

Independent Practitioners' Assurance Report on the Compilation of Pro Forma Consolidated Financial Information included in a Red Herring Prospectus and prospectus ("Offer Documents") in connection with the proposed initial public offer of Delhivery Limited (formerly known as "Delhivery Private Limited")

The Board of Directors,
Delhivery Limited (formerly known as Delhivery Private Limited)
Plot 5, Sector 44
Gurugram – 122002
Haryana, India

Report on the Compilation of Pro Forma Consolidated Financial Information included in Offer Documents

1. We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Financial Information of Delhivery Limited (formerly known as Delhivery Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") by management of the Holding Company. The Pro Forma Consolidated Financial Information consists of the pro forma consolidated balance sheet March 31, 2021, the pro forma consolidated statement of profit and losses for the year ended March 31, 2021 and for the nine-month period ended December 31, 2021, and related notes to the proforma consolidated financial information. The applicable criteria on the basis of which the management of the Holding Company has compiled the Pro Forma Consolidated Financial Information are described in note 2 of the Pro Forma Consolidated Financial Information.
2. The Pro Forma Consolidated Financial Information has been compiled by the management of the Holding Company to illustrate the impact of the acquisition of Spoton Logistics Private Limited (the "SLPL") as per Securities and Exchange Board of India vide their letter dated January 13, 2022, though not required as per SEBI regulations and further set out in Note 2 to the Pro Forma Consolidated Financial Information on the Group's financial position as at March 31, 2021 as if the acquisition of the SLPL had been consummated on March 31, 2021 and its financial performance for the year ended March 31, 2021 and for the nine month period ended December 31, 2021 as if the acquisition of SLPL had consummated at April 01, 2020 and April 01, 2021 respectively.
3. As part of this process, information about the Group's financial position and financial performance has been extracted by the management of the Holding Company from the Group's restated consolidated summary statements for the year ended March 31, 2021 and for the nine-month period ended December 31, 2021, on which an examination report has been issued by us on March 24, 2022.

The information about the financial position and financial performance of SLPL has been extracted by the management of the Holding Company from the:

- a) audited Special Purpose Consolidated Financial Statements of SLPL for the year ended March 31, 2021 on which B S R & Associates LLP, Chartered Accountants have issued an unmodified audit opinion on October 31, 2021.
- b) audited Special Purpose Interim Consolidated Financial Statements of SLPL for the nine-month period ended December 31, 2021 on which we have issued an unmodified opinion on March 23, 2022.



CERTIFIED TRUE COPY
For DELHIVERY LIMITED

Company Secretary

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Management's Responsibility for the Pro Forma Consolidated Financial Information

4. The management of the Holding Company is responsible for compiling the Pro Forma Consolidated Financial Information on the basis set out in note 2 to the Pro Forma Consolidated Financial Information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro Forma Consolidated Financial Information on the basis set out in note 2 to the Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The management of Holding Company is also responsible for identifying and ensuring that the Holding Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Consolidated Financial Information.

Practitioners' Responsibilities

5. Our responsibility is to express an opinion, whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the management of Holding Company on the basis set out in note 2 to the Pro Forma Consolidated Financial Information ("applicable criteria").
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the Auditors' comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis set out in applicable criteria.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / restated consolidated summary statements used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.
8. For our assurance engagement, we have placed reliance on the following:
 - a. the restated consolidated summary statements of the Group as of and for the year ended March 31, 2021 and for the nine-month periods ended December 31, 2021 and the relevant supporting information; and
 - b. the Special Purpose Consolidated Financial Statements of SLPL as of and for the year ended March 31, 2021 and for the nine-month period ended December 31, 2021;
9. The purpose of Pro Forma Consolidated Financial Information included in the Offer Documents is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at March 31, 2021 and December 31, 2021 or for the period then ended would have been, as presented.
10. A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management of Holding Company in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- a. The related pro forma adjustments give appropriate effect to those criteria; and
- b. The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Auditors' judgment, having regard to the Auditors' understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information.

11. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.
12. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

13. In our opinion, the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis set out in the Note 2 to the Pro Forma Consolidated Financial Information and presented in response to the SEBI letter referred in paragraph 2 above.

Emphasis of Matter

- A. We draw reference to the matter of emphasis given by the respective auditors in the audited Special Purpose Consolidated Financial Statements for the year ended March 31, 2021 and nine-month period ended December 31, 2021, which is reproduced as below:

"We draw attention to Note 39 and Note 6 to the special purpose consolidated financial statements for the year ended March 31, 2021 and nine-month period ended December 31, 2021 respectively, regarding the 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 notes. 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 Special Purpose Consolidated 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 aforesaid notes."

Our opinion is not qualified in respect of this matter.

Restrictions on use

14. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audit reports issued by us and other auditor. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



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15. Our report is intended solely for use of the Board of Directors of the Holding Company for inclusion in the Offer Documents to be filed with the Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, and Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi in connection with the Proposed Initial public offering of the Holding Company and is not to be used, referred to or distributed for any other purpose.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 094941

UDIN: 22094941AGJLEN1674

Place of Signature: New Delhi

Date: March 25, 2022



	Restated Consolidated Summary Statement of Assets and Liabilities of Delhivery Limited as at March 31, 2021	Spoton Logistics Private Limited Special Purpose Consolidated Balance Sheet as at March 31, 2021	Intergroup elimination (refer note 3 (ix))	Acquisition Adjustments	Note reference for acquisition adjustments	Total adjustments	Proforma Consolidated Balance Sheet of Delhivery Limited as at March 31, 2021
	(A)	(B)	(C)	(D)		(E=C+D)	(F=A+B+E)
ASSETS							
I. Non-current assets							
Property, plant and equipment	2,379.71	195.94	-	-		-	2,575.65
Right of use asset	7,828.04	924.13	-	-		-	8,752.17
Capital work in progress	767.55	-	-	-		-	767.55
Goodwill	186.48	807.15	-	11,800.15	3 (viii)	11,800.15	12,793.78
Other intangible assets	139.55	60.11	-	2,929.20	3 (ii)	2,929.20	3,128.86
Intangible assets under development	-	6.78	-	-		-	6.78
Financial assets							
(i) Investments	4,205.89	-	-	-		-	4,205.89
(ii) Other financial assets	886.62	133.67	-	-		-	1,020.29
Non-current tax assets (net)	1,231.69	273.85	-	-		-	1,505.54
Other non-current assets	47.47	20.78	-	-		-	68.25
Total non-current assets	17,673.00	2,422.41	-	14,729.35		14,729.35	34,824.76
II. Current assets							
Inventories	259.48	-	-	-		-	259.48
Financial assets							
(i) Investments	7,075.64	-	-	-		-	7,075.64
(ii) Trade receivables	5,945.82	1,792.77	(2.17)	-		(2.17)	7,736.42
(iii) Cash and cash equivalents	2,758.63	237.27	-	4,881.93	3 (i)(b)	4,881.93	7,877.83
(iv) Other bank balances	15.78	6.87	-	-		-	22.65
(v) Loans	264.21	-	-	-		-	264.21
(vi) Other financial assets	10,815.26	492.21	-	-		-	11,307.47
Other current assets	1,170.16	216.22	-	-		-	1,386.38
Total current assets	28,304.98	2,745.34	(2.17)	4,881.93		4,879.76	35,930.08
Total Assets (I+II)	45,977.98	5,167.75	(2.17)	19,611.28		19,609.11	70,754.84
EQUITY AND LIABILITIES							
III. EQUITY							
Equity share capital	16.33	198.26	-	(198.26)	3 (iii)	(198.26)	16.33
Instruments entirely equity in nature	353.99	-	-	56.34	3 (i)(v)	56.34	410.33
Other equity	27,997.65	288.41	-	19,753.20	3 (i)(b)	19,753.20	48,039.26
Total equity	28,367.97	486.67	-	19,611.28		19,611.28	48,465.92
LIABILITIES							
IV. Non-current liabilities							
Financial liabilities							
(i) Borrowings	1,316.09	1,059.48	-	-		-	2,375.57
(ii) Lease liabilities	6,538.44	654.78	-	-		-	7,193.22
(iii) Other financial liabilities	-	226.06	-	-		-	226.06
Provisions	219.16	75.59	-	-		-	294.75
Deferred tax liabilities (net)	-	33.48	-	-		-	33.48
Total non-current liabilities	8,073.69	2,049.39	-	-		-	10,123.08
V. Current liabilities							
Financial liabilities							
(i) Borrowings	1,697.34	727.23	-	-		-	2,424.57
(ii) Lease liabilities	1,617.16	312.82	-	-		-	1,929.98
(iii) Trade payables							
a. total outstanding dues of micro enterprises and small enterprises	20.52	16.02	-	-		-	36.54
b. total outstanding dues of creditors other than micro enterprises and small enterprises	4,401.78	1,356.09	(2.17)	-		(2.17)	5,755.70
(iv) Other financial liabilities	1,305.75	159.16	-	-		-	1,464.91
Provisions	121.67	18.94	-	-		-	140.61
Other current liabilities	370.90	41.43	-	-		-	412.33
Current tax liabilities (net)	1.20	-	-	-		-	1.20
Total current liabilities	9,536.32	2,631.69	(2.17)	-		(2.17)	12,165.84
Total Equity and Liabilities (III+IV+V)	45,977.98	5,167.75	(2.17)	19,611.28		19,609.11	70,754.84

Note:
The above statement should be read with notes to unaudited proforma consolidated combined financial information.

As per our report of even date attached
For S.R.Battiboi & Associates LLP
Chartered Accountants
ICAI Firm registration number : 101049WE300004

Per Yogesh Mishra
Partner
Membership no : 094941



Place : New Delhi
Date : March 25, 2022

behalf of the
Delhivery Limited (formerly known as Delhivery Private Limited)

Sandeep Kumar Barasia
Whole Time Director and
Chief Business Officer
DIN: 01432123

Sahil Barua
Managing Director and
Chief Executive Officer
Director: 05131571

Amit Agarwal
Chief Financial Officer

Sunil Kumar Bansal
Company Secretary
(FCS-4810)

Place : Gurugram
Date : March 25, 2022

Place : Gurugram
Date : March 25, 2022

Delhivery Limited (formerly known as Delhivery Private Limited)
Unaudited Proforma Consolidated Combined Statement of Profits and Losses for the year ended March 31, 2021
(Amount in INR millions, unless otherwise stated)

	Restated Consolidated Summary Statement of Profit and Loss of Delhivery Limited for the year ended March 31, 2021	Special purpose consolidated statement of Profit and Loss of Spoton Logistics Private Limited for the year ended March 31, 2021	Intragroup elimination (refer note 3 (ix))	Acquisition Adjustments	Note reference for acquisition adjustments	Total Adjustments	Unaudited Proforma Consolidated Combined statement of profit and loss of Delhivery Limited for the year ended March 31, 2021
	(A)	(B)	(C)	(D)		(E=C+D)	(F=A+B+E)
Income							
Revenue from contract with customers	36,465.27	8,035.88	(1.84)	-		(1.84)	44,499.31
Other income	1,917.64	26.89	-	-		-	1,944.53
Total income (I)	38,382.91	8,062.77	(1.84)	-		(1.84)	46,443.84
Expenses							
Freight, handling and servicing cost	27,780.82	5,925.38	(1.84)	-		(1.84)	33,704.36
Purchase of traded goods	102.08	-	-	-		-	102.08
Employee benefit expense	6,109.23	856.04	-	115.10	3 (vii)	115.10	7,080.37
Fair value loss on financial liabilities at fair value through profit or loss	91.95	-	-	-		-	91.95
Finance costs	886.27	369.28	-	-		-	1,255.55
Depreciation and amortisation expense	3,546.20	718.98	-	1,320.19	3 (iv)	1,320.19	5,585.37
Other expenses	3,610.49	503.19	-	95.00	3 (v)	95.00	4,208.68
Total expenses (II)	42,127.04	8,372.87	(1.84)	1,530.29		1,528.45	52,028.36
Loss before exceptional item and tax (III= I-II)	(3,744.13)	(310.10)	-	(1,530.29)		(1,530.29)	(5,584.52)
Exceptional items (IV)	(413.30)	-	-	-		-	(413.30)
Loss before tax (V= III+IV)	(4,157.43)	(310.10)	-	(1,530.29)		(1,530.29)	(5,997.82)
Tax expense, comprising:							
Current tax	-	120.13	-	-		-	120.13
Deferred tax credit	-	(156.57)	-	-		-	(156.57)
Total tax expense (VI)	-	(36.44)	-	-		-	(36.44)
Loss for the year (VII= V-VI)	(4,157.43)	(273.66)	-	(1,530.29)		(1,530.29)	(5,961.38)
Other comprehensive income							
a) Items that will not be reclassified to statement of profit and loss in subsequent periods							
i) Re-measurement gains on defined benefit plans	10.38	9.70	-	-		-	20.08
ii) Income tax relating to items that will not be reclassified to profit and loss	-	(3.39)	-	-		-	(3.39)
Subtotal (a)	10.38	6.31	-	-		-	16.69
b) Items that will be reclassified to profit or loss in subsequent periods:							
i) Exchange differences on translation of foreign operations	(8.32)	-	-	-		-	(8.32)
ii) Income tax relating to items that will be re-classified to profit and loss	-	-	-	-		-	-
Subtotal (b)	(8.32)	-	-	-		-	(8.32)
Other comprehensive income / (loss) for the year (VIII= a+b)	2.06	6.31	-	-		-	8.37
Total Comprehensive loss for the year (VII+VIII)	(4,155.37)	(267.35)	-	(1,530.29)		(1,530.29)	(5,953.01)
Loss per share (Nominal value per share - Re 1)							
- Basic loss per share (INR)	(8.05)						(10.79)
- Diluted loss per share (INR)	(8.05)						(10.79)

Note:

The above statement should be read with notes to unaudited proforma consolidated combined financial information.

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

per Yogesh Midha
Partner

Membership no : 094941



Place : New Delhi
Date : March 25, 2022

For and on behalf of the board of directors of
Delhivery Limited (formerly known as Delhivery Private Limited)

Sandeep Kumar Barasia
Whole Time Director and
Chief Business Officer
DIN: 01432123

Ankit Agarwal
Chief Financial Officer

Place : Gurugram
Date : March 25, 2022

Sahil Barua
Managing Director and
Chief Executive Officer
Director: 05131571

Sunil Kumar Bansal
Company Secretary
(FCS-4810)

Place : Gurugram
Date : March 25, 2022

Delhivery Limited (formerly known as Delhivery Private Limited)
 Proforma Consolidated Statement of Profit and Loss for the nine months period ended December 31, 2021
 (Amount in INR millions, unless otherwise stated)

	Restated Consolidated Summary Statement of Profit and Loss of Delhivery Limited for nine months period ended Dec 31, 2021	Special purpose consolidated statement of Profit and Loss of Spoton Logistics Private Limited for the nine months period ended Dec 31, 2021	Adjustment for Spoton Logistics Private Limited Interim Consolidated Profit and Loss for period Aug 24, 2021 to Dec 31, 2021 (refer note 2 (c))	Intragroup elimination for period April 1, 2021 to August 23, 2021 (refer note 3 (ix))	Acquisition Adjustments for period April 1, 2021 to August 23, 2021	Note reference for acquisition adjustments	Total Adjustments	Proforma Consolidated Combined Statement of Profit and Loss for the nine months period ended Dec 31, 2021
	(A)	(B)	(C)	(D)	(E)		(F=C+D+E)	(G=A+B+F)
Income:								
Revenue from contract with customers	48,105.30	7,575.11	(3,973.94)	(9.92)	-		(3,983.86)	51,696.55
Other income	1,008.76	11.55	(10.05)	-	-		(10.05)	1,010.26
Total Income (I)	49,114.06	7,586.66	(3,983.99)	(9.92)	-		(3,993.91)	52,706.81
Expenses:								
Freight, handling and servicing cost	34,786.36	5,446.88	(2,838.88)	(9.92)	-		(2,848.80)	37,384.44
Purchase of traded goods	1,750.22	-	-	-	-		-	1,750.22
Change in inventory of traded goods	(28.75)	-	-	-	-		-	(28.75)
Employee benefit expense	9,726.30	838.93	(400.19)	-	45.73	3 (vii)	(354.46)	10,210.77
Fair value loss on financial liabilities at fair value through profit or loss	2,997.39	-	-	-	-		-	2,997.39
Finance costs	762.29	413.01	(102.68)	-	-		(102.68)	1,072.62
Depreciation and amortisation expense	3,881.75	592.06	(284.45)	-	524.46	3 (iv)	240.01	4,713.82
Other expenses	4,225.95	468.21	(266.73)	-	-		(266.73)	4,427.43
Total expenses (II)	58,101.51	7,759.09	(3,892.93)	(9.92)	570.19		(3,332.66)	62,527.94
Loss before exceptional item and tax (III)	(8,987.45)	(172.43)	(91.06)	-	(570.19)		(661.25)	(9,821.13)
Exceptional items (IV)	-	(17.98)	-	-	-		-	(17.98)
Loss before tax (V= III+IV)	(8,987.45)	(190.41)	(91.06)	-	(570.19)		(661.25)	(9,839.11)
Tax expense, comprising:								
Current tax	100.49	146.95	(100.49)	-	-		(100.49)	146.95
Deferred tax charge/(credit)	(176.55)	(64.69)	28.72	-	(163.63)	3 (x)	(134.91)	(376.15)
Total tax expense (VI)	(76.06)	82.26	(71.77)	-	(163.63)		(235.40)	(229.20)
Loss for the period (VII= V-VI)	(8,911.39)	(272.67)	(19.29)	-	(406.56)		(425.85)	(9,609.91)
Other comprehensive income:								
(a) Items that will not be reclassified to statement of profit and loss in subsequent periods:								
i) Re-measurement loss on defined benefit plans	(24.33)	0.40	(5.50)	-	-		(5.50)	(29.43)
ii) Income tax relating to items that will not be reclassified to profit and loss	(1.38)	(0.10)	1.38	-	-		1.38	(0.10)
Subtotal (a)	(25.71)	0.30	(4.12)	-	-		(4.12)	(29.53)
(b) Items that will be reclassified to profit or loss in subsequent periods:								
i) Exchange differences on translation of foreign operations	(6.37)	-	-	-	-		-	(6.37)
ii) Income tax relating to items that will be re-classified to profit and loss	-	-	-	-	-		-	-
Subtotal (b)	(6.37)	-	-	-	-		-	(6.37)
Other comprehensive income / (loss) for the period (VII= a+b)	(32.08)	0.30	(4.12)	-	-		(4.12)	(35.90)
Total Comprehensive loss for the period (IX= VII+VIII)	(8,943.47)	(272.37)	(23.41)	-	(406.56)		(429.97)	(9,645.82)
Loss per share (Nominal value per share - Re 1) (not annualised)								
- Basic loss per share (INR)	(15.36)							(16.57)
- Diluted loss per share (INR)	(15.36)							(16.57)

Note:
 The above statement should be read with notes to proforma financial statements.

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

per Yogesh Midha
 Partner

Membership no : 094941



Place : New Delhi
 Date : March 25, 2022

For and on behalf
 Delhivery Limited (formerly known as Delhivery Private Limited)

Sandeep Kumar Barasia
 Whole Time Director and
 Chief Business Officer
 DIN: 01432123

Amit Agarwal
 Chief Financial Officer

Sahil Barua
 Managing Director and
 Chief Executive Officer
 Director: 05131571

Shubh Kumar Basal
 Company Secretary
 (FCS-4810)

Place : Gurugram
 Date : March 25, 2022

Place : Gurugram
 Date : March 25, 2022

Delhivery Limited (formerly known as Delhivery Private Limited)
Notes to the proforma consolidated financial information as at and for the year ended March 31, 2021 and for the nine months period December 31, 2021
(All amounts in INR Millions, unless otherwise stated)

1) Background

Delhivery Limited (formerly known as Delhivery Private Limited) (hereinafter referred to as "the Company" or "Delhivery"), was incorporated as SSN Logistics Private Limited on 22nd Day of June 2011 under the provisions of the Companies Act, 1956. The Company changed its name to Delhivery Private Limited as of 8th Day of December 2015. The registered office of the company is located at N24-N34, S24-S34, Air Cargo Logistics Centre-II, Opposite Gate 6 Cargo Terminal, IGI Airport, New Delhi-110037. The Company converted itself into Public Limited Company on 12 October 2021.

The Company and its subsidiaries (hereinafter collectively referred to as 'the Group') are carrying out business of warehousing and last mile logistics and also involved in designing and deploying logistics management systems, provide logistics and supply chain consulting/advice, provide inbound/procurement support and other activities of a similar nature.

Subsequent to the year ended March 31, 2021, the Company has undertaken following acquisition in respect of which these proforma consolidated financial information is being prepared:

On August 24, 2021, the Company acquired 100% equity in Spoton Logistics Private Limited along with its 100% subsidiary namely "RAAG Technology and Services Private Limited" (referred together as "Spoton Group"), which has with effect from that date become a subsidiary of the Company (together 'Parties to the agreement'). The principal activity of Spoton Group is transportation freight through surface transport within the territory of India.

The Group acquired Spoton Group for consideration of INR 15,216.02 on August 24, 2021. The consideration includes INR 15,109.28 paid in cash and INR 106.74 discharged through replacement of ESOP awards to select ESOP holders of Spoton Group as part of the obligations undertaken by Delhivery as per the contractual arrangement entered between the parties upon the acquisition. The purchase consideration paid in cash on acquisition, was funded by the issue of cumulative compulsorily convertible preference shares amounting to INR 20,086.21 issued by the Group.

2) Basis of preparation

The proforma consolidated financial information has been prepared by the Management of the Group considering that the acquisition is material for the purpose of the business of the Group. Considering the financial information of Spoton Group as at and for the year ended March 31, 2021 and for the period from 1 April, 2021 to 23 August, 2021, would be relevant to the readers of this offer Document, the Group, as advised by Securities and Exchange Board of India vide their letter dated January 13, 2022, included such information in the consolidated proforma financial information, although the same is not required to be included as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), as amended from time to time and Guide to Reporting on Proforma Financial Statements issued by the Institute of Chartered Accountant of India (ICAI) ("Guidance Note") as the acquisition was done during the latest period (i.e. on August 23, 2021) for which financial information is disclosed in the Red Herring Prospectus and Prospectus (collectively "Offer Documents") viz. (i.e. nine months ended December 31, 2021). Since there is no framework to reflect the impact of the said acquisition, the proforma consolidated financial information has been prepared in accordance with the Guidance Note.

The proforma consolidated financial information have been prepared specifically for inclusion in the Offer Document to be filed by the Company with SEBI in connection with proposed Initial Public Offering ("IPO").

The proforma consolidated financial information are derived from restated consolidated summary statements of the Group, special purpose consolidated financial statements of Spoton Group as of March 31, 2021 ('March 2021 special purpose consolidated financial statements') and special purpose interim consolidated financial statements as of December 31, 2021 ('December 2021 special purpose interim consolidated financial statements') (The March 2021 special purpose consolidated financial statements and December 2021 special purpose interim consolidated financial statements are collectively referred to as the "special purpose consolidated financial statements"), adjusted for intercompany eliminations and acquisition adjustments for subsequent acquisition



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mentioned above, as if the transaction related to such acquisition to obtain control over Spoton Group had occurred on March 31, 2021 for the purpose of proforma consolidated balance sheet. The consolidated Balance Sheet of Spoton Group is presented as at the annual year-end March 31, 2021 and is not presented as at the stub-period end. Further, the proforma consolidated statement of profit and loss for the year ended March 31, 2021 and nine months period ended December 31, 2021 has been illustrated to reflect the acquisition of Spoton Group as if the transaction related to acquisition of aforesaid obtain control over Spoton Group occurred on and from April 01, 2020 and April 01, 2021 respectively. The description of adjustments made to the proforma consolidated financial information are included in the note 3 below.

The assumptions and estimates underlying the adjustments to the proforma consolidated financial information are described hereinafter which should be read together with the proforma consolidated statement of profit and loss and proforma consolidated balance sheet.

The proforma consolidated financial information should be read together with the Groups 's restated consolidated summary statements and the special purpose consolidated financial statements of Spoton Group.

The business combination has been accounted for under the acquisition method in accordance with Ind AS 103 'Business Combinations'. Accordingly, Group has allocated the purchase consideration to the estimated fair value of assets acquired and liabilities assumed and recognised the difference between purchase consideration and net assets as goodwill in the proforma consolidated balance sheet as at March 31, 2021.

The proforma consolidated financial information were approved by the Board of Directors of the Company on March 25, 2022.

Because of their nature, the proforma consolidated financial information addresses a hypothetical situation and therefore, do not represent Group's factual financial position or results. Accordingly, the proforma consolidated financial information does not necessarily reflect what the Group's financial condition or results of operations would have been had the acquisitions occurred on the dates indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual balance sheet and statement of profit and loss may differ significantly from the proforma amounts reflected herein due to variety of factors.

The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Further, such proforma consolidated financial information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such proforma consolidated financial information should be limited. In addition, the rules and regulations related to the preparation of proforma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs above to prepare these proforma consolidated financial information.

The restated consolidated summary statements have been adjusted in the proforma consolidated financial information to give effect to the proforma event that are (1) directly attributable to such acquisition and (2) factually supportable.

The adjustments made to the proforma consolidated financial information are included in the following sections.

The proforma consolidated financial information is based on:

- a) the restated consolidated summary statement of assets and liabilities as at March 31, 2021 and restated consolidated summary statement of profit and loss of the Group for the year ended March 31, 2021 and for nine months period ended December 31, 2021; and
- b) the audited Special Purpose Consolidated Financial Information of Spoton Group as of and for the year ended March 31, 2021 and audited Special Purpose Interim Consolidated Statement of Profit and Loss of Spoton Group for the nine months period ended December 31, 2021.



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(All amounts in INR Millions, unless otherwise stated)

- c) intragroup elimination between the Group and Spoton Group as at March 31, 2021 and for the year ended March 31, 2021, nine months period ended December 31, 2021
- d) adjustments to the proforma consolidated financial information arising from balances between the Group and the Spoton Group during the year ended March 31, 2021 for the purpose of consolidated proforma Balance sheet,
- e) adjustments to the proforma consolidated financial information arising from transactions between the Group and the acquired entity during the year ended March 31, 2021 and for the period August 24, 2021 to December 31, 2021 for the purpose of consolidated proforma profit and loss.
- f) adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Company.

3) Proforma adjustments

The Special Purpose Consolidated Financial Statements of Spoton Group have been prepared in accordance with the measurement and recognition principles of Ind AS and the management of Delhivery has adjusted to comply with the Group's accounting policies in all material aspects (collectively referred to as "Group accounting policies" as appearing in Restated Consolidated Summary Statements). Such financial information has been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.

The following adjustments have been made to present the proforma consolidated financial information:

Acquisition related adjustments:

- (i) For proforma consolidated balance sheet as at March 31, 2021 the total purchase consideration payable is INR 15,216.02, which includes the INR 15,109.28 paid in cash and INR 106.74 discharged through replacement of ESOP awards to select ESOP holders of Spoton Group as part of the obligations undertaken by Delhivery as per the contractual arrangement entered between the parties upon the acquisition, adjusted as below.
 - a) The consideration for this acquisition has been financed through issue of cumulative compulsorily convertible preference shares ("CCCPS") which are entirely equity in nature amounting to INR 20,086.21 (563,349 shares of INR 100 fully paid up at a premium of INR 35,555 per share) issued on May 31, 2021. Accordingly, an amount of INR 56.34 equivalent to face value of CCCPS has been added as instruments entirely equity in nature and INR 20,029.87 has been added as securities premium. Corresponding to the same, INR 20,086.21 has been added to cash and cash equivalent. The aforesaid adjustment has been considered in proforma consolidated balance sheet as at March 31, 2021.
 - b) For proforma consolidated balance sheet as at March 31, 2021, the purchase consideration for INR 15,109.28 which has been paid in cash on acquisition has been reduced from cash and cash equivalent. Also acquisition costs amounted to INR 95.00 incurred by Company in connection with Spoton Group acquisition is reduced from the cash and cash equivalent and the other equity as at March 31, 2021.

The purchase consideration of INR 106.74 which has been paid through ESOP awards, as discussed in (i) above, has been added to the other equity.



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Adjustments in cash and cash equivalent and other Equity As at 31 March 2021

Particulars	Cash and Cash equivalent	Other equity
Issue of cumulative compulsorily convertible preference shares refer 3 (i) (a)	56.34	-
Add: Securities premium received on issue of cumulative compulsorily convertible preference shares refer 3 (i) (a)	20,029.87	20,029.87
Add: Replacement of ESOP awards refer 3 (i) (a)	-	106.74
Less: Purchase consideration paid	(15,109.28)	-
Less: Acquisition cost - refer 3 (v)	(95.00)	(95.00)
Less: Elimination of Spoton retained earnings and security premium – refer 3 (iii)	-	(288.41)
Total Adjustments	4,881.93	19,753.20

- (ii) Intangibles (IP, Customer relations, Vendor relations, Brand name) amounting to INR 2,929.20 valued by an independent valuer, has been recognized under the head 'Intangible assets' in the proforma consolidated balance sheet as at March 31, 2021.
- (iii) Investment of the Company in Spoton Group stands eliminated with equity share capital of Spoton group amounting to INR 198.26 as at March 31, 2021, securities premium & retained earnings of Spoton group amounting to INR 288.41.
- (iv) Intangibles (IP, Customer relations, Vendor relations, Brand name) being amortised, based on useful life of 5 years, as assessed by the management, amounting to INR 1,320.19 has been considered for the year ended March 31, 2021 and amounting to INR 524.46 has been considered for the period April 1, 2021 to August 23, 2021.
- (v) Acquisition costs amounted to INR 95.00 incurred by Company in connection with Spoton Group acquisition is included in other expenses for the year ended March 31, 2021. Further cash and cash equivalent and the other equity as at March 31, 2021 has been reduced by INR 95.00.
- (vi) Conditional bonus for management payable after 24 months is included under employee benefits expenses amounted to INR 37.50 for the year ended March 31, 2021 and amounted to INR 14.90 has been considered for the period April 1, 2021 to August 23, 2021.
- (vii) The charge of additional ESOPs issued by the Company to certain employees of Spoton group who had joined Delhivery Limited subsequent to acquisition of Spoton Group, is included under employee benefits expenses amounted to INR 77.60 for the year ended March 31, 2021 and amounted to INR 30.83 has been considered for the period April 1, 2021 to August 23, 2021.

The aggregate adjustment in the employee cost amounted to INR 115.10 (INR 37.50 for the conditional bonus for management of and INR 77.60 for additional ESOPs) for the year ended March 31, 2021 and amounted to INR 45.73 (INR 14.90 for the conditional bonus for management of and INR 30.83 for additional ESOPs) for the period April 1, 2021 to August 23, 2021.

- (viii) The purchase consideration of INR 15,216.02 as on the date of acquisition had been allocated to the acquired assets and liabilities as follows:



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(All amounts in INR Millions, unless otherwise stated)

Particulars	As at 31 March 2021
Net Assets	486.67
Fair value of Intangibles	2,929.20
Goodwill	11,800.15
Total Purchase consideration	15,216.02

The goodwill has been calculated based on the special purpose consolidated balance sheet of Spoton Group as at March 31, 2021. As of March 31, 2021, the fair value of the net assets (including intangible assets) acquired of Spoton Group, amounts to INR 3,415.87. Accordingly, an amount of INR 11,800.15 being the excess of the aggregate of the purchase consideration for the acquisition over its share of net assets acquired, has been recognized as goodwill on consolidation.

(ix) Intragroup elimination adjustments:

Adjustment on account of elimination of Intragroup transactions and balance between the Group and Spoton Group as follows:

Particular	For the year ended March 31, 2021	For the period April 1, 2021 to August 23, 2021
Proforma Consolidated statement of Profit and Loss		
Decrease in revenue from operations	(1.84)	(9.92)
Decrease in freight, handling and servicing cost	(1.84)	(9.92)

Particular	As at March 31, 2021
Proforma Consolidated Balance Sheet	
Decrease in trade receivables	(2.17)
Decrease in trade payable	(2.17)

- (x) The Company has re-estimated its tax position as at December 31, 2021 in relation to deferred tax liability/assets on acquired intangible assets [as discussed in (viii) above] and accordingly has recognized a deferred tax liability of INR 913.91 as at December 31, 2021 on the aforesaid intangible assets and thus consequently reversed deferred tax liability of INR 163.63 for the period April 1, 2021 to August 23, 2021.
- (xi) Earnings per share (EPS): Proforma EPS calculation for the year ended March 31, 2021 and nine months period ended December 31, 2021 has been based on proforma consolidated statement of profit and loss of respective year/period and the assumption that the equity shares or preference shares issued as part of both the transactions were in issue at the beginning of the year/period for which proforma consolidated financial information have been presented.
- (xii) The Restated Consolidated Summary Statement of Profit and Loss of the Group includes post acquisition revenue and expenses of Spoton Group for the period August 24, 2021 to December 31, 2021. Column B – Special Purpose Interim Consolidated Statement of Profit and Loss of Spoton Logistics Private Limited includes the revenue and expenses for the period April 1, 2021 till December 31, 2021 of SLPL. Accordingly, the post-acquisition revenue and expenses have been reduced as an adjustment.



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Notes to the proforma consolidated financial information as at and for the year ended March 31, 2021 and for the nine months period December 31, 2021

(All amounts in INR Millions, unless otherwise stated)

- (xiii) Other than as mentioned above, no additional adjustments have been made to the proforma consolidated balance sheet or the proforma consolidated statement of profit and loss to reflect any other transactions of the Group entered into subsequent to December 31, 2021.

For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI firm registration number: 101049W/E300004



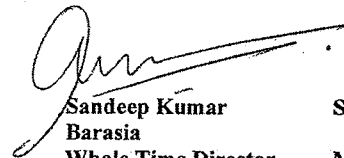
per Yogesh Midha

Partner
Membership No.: 094941



Place: New Delhi
Date: March 25, 2022

For and on behalf of the Board of Directors of
Delhivery Limited (formerly known as Delhivery
Private Limited)




Sandeep Kumar
Barasia
Whole Time Director
and Chief Business
Officer
DIN: 01432123



Sahil Barua
Managing Director and
Chief Executive Officer
DIN: 05131571



Amit Agarwal
Chief Financial officer



Sunil Kumar Bansal
Company Secretary
(FCS - 4810)

Place: Gurugram
Date: March 25, 2022

Place: Gurugram
Date: March 25, 2022

CERTIFIED TRUE COPY

For DELHIVERY LIMITED


Company Secretary