37.38
Employees' State Insurance	6.14	5.05
	<b>48.36</b>	<b>42.43</b>

**b) Defined Benefit Plans**

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, of an amount based on the respective employee's last drawn salary and years of employment with the Company. The gratuity plan of the Company is non-funded.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(i) Change in projected benefit obligations	March 31, 2022	March 31, 2021
Opening defined benefit obligation	68.73	67.05
Interest cost	4.48	4.02
Current service cost	11.76	10.65
Benefits paid	(3.52)	(2.96)
Actuarial gain on obligation	(6.14)	(10.03)
<b>Closing defined benefit obligation</b>	<b>75.31</b>	<b>68.73</b>
Non-current	68.99	56.05
Current	6.32	12.68
<b>(ii) Reconciliation of present value of the obligation and the fair value of the plan assets:</b>		
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	75.31	68.73
<b>Liability recognised in the Balance Sheet</b>	<b>(75.31)</b>	<b>(68.73)</b>
<b>(iii) Expense recognised in the Statement of Profit and Loss</b>		
	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Current service cost	11.76	10.65
Interest cost	4.48	4.02
<b>Net gratuity cost</b>	<b>16.24</b>	<b>14.67</b>
<b>(iv) Remeasurement gains in other comprehensive income</b>		
	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Actuarial Gain due to Demographic Assumption changes in DBO	1.33	(2.74)
Actuarial Gain from changes in financial assumptions	(2.07)	(2.46)
Experience adjustments	(5.40)	(4.83)
<b>Amount recognised in OCI during the year</b>	<b>(6.14)</b>	<b>(10.03)</b>
<b>(v) Actuarial assumptions</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Discount rate	7.08%	6.69%
Salary growth rate	8.00%	8.00%
Attrition rate	22.00%	26.00%
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 growth rate:** The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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



**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***32. Gratuity plan (continued)****(vi) A quantitative sensitivity analysis for significant assumption as at March 31, 2022 and March 31, 2021 is as shown below:**

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.

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Increase by 1%	(5.31)	(5.69)
Decrease by 1%	6.04	6.48
Future salary increase		
Increase by 1%	5.27	5.68
Decrease by 1%	(4.78)	(5.11)
Attrition rates		
Increase by 1%	(0.61)	(0.76)
Decrease by 1%	0.66	0.82
Mortality rates		
Increase by 10%	(0.02)	(0.03)
Decrease by 10%	0.02	0.03

**(viii) Maturity profile of the defined benefit obligation****Expected undiscounted cash flows over the next :**

Year	March 31, 2022	March 31, 2021
0-1	6.63	18.08
1-5	19.58	12.03
Above 5	118.19	89.50

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8.18 (March 31, 2021: 7.05)

*(This space has been intentionally left blank)*

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***33. Share-based payments****Employee stock option plan 2013:**

The Startrek Logistics Private Limited ESOP -2013 (now called as Spoton Logistics Private Limited) was approved by the Board of Directors of the Holding Company in June 2013 and by the shareholders in August 2013. The ESOP 2013 plan provides the maximum exercisable share into not more than 3% paid up capital to the employees. The plan is administered by a Board or a sub committee. The plan was revised and approved by the board of directors and shareholders of the Holding Company on April 02, 2019 and total number of Employee Stock Options to be granted under the Stock Option Scheme was increased to 9% of paid up capital. Options will be issued to employees of the Holding Company at an exercise price, which shall be determined and established of an equity share in the recent funding immediately preceding the date of grant or any other price not less than the face value of the shares as determined by the Board. The equity shares covered under these options would vest not more than five years from the date of grant of such options.

**Employee stock option plan 2018:**

The Spoton Logistics Private Limited ESOP-2018 was approved by the Board of Directors of the Holding Company and shareholders effective from October 12, 2018. The ESOP 2018 plan provides for the issue of 1,300,000 options to the employees. The plan is administered by a Board or a sub committee. Options will be issued to employees of the Holding Company at an exercise price, which shall be determined and established of an equity share in the recent funding immediately preceding the date of grant or any other price not less than the face value of the shares as determined by the Board. The equity shares covered under these options would vest not more than five years from the date of grant of such options. Option activity during the year ended March 31, 2021 and the related weighted average exercise price of stock options under the Spoton Logistics Private Limited ESOP-2018, is presented below:

**Movements during the previous year**

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

**2013 Scheme**

Particulars	For the year ended March 31, 2021	
	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	6,27,575	50
Options outstanding at the end of the year	6,27,575	50
Vested options	6,27,575	50

**2018 Scheme**

Particulars	For the year ended March 31, 2021	
	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	6,90,180	227
Granted during the year	14,707	227
Options outstanding at the end of the year	7,04,887	227
Vested options	2,25,817	227
Unvested options	4,79,070	-

The weighted average remaining contractual life for the stock options outstanding are 2 years.

The weighted average fair value of the option granted during the financial year 2021 is INR 366.

Total expense arising from share based payment transaction for the year ended March 31, 2021 is INR 27.93 million.

The following tables list the inputs to the models used for the share based payment plans for the year ended March 31, 2021:

Particulars	As at March 31, 2021
Dividend yield (%)	0.00%
Expected volatility (%)	33.26%
Risk-free interest rate (%)	6.32%
Expected life of share options (in years)	4
Weighted average share price (INR )	145
Model used	Black Scholes model

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

As of March 31, 2022, both the above schemes 2013 and 2018 stand cancelled. The parent of the company provides share-based compensation plans to its employees. At the time of acquisition of Spoton logistics private limited some of the employees were issued ESOPS by the parent entity (Delhivery Limited (formerly known as Delhivery Private Limited)) as a result their ESOP cost for those employee is also transferred to the company. Below are the details of shares issued by the parent entity:

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

	March 31, 2022	
	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	12,75,390	0.10
Forfeited during the year	(17,500)	0.10
Cancelled during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	12,57,890	0.10
Exercisable at the end of the year	12,57,890	0.10

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 2.69 years. The range of exercise prices for options outstanding at the year end was Rs 0.10 to Rs. 1. The weighted average fair value for the stock options granted during the year is Rs 303.20.

The following tables list the inputs to the models used for the GESP plans for the year ended March 31, 2022, respectively:

	<b>March 31, 2022</b>
Expected volatility (%)	48.6% to 59.4%
Risk-free interest rate (%)	4.1% to 5.7%
Expected life of share options	4 years
Weighted average share price (Rs)	0.1
Model used	Black Scholes Option Pricing Model

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

**Spoton Logistics Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2022**  
*(All amount in INR Millions unless otherwise stated)*

**34. Leases**

**Company as a lessee**

The Company has lease contracts for office premises having a lease term ranging from 1-9 years.

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

	<b>ROU Asset</b>
<b>As at April 1, 2020</b>	<b>792.00</b>
Additions	447.02
Deletions	(5.22)
Depreciation expense	(327.91)
<b>As at March 31, 2021</b>	<b>905.89</b>
Additions	176.73
Deletions	(634.38)
Depreciation expense	(401.41)
<b>As at March 31, 2022</b>	<b>46.83</b>

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

	<b>Lease liabilities</b>
<b>As at April 1, 2020</b>	<b>834.24</b>
Additions	432.79
Deletions	(5.69)
Accretion of interest	63.67
Payments	(354.80)
Rent concession on lease liabilities	(16.93)
<b>As at March 31, 2021</b>	<b>953.28</b>
Additions	165.31
Deletions	(668.41)
Accretion of interest	72.74
Payments	(414.61)
<b>As at March 31, 2022</b>	<b>108.31</b>

The following is the break-up of current and non-current lease liabilities:

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 1, 2020</b>
Current lease liabilities	82.33	312.82	289.68
Non-current lease liabilities	25.98	640.46	544.56
<b>Closing balance</b>	<b>108.31</b>	<b>953.28</b>	<b>834.24</b>

The following are the amounts recognised in statement of profit and loss

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Depreciation expense of right-of-use assets	401.41	327.91
Interest expense on lease liabilities	72.74	63.67
Profit on termination of lease	34.03	0.47
Rent concession on lease liabilities	-	16.93
Expense relating to short term lease	137.08	74.13
<b>Total amount recognised in statement of profit and Loss</b>	<b>645.26</b>	<b>483.11</b>

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 1, 2020</b>
Less than one year	99.34	377.58	384.23
One to four years	113.98	644.91	585.98
More than four years	-	8.53	26.49
<b>Closing balance</b>	<b>213.32</b>	<b>1,031.02</b>	<b>996.70</b>

**COVID-19 related rent concessions**

The Company has opted for the practical expedient for rent concession issued by Ministry of Corporate Affairs in which Companies are not required to reassess the lease as modification and recognize the gain as income in profit and loss.

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

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**35. Related party transactions:**

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

**Related parties under Ind AS 24:**

<b>1. Enterprises having control over the Company</b>	Delhivery Limited (formerly known as Delhivery Private Limited) (w.e.f 24 August 2021)
<b>2. Enterprises having significant influence over the Company</b>	Samara Alternate Investment Fund (upto August 23, 2021) Samara Capital Partners Fund II Limited (upto August 23, 2021)
<b>3. Key management personnel</b>	Abhik Mitra – Managing director and CEO Krishna Chandrasekar - Chief Financial Officer Pavithra P - Company Secretary Devinjit Singh - Director (upto August 23, 2021) Perumal Ramamurthy Srinivasan - Director (upto August 23, 2021) Goutam Gode - Director (upto August 23, 2021) Abhishek Kabra - Director (upto August 23, 2021) Ajith Pai Mangalore - Additional Director (w.e.f August 24, 2021) Srivatsan Rajan (Independent director w.e.f 13 October 2021) Amit Agarwal - Additional Director (w.e.f August 24, 2021 till October 6, 2021) Pooja Gupta - Additional director (w.e.f October 06, 2021)
<b>4. Subsidiary</b>	Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited) ("referred as the Subsidiary")
<b>5. Enterprises owned or significantly influenced by KMP and relative of KMP</b>	Rangan Manufacturing Services Private Limited (Raghavan Narasimhan and Pallavi Aravind - Shareholders and Directors)
<b>6. Fellow Subsidiaries</b>	Orion Supply Chain Private limited (W.e.f Aug 24,2021)

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

(All amount in INR Millions unless otherwise stated)

**35. Related party transactions (continued)**

a)The following is the summary of significant transactions with related parties for the year:

S.No	Name of the Related party	Nature of transactions	Year ended	Year ended
			March 31, 2022	March 31, 2021
			Transaction for the year	Transaction for the year
1	Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited)	Revenue- Sale of services	73.07	43.05
2		Expense incurred by us on behalf of group company	17.51	5.52
3	Samara Alternate Investment Fund	Issue of equity shares (including securities premium)/share application money received	-	135.36
4	Samara Capital Partners Fund II Limited	Issue of equity shares (including securities premium)/share application money received	-	164.64
5	Xponentia Fund Partners LLP	Issue of equity shares (including securities premium)/share application money received	-	39.25
6	Xponentia Opportunities Fund – I	Issue of equity shares (including securities premium)/share application money received	-	60.75
7	Abhik Mitra- Director	Key managerial remuneration (including applicable end of service benefits)*	103.09	15.40
8	Krishna Chandrasekar	Key managerial remuneration (including applicable end of service benefits)*	29.23	7.02
9	Pavithra P	Key managerial remuneration (including applicable end of service benefits)	0.42	0.22
10	Delhivery Limited (formerly known as Delhivery Private Limited)	Interest on Unsecured loan	89.04	-
11		Short term borrowings-Unsecured Loans	1,626.72	-
12		Employee stock option expenses	75.07	-
13		Expense incurred by us on behalf of group company	24.25	-
14		Services Received	11.55	-
15	Orion Supply chain Private limited	Expense incurred by us on behalf of group company	2.09	-

\*Key managerial remuneration includes one time bonus amounting to INR 50.16 million paid in the current year ended Mar 31, 2022.

The remuneration to key management personnel includes ESOP cost but doesn't include the provisions made for gratuity and leave encashment, as they are obtained on an actuarial basis for the Holding Company and the Subsidiary as a whole.

b) The following is the summary of balances outstanding with related parties as at year ended:

S.No	Name of the Related party	Nature of balances	As at	As at	As at
			March 31, 2022	March 31, 2021	April 1, 2020
1	Spoton Supply Chain Solutions Private Limited (formerly known as Raag Technologies and Services Private Limited)	Trade receivables	70.95	19.75	-
2		Other current assets - Unbilled revenue	7.63	6.29	-
3		Other current assets - Other receivables	12.32	4.39	-
4	Delhivery Limited (formerly known as Delhivery Private Limited)	Long term borrowings-Unsecured Loans	1,626.72	-	-
5		Other current financial liabilities - Interest accrued but not due on borrowings	80.13	-	-
6		Trade Payables	10.68	-	-
7		Deemed equity contribution from parent entity	75.23	-	-
8		Other receivables	28.62	-	-
9	Orion Supply chain Private limited	Trade payables	0.09	-	-
10	Abhik Mitra	Other current financial liabilities	0.85	0.56	0.76
11	Krishna Chandrasekar	Other current financial liabilities	0.29	0.32	0.30
12	Pavithra P	Other current financial liabilities	0.05	0.02	0.02

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**36. Segments reporting**

The company's business activities which are primarily domestic road transport services engaged in domestic cargo shipments by land and the only geographical segment is 'India'. These activities falls within a single reportable segment as the CEO of the Company (CODM) reviews the financial performance of Logistic services on Consolidated basis. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment.

**Major customer**

Revenue from any customer of the company's domestic road transport business does not exceed 10% of the total revenue reported and hence, the Management believes there are no major customers to be disclosed.

The company's revenue from operations and non current assets are within India only.

*(This space has been intentionally left blank)*



**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***37. Details of dues to micro and small enterprises as defined under MSMED Act 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022, March 31, 2021 and April 1, 2020 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:			
Principal	12.68	14.39	6.42
Interest	1.35	1.00	0.20

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:

Principal	14.39	6.42	7.31
Interest	0.47	0.20	0.06

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.40	-	0.22
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	1.40	1.00	0.22

**38. Capital and other commitments**

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	52.73	45.95	16.61
Letter of comfort issued to lender against credit facilities availed by the Subsidiary Company	60.00	60.00	-

**39. Contingent Liabilities not provided for:**

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
-------------	----------------	----------------	---------------

**a. Service Tax**

During year 2017-18, the Commissioner of service tax department had issued show cause notices (SCNs) for raising demands of INR 189.39 million and INR 221.64 million on 28 March 2018 for the period from January 2012 to March 2015 and from April 2015 to June 2017 respectively, in respect of classification of services of the Company's vendors as a Goods Transport Agency for that period. The SCN alleged that vehicle hire services availed by the Company for transporting the goods of its customers both between the cities and within the city should be classified under "Goods Transportation Agency" ("GTA") as per section 65 (105) (zzp) of the Finance Act prior to July 1, 2012 and the Company is required to pay the service tax under the reverse tax charge mechanism. The Company had responded to these SCNs in 2017-18.

During the year ended March 31, 2019, the Department passed adjudication order on September 06, 2018 with a service tax demand of INR 189.39 million and along with interest and penalty of INR 189.39 million for the period from January 2012 to March 2015. The Company has filed an appeal before CESTAT against the order after paying INR 14.20 million under protest. The SCN relating to the period from April 2015 to June 2017 is yet to be adjudicated as at March 31, 2021.

Subsequent to the balance sheet date, an adjudication order passed by Principal Commissioner of Central Tax, Bangalore was received on July 28, 2021 with a tax demand of INR 221.64 million along with interest and penalty of INR 22.16 million for the period from April 2015 to June 2017.

Based on the underlying facts, applicable laws and industry standards, the Company is confident of prevailing against the Department's position and does not anticipate any adverse financial outcome. Additionally, the Company has deposited INR 16.62 million being 7.75% of the credit demanded in impugned order in compliance with section 35F(ii) of the Central Excise Act, 1944.

	622.59	600.43	600.43
--	--------	--------	--------

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***39. Contingent Liabilities not provided for: (continued)****b) Sales Tax Department-Bihar**

During the year 2017-18, the Assistant Commissioner of Commercial Tax - Investigation and Bureau (Bihar), has raised demand of INR 5.34 million (including penalty) on failure of producing statutory records reflecting proper account of goods under provision of section 61 of BVAT Act 2005, read with Rule 41 of WBVAT rules 2005. The Company filed a writ petition before the Patna High Court directing the Department not to take action till the Company's application is heard by the Tribunal.

The Hon'ble High Court upon hearing had directed the Department not to take any coercive action against the Company for recovery of the disputed amount till the Company's revision application was taken up for hearing by the Commercial Tax Tribunal. As at March 31, 2020, The Commercial Tax Tribunal was yet to hear the said matter.

-	-	5.34
---	---	------

On March 09, 2021, the dispute has been closed under the order of settlement of Bihar Settlement of Taxation Disputes Act, 2019, by payment of INR 5.34 million.

**c) Other matters**

- Demands not acknowledged by the Company

0.62	0.62	0.62
------	------	------

Legal cases pertains to cases pending in consumer forum and civil courts against company. The company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognized in the financial statements.

**Note (i)**

The Hon'ble Supreme Court of India ('SC') by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. The Company has been legally advised that there are interpretative challenges on the application of Judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has complied with order on a prospective basis, from the date of SC Order. The Company considered exposure related to the period before the date of SC order and shown as a contingent liability.

**Note (ii)****Appointment of Company Secretary**

As per Section 203 of Companies Act 2013, read with rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if a Company does not have a whole time Company Secretary ("CS"), a Company shall be punishable with fine which shall not be less than INR 0.10 million but which may extend to INR 0.50 million and every director and key managerial personnel of a Company who is in default shall be punishable with fine which may extend to INR 0.05 million and where the contravention is a continuing, with a further fine which may extend to INR 1,000 per day until the date of appointment.

Since the paid up capital of the Company is INR 176.52 million i.e. more than five crore rupees (ten crores w.e.f. April 01, 2020 as amended vide notification dated January 03, 2020, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014), the Company was required to have a whole time CS. The Company appointed whole time CS on May 02, 2019 and made two compounding applications with Registrar of Companies, one for compounding of offense till November 02, 2018 (till the time of adjudication provision became effective) and second for adjudication from November 02, 2018 (date of effectiveness of adjudication provision) till May 02, 2019 (date of appointment of Company Secretary). The Company's management does not expect significant penalty arising out of the compounding proceedings.

(iii) The Company was unable to hold its annual general meeting for Fiscal Year 2020 within the permitted timeline for holding such meetings due to the COVID-19 pandemic and certain other administrative delays, and was delayed in holding such a meeting by four months and four days. The Company has filed a compounding application dated August 09, 2021 seeking compounding for such offence with the Registrar of Companies, Ahmedabad. The Company's management expect that the compounding will not result in any significant penalties to the Company.

(i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(iii) The Company doesn't expect any reimbursements in respect of the above contingent liabilities

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022**

(All amount in INR Millions unless otherwise stated)

**40. Expenditure on Corporate Social Responsibility Activities**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The funds are allocated to the activities which are specified in Schedule VII of the Companies Act, 2013. Details of the Company's CSR expenditure is as follows:

Particulars	March 31, 2022	March 31, 2021	
(a) Gross amount required to be spent by the Company during the year		-	
Add: Unspent amount from prior years	3.61	4.11	
Total Gross amount required to spent	<u>3.61</u>	<u>4.11</u>	
(b) Amount spent during the year ending			
i) Construction/acquisition of any asset			
ii) On purpose other than (i) above*	3.60	0.50	
	<u>3.60</u>	<u>0.50</u>	
<b>(c) Amount spent during the year ending on March 31, 2022</b>	<b>In cash</b>	<b>Yet to be paid in</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above*	3.60	-	3.60
<b>(d) Amount spent during the year ending on March 31, 2021</b>	<b>In cash</b>	<b>Yet to be paid in</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above*	0.50	3.61	4.11
<b>(e) Details related to spent / unspent obligations:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	
i) Contribution to Public Trust			
ii) Contribution to Charitable Trust*			
iii) Unspent amount in relation to			
- Ongoing project	-	-	
- Other than ongoing project	0.01	3.61	
	<u>0.01</u>	<u>3.61</u>	

\* During the previous year the Company has not disbursed any funds towards CSR activities due to the COVID-19 pandemic conditions. However, the cumulative unspent amount of INR 3.61 million as at the year end transferred to separate bank account on May 26, 2021 in accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. CSR Projects have been identified subsequent to the balance sheet date and as of date, disbursement already made for INR. 3.6 million.

**41. Estimation uncertainty relating to the global health pandemic on COVID-19:**

The COVID-19 pandemic is rapidly spreading throughout the world. The event significantly affects the economic activity worldwide and, as a result, could affect the operations and results of the Company.

The Company's operations were impacted due to the lockdown restrictions imposed by the Government. The Management is of the view that subsequent to the lockdown period, the operations of the Company are returning to normalcy. However the Management is closely monitoring any foreseeable impact of COVID on the operations of the Company and is confident of obtaining regular supply of logistics services for foreseeable period. The Management has also performed an extensive analysis of the impact of COVID on the assumptions used in preparing these financial statements and has concluded that no adjustments are required in these financial statements on this account. The actual impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of the financial statements and the Company's management continues to closely monitor any material changes to future economic conditions.

**42.** 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. Based on a preliminary assessment, the Company believes the impact of the change will not be significant."

**43. Other statutory information**

(i) Disclosure of transactions with struck off companies:

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

(ii) 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:

- 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 to or on behalf of the Ultimate Beneficiaries;

(iii) 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:

- 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;

**Spoton Logistics Private Limited**

Notes to Ind AS financial statements for the year ended March 31, 2022

(All amount in INR Millions unless otherwise stated)

**44. Ratio analysis and its elements**

Ratios

Particulars			% change variance from March 31, 2021 to March 31, 2022	Remarks
	March 31, 2022	March 31, 2021		
Current Ratio	1.31	1.02	28.41%	Due to increase in business trade receivables and unbilled revenue number has increased, as a result the current ratio has increased
Debt equity ratio	3.27	4.03	-18.83%	
Debt service coverage ratio	1.35	0.67	102.22%	Due to increased operating profits the ratio has increased
Return on equity ratio	(0.21)	(0.45)	-53.22%	Due to improved profitability the ratio has increased
Inventory turnover ratio	NA	NA	NA	
Trade receivable ratio	5.92	4.98	19.01%	
Trade payable ratio	5.62	5.14	9.22%	
Net capital turnover ratio	14.29	172.61	-91.72%	Reduction is on account of more working capital being used in current year operations.
Net profit ratio	(0.01)	(0.03)	-60.83%	Due to improved profitability this ratio has improved.
Return on capital employed	0.15	0.02	774.26%	Due to increased margins and business EBIT has significantly improved resulting in increase in return on capital employed.
Return on investments	0.07	0.05	45.32%	Ratio has increased on account of higher investments in last year which got liquidated in current year.

Particulars	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
Current ratio	Current Assets	Current Liabilities	2,974.34	2,276.92	2,601.28	2,557.13
Debt equity ratio	Total Debt (Borrowings+Lease liability)	Total Equity	2,009.04	613.97	2,716.09	673.76
Debt service coverage ratio	Net profit/(loss) for the year + Non-cash operating expenses such as depreciation and other amortisations + Interest +Other adjustments	Debt service (Current Interest, lease and Principal Repayments)	1,106.44	821.89	804.69	1,208.73
Return on equity ratio	Net profit/(loss) for the year	Average Equity	(134.51)	643.87	(262.53)	587.80
Trade receivable ratio	Total Credit Sales	Average trade receivable	9,969.09	1,683.47	7,620.69	1,531.60
Trade payable ratio	Net Credit purchase	Average trade payable	7,316.69	1,302.05	5,727.61	1,113.25
Net capital turnover ratio	Net Revenue from operations	Working capital (Current Assets-Current Liabilities)	9,969.09	697.42	7,620.69	44.15
Net profit ratio	Net profit/(loss) for the year	Net Revenue from operations	(134.51)	9,969.09	(262.53)	7,620.69
Return on capital employed	Earning before interest and taxes	Tangible net worth + total debt + deferred tax liability	371.12	2,514.70	41.77	2,474.18
Return on investments	Investment income (including OCI & Exceptional item)	Weighted average Investment (i.e. FD & margin Money)	0.28	4.16	3.20	69.18

\* "Net profit/(loss) for the year" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income. Also the impact of exceptional items has been excluded.

**Spoton Logistics Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**45. Fair values**

**Financial instrument 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		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (refer note 10)	151.26	-	-	-	-	151.26	151.26
Trade receivables (refer note 9)	1,755.79	-	-	-	-	1,755.79	1,755.79
Other financial assets (refer note 12)	913.51	-	-	-	-	913.51	913.51
<b>Total</b>	<b>2,820.56</b>	-	-	-	-	<b>2,820.56</b>	<b>2,820.56</b>
<b>Liabilities:</b>							
Trade payables (refer note 18)	1,244.34	-	-	-	-	1,244.34	1,244.34
Borrowings (refer note 17)	1,900.73	-	-	-	-	1,900.73	1,900.73
Lease liabilities (refer note 34)	108.31	-	-	-	-	108.31	108.31
Other financial liabilities (refer note19)	233.53	-	-	-	-	233.53	233.53
<b>Total</b>	<b>3,486.90</b>	-	-	-	-	<b>3,486.90</b>	<b>3,486.90</b>

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		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (refer note 10)	228.29	-	-	-	-	228.29	228.29
Trade receivables (refer note 9)	1,611.15	-	-	-	-	1,611.15	1,611.15
Other financial assets (refer note 12)	689.38	-	-	-	-	689.38	689.38
<b>Total</b>	<b>2,528.82</b>	-	-	-	-	<b>2,528.82</b>	<b>2,528.82</b>
<b>Liabilities:</b>							
Trade payables (refer note 18)	1,359.76	-	-	-	-	1,359.76	1,359.76
Borrowings (refer note 17)	1,762.81	-	-	-	-	1,762.81	1,762.81
Lease liabilities (refer note 34)	953.28	-	-	-	-	953.28	953.28
Other financial liabilities (refer note19)	120.70	-	-	-	-	120.70	120.70
<b>Total</b>	<b>4,196.55</b>	-	-	-	-	<b>4,196.55</b>	<b>4,196.55</b>

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)*

The carrying value and fair value of financial instruments by categories as of April 1, 2020 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (refer note 10)	106.48	-	-	-	-	106.48	106.48
Trade receivables (refer note 9)	1,452.04	-	-	-	-	1,452.04	1,452.04
Other financial assets (refer note 12)	440.61	-	-	-	-	440.61	440.61
<b>Total</b>	<b>1,999.13</b>	-	-	-	-	<b>1,999.13</b>	<b>1,999.13</b>
<b>Liabilities:</b>							
Trade payables (refer note 18)	866.74	-	-	-	-	866.74	866.74
Borrowings (refer note 17)	1,961.85	-	-	-	-	1,961.85	1,961.85
Lease liabilities (refer note 34)	834.24	-	-	-	-	834.24	834.24
Other financial liabilities (refer note19)	93.50	-	-	-	-	93.50	93.50
<b>Total</b>	<b>3,756.32</b>	-	-	-	-	<b>3,756.32</b>	<b>3,756.32</b>

**The following methods / assumptions were used to estimate the**

- i) The carrying value of trade receivables, cash and cash equivalents, trade payables, security deposits, 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.
- ii) The fair value of non-current financial assets and financial liabilities are determined by discounting future cash flows using current rates of instruments with similar terms and credit risk. The current rates used does not reflect significant changes from the discount rates used initially. Therefore, the carrying value of these instruments measured at amortised cost approximate their fair value.
- iii) Lease liabilities are measured at amortised cost, the carrying amounts approximate to fair values, as lease liabilities are recognised based on the present value of the remaining lease payments.

**Fair value hierarchy****The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.**

Level 1 - Quoted prices (unadjusted) in active markets for identical

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022**

*(All amount in INR Millions unless otherwise stated)*

**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.

Risk management is carried out by senior management for cash and cash equivalent, trade receivable, deposits with banks and liquidity risk.

**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.

**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.

**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 INR 1879.45 million (March 31, 2021: 1,747.03 million and April 01, 2020: 1,525.53 million). 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 Company 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

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.

**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.

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)*

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022

							(INR Millions)
Particulars	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total	
Trade payables	1,244.34	1,244.34	-	-	-	<b>1,244.34</b>	
Borrowings*	1,900.73	722.55	454.97	815.91	354.84	<b>2,348.27</b>	
Other financial liabilities	233.53	233.53	-	-	-	<b>233.53</b>	

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

							(INR Millions)
Particulars	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total	
Trade payables	1,359.76	1,359.76	-	-	-	<b>1,359.76</b>	
Borrowings*	1,762.81	831.15	137.25	702.07	531.15	<b>2,201.62</b>	
Other financial liabilities	120.70	120.70	-	-	-	<b>120.70</b>	

The table below provides details regarding the contractual maturities of significant financial liabilities as at April 1, 2020

							(INR Millions)
Particulars	Carrying value	Less than 1 year	1-2 years	2-4 years	> 4 years	Total	
Trade payables	866.74	866.74	-	-	-	<b>866.74</b>	
Borrowings*	1,961.85	-	1,011.10	374.58	833.10	<b>2,218.78</b>	
Other financial liabilities	93.50	93.50	-	-	-	<b>93.50</b>	

\*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

**Capital management**

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

The Company's objectives when managing capital are to:

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

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

	March 31, 2022	March 31, 2021	April 1, 2020
Borrowings	1,900.73	1,762.81	1,961.85
Less: cash and cash equivalents (refer note 10)	(151.26)	(228.29)	(106.48)
<b>Net debt</b>	<b>1,749.47</b>	<b>1,534.52</b>	<b>1,855.37</b>
Equity	613.97	673.76	501.84
<b>Total capital</b>	<b>613.97</b>	<b>673.76</b>	<b>501.84</b>
<b>Capital and debt</b>	<b>2,363.43</b>	<b>2,208.29</b>	<b>2,357.22</b>
<b>Gearing ratio</b>	<b>74.02%</b>	<b>69.49%</b>	<b>78.71%</b>

No material changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022, March 31, 2021 and April 01, 2020



#### **46 First time adoption of Ind AS**

These Financial Statements for the year ended March 31, 2022 of the company have been prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2021, the entity prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared Financial Statements which comply with Ind AS applicable March 31, 2021. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2020, being the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2020, 31 March, 2021 and the financial statements as at and for the year ended March 31, 2022.

##### **Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS.

##### **a) Mandatory exceptions to retrospective applications**

###### **i. Estimates**

The estimates are consistent with those made for the same dates in accordance with Indian GAAP apart from the Impairment of financial assets based on Expected Credit Loss (ECL) model where application of Indian GAAP did not require estimation.

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2020 the date of transition to Ind AS, March 31, 2021 and as of March 31, 2022.

###### **ii. De-recognition of financial assets and financial liabilities**

The company has applied the de-recognition requirements under Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

##### **b) Ind AS optional exemptions**

###### **i. Deemed cost-Previous GAAP carrying amount: (PPE and Intangible) :**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible. Intangible Assets covered by Ind AS 38. Accordingly, the company has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value.

###### **ii. Classification and measurement of financial instruments**

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

###### **iii. Business Combinations**

Appendix C to Ind AS 101 contains the requirement that an entity should apply to business combination that the company recognised before the date of transition to Ind AS. The key requirements are as follows:

(i) A first time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations.i.e ( business combination that occurred before the date of transition to Ind AS). However, if a first time adopter restates any business combinations to comply with Ind AS 103, it shall restate all latter business combinations and shall also apply Ind AS 110 from the same date. Accordingly, the company has elected to opt for the transition option.

##### **c) Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- i. Reconciliation of balance sheet as at April 1, 2020 (date of transition to Ind AS)
- ii. Reconciliation of balance sheet as at March 31, 2021
- iii. Reconciliation of statement of profit and loss for the year ended March 31, 2021
- iv. Reconciliation of statement of cash flows for the year ended March 31, 2021

46 First time adoption of Ind AS (continued)

Reconciliation of balance sheet as at April 1, 2020

Particulars	Footnotes	Indian GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		180.40	-	180.40
Goodwill		881.01	-	881.01
Other intangible assets		57.56	-	57.56
Right of use assets	1 & 2	-	792.00	792.00
Intangible assets under development		7.91	-	7.91
Financial assets				
Investments		215.96	-	215.96
Other financial assets	1	173.49	(52.65)	120.84
Tax assets (net)		287.28	-	287.28
Other assets		17.87	-	17.87
<b>Total Non-current assets</b>		<b>1,821.47</b>	<b>739.35</b>	<b>2,560.83</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	10	1,479.91	(27.86)	1,452.04
Cash and cash equivalents		106.48	-	106.48
Other financial assets	1	260.41	59.38	319.79
Other assets		146.44	-	146.44
<b>Total current assets</b>		<b>1,993.24</b>	<b>31.52</b>	<b>2,024.74</b>
<b>Total Assets</b>		<b>3,814.71</b>	<b>770.87</b>	<b>4,585.57</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Equity share capital		176.52	-	176.52
Other Equity		602.27	(276.95)	325.32
<b>Total equity</b>		<b>778.79</b>	<b>(276.95)</b>	<b>501.84</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings		1,113.75	-	1,113.75
Lease liabilities	2	-	544.56	544.56
Provisions		56.90	(0.18)	56.72
Deferred tax liabilities (net)	8	(9.96)	217.07	207.11
Other non-current liabilities	3	8.77	(8.77)	-
<b>Total non-current liabilities</b>		<b>1,169.46</b>	<b>752.68</b>	<b>1,922.13</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		848.10	-	848.10
Lease liabilities	2	-	289.68	289.68
Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises		6.62	-	6.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	5	841.58	18.56	860.14
Other financial liabilities		93.50	-	93.50
Provisions		28.20	0.18	28.38
Other current liabilities	3	48.46	(13.29)	35.17
<b>Total current liabilities</b>		<b>1,866.47</b>	<b>295.13</b>	<b>2,161.59</b>
<b>Total liabilities</b>		<b>3,035.92</b>	<b>1,047.81</b>	<b>4,083.73</b>
<b>Total equity and liabilities</b>		<b>3,814.71</b>	<b>770.86</b>	<b>4,585.57</b>

Spoton Logistics Private Limited  
Notes to the Financial Statements for the year ended March 31, 2022  
(All amount in INR Millions unless otherwise stated)

46 First time adoption of Ind AS (continued)

**Reconciliation of balance sheet as at March 31, 2021**

Particulars	Footnotes	Indian GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		182.21	-	182.21
Goodwill	4	616.96	11.24	628.20
Other intangible assets		57.82	-	57.82
Right of use assets	1 & 2	-	905.89	905.89
Intangible assets under development		6.67	-	6.67
<b>Financial assets</b>				
Investments		215.96	-	215.96
Other financial assets	1	233.29	(100.38)	132.91
Tax assets (net)		272.77	-	272.77
Other assets		20.78	-	20.78
<b>Total Non-current Assets</b>		<b>1,606.47</b>	<b>816.75</b>	<b>2,423.22</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Trade receivables	10	1,650.65	(39.50)	1,611.15
Cash and cash equivalents		228.29	-	228.29
Other financial assets	1	417.66	138.81	556.47
Other assets		205.37	-	205.37
<b>Total current assets</b>		<b>2,501.97</b>	<b>99.31</b>	<b>2,601.28</b>
<b>Total Assets</b>		<b>4,108.43</b>	<b>916.06</b>	<b>5,024.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		198.26	-	198.26
Other Equity		726.74	(251.24)	475.50
<b>Total equity</b>		<b>925.00</b>	<b>(251.24)</b>	<b>673.76</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	6	986.67	72.81	1,059.48
Lease liabilities	2	-	640.46	640.46
Provisions	11	60.69	(4.64)	56.05
Deferred tax liabilities (net)	8	(98.08)	135.69	37.61
Other non-current liabilities	3	26.57	(26.57)	-
<b>Total non-current liabilities</b>		<b>975.85</b>	<b>817.75</b>	<b>1,793.60</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		703.33	-	703.33
Lease liabilities	2	-	312.82	312.82
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		15.39	-	15.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	5	1,301.79	42.58	1,344.37
Other financial liabilities		120.70	-	120.70
Provisions	11	29.64	1.19	30.83
Other current liabilities	3	36.70	(7.01)	29.68
<b>Total current liabilities</b>		<b>2,207.55</b>	<b>349.58</b>	<b>2,557.14</b>
<b>Total liabilities</b>		<b>3,183.41</b>	<b>1,167.33</b>	<b>4,350.73</b>
<b>Total equity and liabilities</b>		<b>4,108.40</b>	<b>916.09</b>	<b>5,024.50</b>

46 First time adoption of Ind AS (continued)

Reconciliation of statement of profit and loss for the year ended March 31, 2021:

Particulars	Footnotes	Indian GAAP	Ind AS adjustments	Ind AS
<b>Income</b>				
Revenue from operations	5	7,580.86	39.82	7,620.69
Other Income	2 & 1	3.20	23.53	26.73
<b>Total Income</b>		<b>7,584.06</b>	<b>63.35</b>	<b>7,647.42</b>
<b>Expenses</b>				
Freight, handling and servicing cost	5	6,069.90	(342.30)	5,727.61
Employee benefits expense	7, 9 & 11	758.10	32.99	791.09
Finance costs	2 & 6	228.94	136.48	365.42
Depreciation and amortization expense	2 & 4	385.12	316.67	701.79
Other expenses	2	373.52	11.64	385.16
<b>Total expenses</b>		<b>7,815.58</b>	<b>155.48</b>	<b>7,971.07</b>
<b>Loss before exceptional items and tax</b>		<b>(231.52)</b>	<b>(92.13)</b>	<b>(323.65)</b>
Exceptional items				
<b>Loss before tax</b>		<b>(231.52)</b>	<b>(92.13)</b>	<b>(323.65)</b>
Tax expense, comprising:				
Current tax		111.92	-	111.92
Deferred tax	8	(88.14)	(84.90)	(173.04)
<b>Total tax expense (VI)</b>		<b>23.78</b>	<b>(84.90)</b>	<b>(61.12)</b>
<b>Loss for the year (VII= V-VI)</b>		<b>(255.30)</b>	<b>(7.22)</b>	<b>(262.53)</b>
<b>Other comprehensive income:</b>				
<b>(a) Items that will not be reclassified to profit or loss in subsequent years:</b>				
(i) Re-measurement losses on defined benefit plans		-	10.03	10.03
(ii) Income tax relating to items that will not be re-classified to profit or loss		-	(3.50)	(3.50)
<b>Other comprehensive loss for the year</b>	9	-	<b>6.52</b>	<b>6.53</b>
<b>Total comprehensive loss for the year</b>		<b>(255.30)</b>	<b>(0.70)</b>	<b>(256.00)</b>

d) Footnotes to the reconciliation of equity as at April 1, 2020 and March 31, 2021 and profit or loss for the year ended March 31, 2021:

1 Security Deposit

Under the Indian GAAP, interest free security deposits given for lease ( that are refundable in cash and on completion of its term) are recorded at their transaction value. The company has fair valued these financial assets i.e. security deposit given under Ind AS. As a result of the fair valuation, there has been a reduction in the balance of security deposits to the extent of INR 22.28 million and INR 30.39 million impact of which was taken to ROU asset as on April 1, 2020 and March 31, 2021 respectively. The impact of INR 6.13 million relating to unwinding of security deposit and INR 6.16 million relating to amortization of ROU assets has been taken in Profit and loss during the financial year 2021.

2 Lease impact as per Ind AS 116

Under previous GAAP, where the company is a lessee were classified either as an operating or a finance lease. Under Ind AS 116, all arrangement that falls under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the company will recognise a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments. Further interest is accrued on such lease liability. On transition, the adoption of Ind AS 116 resulted in the ROU assets of INR 792.00 million and lease liabilities of INR 834.24 million. Depreciation expense of INR 321.76 million has been recognised regarding ROU during the year ended March 31, 2021. Also, interest expense of INR 63.67 million on lease liabilities has been recognised during the year ended March 31, 2021. There were certain lease contracts terminated during the year resulting in recognition of gain of INR 0.47 million. Also, the company has applied the practical expedient of rent related concession and has recorded a gain of INR 16.93 million. The rent expense was reversed with amount of INR 354.80 million for an adjustment with lease liabilities and transfer to ROU respectively.

3 Lease Equalization reserve

Under previous GAAP, the company was recording lease equalisation reserve. Under Ind AS, if the increase in lease rentals is in line with inflation, then there is no requirement for creation of lease equalisation reserve. Accordingly, Lease equalisation reserve as on transition date amounting to INR 22.06 million has been reversed with the corresponding impact on retained earnings. During the year ended March 31, 2021, the company has booked lease equalisation expense under the head rental expense amounting to INR 11.52 million which has been reversed.

Deferred tax charged under the company previous GAAP on such rent equalization reserve has also been reversed.

4 Goodwill

Under previous GAAP, the company used to amortize Goodwill over a period of five years. Under Ind AS, Goodwill related to other than Goodwill arising on amalgamation is not amortised but tested for impairment on an annual basis except for the goodwill which is still being amortised under the approved "Court of Scheme". Therefore the Goodwill amortisation under Indian GAAP for the year ended March 31, 2021 amounting to INR 11.24 million has been reversed. The company has recognised deferred tax on the carrying value of the goodwill as on the balance sheet date.

5 Revenue adjustment

Under previous GAAP, the company used to record the revenue once cargo was delivered to the customers. Under Ind AS, the company has changed the revenue recognition policy and on the date of transition to Ind AS, the Company has recorded additional revenue through retained earnings amounting to INR 29 million with a corresponding impact in other financial assets and additional cost amounting to INR 18.56 million with a corresponding impact in trade payables. During the year ended March 31, 2021 the company records the additional revenue of INR 39.82 million and additional cost of INR 24.02 million.

**Spoton Logistics Private Limited****Notes to the Financial Statements for the year ended March 31, 2022***(All amount in INR Millions unless otherwise stated)***46 First time adoption of Ind AS (continued)****6 Borrowings**

Under previous GAAP, the company carried the debenture at its face value of INR 950 million. Under IND AS, as the debenture agreement contains certain put options available with lender excisable upon certain events. The company carries the debenture at fair value under IND AS. As a result of above, the additional interest expense basis the EIR working amounting to INR 84.69 million has been booked and finance cost by way of processing fees booked previously amounting to INR 11.88 million has now been reversed for the year ended March 31, 2021. The company has recognised deferred tax asset on the additional interest expense of INR 72.81 million.

**7 Employee benefits expense**

Under previous GAAP, the company has not recorded the ESOP expense. Under IND AS, the ESOP has been classified as equity settled resulting in creation of Employee stock option outstanding account amounting to INR 46.05 million as on the date of transition to IND AS i.e. April 1, 2020. Subsequently, the ESOP expense under the head employee benefit expense has been booked amounting to INR 26.4 million for the year ended March 31, 2021.

The employee benefit costs is increased by INR 10.03 million due to remeasurement gain on defined benefit plans has been recognized in the OCI. In addition, basis the actuarial valuation of gratuity and compensated absence, the employee benefit expense has been reduced by INR 3.44 million.

**8 Deferred tax liability (net)**

Previous GAAP requires deferred tax accounting using the profit and loss account approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity. There is an impact of INR 217.07 million as on April 1, 2020. Subsequently, company has recognised liability of INR 84.87 million in financial year 2021

**9 Other comprehensive income**

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Any remeasurements comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets 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. Thus The employee benefit costs (net of tax) is increased by INR 6.53 million due to remeasurement gain on defined benefit plans has been recognized in the OCI.

**10 Trade receivables**

Under Indian GAAP, the company has created provision for impairment of receivables on case to case basis. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL). There is an impact of INR 27.86 million on its trade receivable as on April 1, 2020. Subsequently, company has charged provision of INR 11.64 million in financial year 2021.

**11 Provision for employee benefits**

Under Ind AS, the company has revalued its provision for employee benefits and accordingly booked an reduced an expense by INR 3.44 million with a corresponding impact taken in provisions.

**12 Reconciliation of statement of cash flows**

Particulars	Indian GAAP	Ind AS adjustments	Ind AS
<b>For the year ended March 31, 2021</b>			
Net cash generated from operating activities	239.38	433.55	672.93
Net cash generated (used in) investing activities	(35.06)	(78.77)	(113.83)
Net cash generated (used in) financing activities	(82.51)	(354.81)	(437.32)
<b>Net increase in cash and cash equivalents</b>	<b>121.81</b>	-	<b>121.78</b>
Cash and cash equivalents as at April 1, 2020	106.48	-	106.48
Cash and cash equivalents as at March 31, 2021	228.29	-	228.29

Summary of Significant accounting policies (refer Note 2.3).

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached:

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

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**For and on behalf of the Board of Directors of**

Spoton Logistics Private Limited

UIN : U63090GJ2011PTC108834

**per Yogesh Midha**  
Partner  
Membership No.: 094941

**Ajith Pai Mangalore**  
Director  
DIN: 07168138

**Abhik Mitra**  
Director  
DIN: 00337465

**Krishna Chandrasekar**  
Chief financial officer

**Pavithra P**  
Company Secretary

Place: New Delhi  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022

Place: Bengaluru  
Date: May 28, 2022