

2019. 20.

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
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India

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Independent Auditor's Report

To the Members of Ecom Express Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Ecom Express Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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 opinion.

Information other than the Financial Statements and Auditor's Report thereon

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

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



Independent Auditor's Report to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



Independent Auditor's Report to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.

Report on Other Legal and Regulatory Requirements

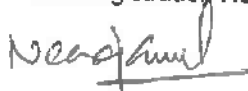
10. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 September 2020 as per Annexure II expressed unmodified opinion; and



Independent Auditor's Report to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

- g) 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, as detailed in note 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 099514



UDIN: 20099514AAAAEQ9661

Place: Gurugram
Date: 25 September 2020

Annexure I to the Independent Auditor's Report of even date to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE').
- (b) The Company has a regular program of physical verification of its PPE under which PPE are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain PPE were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'PPE'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delays in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹ in lakh)	Period to which the amount relates	Due Date	Date of payment
Employees' State Insurance Act, 1948	Employees' state insurance	29.25	April 2019 to August 2019	15 th of the next month	21 August 2020
Punjab Labour Welfare Fund	Labour welfare fund	0.39	October 2018 to December 2019	31 January 2019	25 July 2020



Annexure I to the Independent Auditor's Report of even date to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

Name of the statute	Nature of the dues	Amount (₹ in lakh)	Period to which the amount relates	Due Date	Date of payment
Act, 1965			2018		
Gujarat Tax on Professionals, Trade, Callings and Employment Act, 1976	Professional tax	2.98	January 2019 to June 2019	31 July 2019	20 July 2020

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, goods and services tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in lakh)	Amount paid under protest (₹ in lakh)	Period to which amount relates	Forum where dispute is pending
M.P. Commercial Tax Act, 1994	Commercial tax	10.72	10.72	2015-16	Commercial Tax Tribunal, Bhopal
U.P. Value Added Tax Act, 2008	Value added tax	8.15	8.15	2017-18	Appellate Tribunal, Mathura
U.P. Value Added Tax Act, 2008	Value added tax	0.86	0.32	2017-18	Commercial Tax Department, Saharanpur
U.P. Value Added Tax Act, 2008	Value added tax	11.67	Nil	2015-16	Commercial Tax Department, Azamgarh
U.P. Value Added Tax Act, 2008	Value added tax	7.60	7.60	2017-18	Commercial Tax Department, Mathura
Maharashtra Municipal Corporation Act, 1949	Local body tax	20.88	Nil	2014-15	Municipal Corporation, Ahmednagar

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loan or borrowings payable to any financial institution or to government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.



Annexure I to the Independent Auditor's Report of even date to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company has not entered into any transactions with the related parties. Accordingly, provisions of clause 3(xiii) of the Order are not applicable.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. During the year, the Company has not made any preferential allotment of fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



UDIN: 20099514AAAAEQ9661

Place: Gurugram
Date: 25 September 2020

Annexure II to the Independent Auditor's Report of even date to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Ecom Express Private Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the 'Guidance Note') 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 the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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



Annexure II to the Independent Auditor's Report of even date to the members of Ecom Express Private Limited, on the financial statements for the year ended 31 March 2020 (cont'd)

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

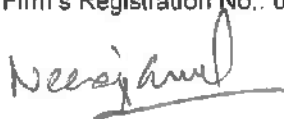
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Goel
Partner
Membership No.: 099514



UDIN: 20099514AAAAEQ9661

Place: Gurugram
Date: 25 September 2020

Ecom Express Private Limited
Balance sheet as at 31 March 2020
(All amounts in ₹ Lakh unless stated otherwise)

Note	As at 31 March 2020	As at 31 March 2019	
Assets			
Non-current assets			
Property, plant and equipment	6	8,690.45	7,703.51
Right-of-use assets	6	8,339.23	-
Other intangible assets	7	277.15	360.89
Intangible assets under development	8	357.95	-
Financial assets			
Loans	9 A	1,252.70	1,622.60
Other financial assets	10 A	13,751.68	4,992.17
Deferred tax assets (net)	21	6,420.74	-
Other non-current assets	11 A	2,110.77	112.53
Income-tax assets (net)	12 A	3,038.85	3,782.52
Total non-current assets		44,239.52	18,574.22
Current assets			
Financial assets			
Trade receivables	13	12,820.73	11,782.60
Cash and cash equivalents	14	2,307.55	10,971.99
Other bank balances	15	21,292.44	9,129.53
Loans	9 B	735.30	30.63
Other financial assets	10 B	536.75	88.35
Other current assets	11 B	817.87	475.77
Income-tax assets (net)	12 B	3,387.23	-
Total current assets		41,897.87	32,478.87
Total assets		86,137.39	51,053.09
Equity and liabilities			
Equity			
Equity share capital	16	210.26	210.25
Other equity	17	60,898.77	(1,42,398.74)
Total equity		61,109.03	(1,42,188.49)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18 A	-	1,34,749.38
Lease liabilities	18 B	4,781.24	-
Other financial liabilities	19 A	-	56,399.92
Provisions	20 A	1,346.18	761.56
Other non-current liabilities	22 A	-	95.80
Total non-current liabilities		6,127.42	1,72,006.66
Current liabilities			
Financial liabilities			
Lease liabilities	18 C	3,882.21	-
Trade payables	23	189.95	14.98
total outstanding dues of micro enterprises and small enterprises		8,428.21	8,239.36
total outstanding dues of creditors other than micro enterprises and small enterprises		4,790.48	11,040.05
Other financial liabilities	19 B	928.93	1,911.51
Other current liabilities	22 B	681.16	29.02
Provisions	20 B	18,900.94	21,234.92
Total current liabilities		86,137.39	51,053.09
Total equity and liabilities			

The accompanying notes form an integral part of these financial statements
This is the balance sheet referred to in our report of even date.

For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514



Place: Gurugram
Date: 25 September 2020

For and on behalf of board of directors of
Ecom Express Private Limited

T.A. Krishnan
Director
DIN - 06433392



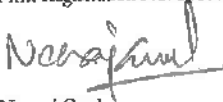

K. Satyanarayana
Director
DIN - 05320682

Himani Goel
Company Secretary
M. No. 30909

Ecom Express Private Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless stated otherwise)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	24	1,23,545.16	1,00,585.61
Other income	25	1,849.21	1,259.47
Total revenue		1,25,394.37	1,01,845.08
Expenses			
Cost of services	26	59,683.60	51,525.55
Employee benefits expense	27	37,631.15	28,172.87
Finance costs	28	1,117.22	293.45
Depreciation and amortisation expenses	29	6,755.48	1,738.07
Net loss on fair valuation of financial instruments		38,684.28	15,720.09
Other expenses	30	19,266.38	17,354.98
Total expenses		1,63,138.11	1,14,805.01
Loss before tax		(37,743.74)	(12,959.93)
Tax expense			
Current tax		-	-
Deferred tax	31A	(6,392.24)	-
Loss for the year		(31,351.50)	(12,959.93)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements (loss)/gain on the defined benefit plans	37	(326.45)	47.37
Income tax on items that will not be reclassified to profit or loss	31B	28.50	-
Total comprehensive income for the year		(31,649.45)	(12,912.56)
Earnings per equity share (Face value ₹ 10 per share)	32		
Basic (₹)		(1,491.16)	(616.61)
Diluted (₹)		(1,491.16)	(616.61)

The accompanying notes form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date.


For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514


Place: Gurugram
Date: 25 September 2020

For and on behalf of board of directors of
Ecom Express Private Limited


T.A. Krishnan
Director
DIN - 06433392



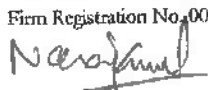

K. Satyanarayana
Director
DIN - 05320682


Himani Goel
Company Secretary
M. No. 30909

Ecom Express Private Limited
Cash flow statement for the year ended 31 March 2020
(All amounts in ₹ Lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flows from operating activities		
Loss before tax	(37,743.74)	(12,959.93)
Adjustments for:		
Depreciation and amortisation expense	6,755.48	1,738.07
Loss on disposal of property, plant and equipment (net)	11.40	7.74
Loss on fair valuation of financial instruments	38,684.28	15,720.09
Interest income	(1,646.03)	(1,174.26)
Share based payment expense	113.41	223.53
Allowance for expected credit loss	1,938.84	548.77
Finance costs	1,117.22	293.45
Operating profit before working capital changes	9,230.86	4,397.46
Movement in working capital		
(Increase) in trade receivables	(2,976.98)	(5,414.66)
(Increase) in loans	(334.76)	(437.00)
(Increase)/decrease in other financial assets	(448.39)	23.81
(Increase) in other non-current assets	(641.73)	(24.34)
Increase in trade payables	363.82	1,865.70
(Decrease)/increase in other financial liabilities	(6,249.57)	5,957.98
Increase in provisions	910.31	236.20
(Decrease)/increase in other current and non-current liabilities	(865.02)	1,122.84
Cash (used in)/from operating activities after working capital changes	(1,011.46)	7,727.99
Income tax paid (net)	(2,643.56)	(1,662.09)
Net cash flows (used in)/from operating activities (A)	(3,655.02)	6,065.90
B Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(5,892.89)	(4,205.32)
Proceeds from disposal of property, plant and equipment	3.33	2.80
Proceeds from/(investment in) fixed deposits (net)	(20,922.41)	7,126.47
Interest received	1,646.03	1,174.26
Net cash flows (used in)/from investing activities (B)	(25,165.94)	4,098.21
C Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	6.03	23.63
Interest paid	(1,117.22)	(293.45)
Proceeds from issue of compulsorily convertible preference shares (net of share issues expenses)	24,993.96	-
Repayment of short-term borrowings (net)	-	(3,745.04)
Repayment of lease liabilities	(3,726.25)	-
Net cash from/(used in) financing activities (C)	20,156.52	(4,014.86)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(8,664.44)	6,149.25
Cash and cash equivalents at the beginning of the year	10,971.99	4,822.74
Cash and cash equivalents at the end of the year (refer note 14)	2,307.55	10,971.99

The accompanying notes form an integral part of these financial statements
This is the cash flow statement referred to in our report of even date.


For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No. 099514



Place: Gurugram
Date: 25 September 2020

For and on behalf of board of directors of
Ecom Express Private Limited


T.A. Krishna
Director
DIN - 06433392


K. Saiyanarayana
Director
DIN - 05320682


Himani Goel
Company Secretary
M. No. 30909



Ecom Express Private Limited
Statement of changes in equity for the year ended 31 March 2020
(All amounts in ₹ Lakh unless stated otherwise)

A Equity share capital*

Particulars	Balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
Equity share capital	210.17	0.08	210.25	0.01	210.26

B Other equity**

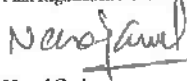
Particulars	Equity component of compound financial instruments (Refer note 45)	Reserves and surplus				Money received against share warrants	Total
		Securities premium	Put option reserve	Share options outstanding account	Retained earnings		
Balance as at 1 April 2018	-	484.27	(509.57)	147.18	(1,30,030.19)	175.05	(1,29,733.26)
Loss for the year	-	-	-	-	(12,959.93)	-	(12,959.93)
Remeasurements gain on the defined benefit plans	-	-	-	-	47.37	-	47.37
Total comprehensive income for the year	-	-	-	-	(12,912.56)	-	(12,912.56)
Transaction with owner in their capacity of owner							
Share based payment expense	-	-	-	223.53	-	-	223.53
Transfer from share options outstanding account	-	9.37	-	(9.37)	-	-	-
Issue of equity shares	-	25.55	-	-	-	-	25.55
Balance as at 31 March 2019	-	517.19	(509.57)	361.34	(1,42,942.75)	175.05	(1,42,398.74)
Loss for the year	-	-	-	-	(31,351.50)	-	(31,351.50)
Remeasurements loss on the defined benefit plans	-	-	-	-	(297.95)	-	(297.95)
Total comprehensive income for the year	-	-	-	-	(31,649.45)	-	(31,649.45)
Transaction with owner in their capacity of owner							
Reclassification on extinguishment of financial liability and recognition of compound financial instruments	2,09,324.00	-	509.57	-	-	-	2,09,833.57
Transfer on account of options not exercised	-	-	-	(12.57)	12.57	-	-
Share based payment expense	-	-	-	113.41	-	-	113.41
Issue of equity shares	-	6.02	-	-	-	-	6.02
Issue of compulsorily convertible preference shares	24,993.96	-	-	-	-	-	24,993.96
Balance as at 31 March 2020	2,34,317.96	523.21	-	462.18	(1,74,579.63)	175.05	68,898.77

*Refer note 16 for details

**Refer note 17 for details

The accompanying notes form an integral part of these financial statements
This is statement of changes in equity referred to in our report of even date.


For Walker Chandick & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013


Neeraj Goel
Partner
Membership No. 099514



Place: Gurgaon
Date: 25 September 2020

For and on behalf of board of directors of
Ecom Express Private Limited


T.A. Krishnan
Director
DIN - 00433592


K. Sanyanarayana
Director
DIN - 05320662




Himanshu Goel
Company Secretary
M. No. 30909

Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

1. Nature of operations

Ecom Express Private Limited (the 'Company') was incorporated on 27 August 2012 with its registered office in New Delhi. The Company is primarily providing is engaged in the business of providing courier, logistics and delivery services to its customers by fulfilling their end-customer's orders through delivery of shipments at their end-customer's doorstep within India. The Company is also engaged in the business of providing a range of fulfilment services including warehousing and order management. The Company has its registered place of business at Ground floor, 13/16 min, 17 min, Samalka, old Delhi-Gurgaon road, Kapashera 110037, New Delhi, India.

The financial statements of the Company for the year ended 31 March 2020 are authorised for issue in accordance with a resolution of the Board of Directors on 25 September 2020.

2. Basis of preparation

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied to all the periods presented in the financial statements.

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Share based payments	Fair value

The financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

3. Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

a) 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 respectively.

Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price (net of input tax credit), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company and the benefit shall be availed over a period of more than one year. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment has been provided on straight-line basis over the useful life assigned to each asset in accordance with Schedule II of Companies Act, 2013.

Management has done an internal technical assessment based on its nature and purpose of the asset for the useful life of the assets where the useful life of the asset is found to be different from Schedule II.

De-recognition

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

c) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

As per Ind AS 38, expenses during the research phase of development of intangible assets have been charged to Statement of Profit and Loss in the period in which expenditure is incurred. Other direct and indirect expenses incurred relating to project during the project at development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets under Development.



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Subsequent measurement (amortisation)

Intangible assets are amortized on straight line basis using the estimated useful life as follows:

Intangible Assets	Useful life (in years)
Software Licenses	1 to 5 Years

De-recognition

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

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured net of rebates, discounts and taxes. The Company applies the revenue recognition criteria to each component of the revenue transaction as set out below.

Sale of services

Revenue from sale of services is recognized as and when related services are rendered in accordance with the terms specified in the contract. The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for the services, excluding amounts collected on behalf of third parties (for example, indirect taxes).

A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required. When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the payment.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Interest income is included in other income in statement of profit and loss.

e) Operating leases

After 1 April 2019

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended 31 March 2019.



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

The Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Prior to 31 March 2019

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.



g) Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost**— A 'financial asset' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all derivative financial liabilities are measured at fair value through profit or loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Put option

The Company has written put option over its equity which permits the holder to put their shares in the Company back to the Company at their fair value on specified dates. The amount that may become payable under the option on exercise is recognised at the present value of the redemption amount within borrowings with a corresponding charge directly to equity.

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.

h) 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 for financial assets. The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort.

i) Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. 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).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

k) Employee benefits

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

Provident fund

Provident fund benefit is a defined contribution plan namely Provident Fund which is administered through the Regional Provident Fund Commissioner under established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company pays fixed contributions into funds and the contributions towards such fund are charged to the Statement of Profit and Loss. The Company has no legal or constructive obligations to pay further contributions after payment of such fixed contribution.

Employee state insurance

The Company contributes to state plans namely Employee State Insurance Fund maintained by state authorities. The plan is a defined contribution plan and contribution paid/payable is recognized as expense on accrual basis and charged to the Statement of Profit and Loss. The Company does not carry any further obligations with respect to these funds, apart from contributions made to these funds.

Other short-term benefits

Expense in respect of other short term benefits including performance bonus is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

l) Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

n) Share based payments

The Company has formulated Employees Stock Option Scheme namely 'Employee Stock Option Plan 2017'. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

o) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) 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.

q) Significant management estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

- i. **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- ii. **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- iii. **Contingent liabilities**– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- iv. **Impairment of financial assets** – At each balance sheet date, the management assesses the expected credit losses on outstanding receivables and advances basis the specific identification and default history. Further, management also considers the factors that may influence the credit risk assessment such as the estimate of underlying value of the shipments lying undelivered or monies payable to customers on account of collections from ‘Cash on delivery’ orders.
- v. **Defined benefit obligation (DBO)** – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- vi. **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.
- vii. **Share based payment**- The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 41.
- viii. **Provisions** – Estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.
- ix. **Classification of leases** – The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

6 Property, plant and equipment and right-of-use assets

Particulars	Office equipment	Plant and machinery	Computer and equipment	Furniture and fixtures	Electrical installations and equipment	Leasehold improvements	Total	Right-of-use assets
Gross block								
As at 1 April 2018	1,528.49	730.84	1,031.08	1,123.62	1,451.58	223.93	6,089.54	-
Additions during the year	1,131.71	921.46	1,153.72	208.76	150.52	693.90	4,260.07	-
Disposals/adjustments during the year	(6.11)	-	(0.28)	(1.67)	(4.91)	-	(12.97)	-
As at 31 March 2019	2,654.09	1,652.30	2,184.52	1,330.71	1,597.19	917.83	10,336.64	-
Additions during the year	1,123.76	589.25	863.93	302.77	177.07	293.62	3,350.40	12,562.53
Disposals/adjustments during the year	(7.70)	-	(10.67)	-	(14.91)	-	(33.28)	-
As at 31 March 2020	3,770.15	2,241.55	3,037.78	1,633.48	1,759.35	1,211.45	13,653.76	12,562.53
Accumulated depreciation/amortisation								
As at 1 April 2018	262.78	53.99	402.96	112.89	161.57	45.20	1,039.39	-
Charge for the year	480.36	144.37	519.72	139.38	175.62	136.72	1,596.17	-
Disposals/adjustments	(1.55)	-	(0.28)	(0.11)	(0.49)	-	(2.43)	-
As at 31 March 2019	741.59	198.36	922.40	252.16	336.70	181.92	2,633.13	-
Charge for the year	737.88	223.96	758.13	167.92	192.65	268.20	2,348.74	4,223.30
Disposals/adjustments	(4.40)	-	(10.20)	-	(3.96)	-	(18.56)	-
As at 31 March 2020	1,475.07	422.32	1,670.33	420.08	525.39	450.12	4,963.31	4,223.30
Net block								
As at 31 March 2019	1,912.50	1,453.94	1,262.12	1,078.55	1,260.49	735.91	7,703.51	-
As at 31 March 2020	2,295.08	1,819.23	1,367.45	1,213.40	1,233.96	761.33	8,690.45	8,339.23

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

8 Intangible assets under development

Particulars	Amount (₹)
Balance as at 1 April 2018	-
Add : Additions during the year	-
Less : Capitalised during the year	-
Balance as at 31 March 2019	-
Add : Additions during the year	357.95
Less : Capitalised during the year	-
Balance as at 31 March 2020	357.95

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Note - 9		
A Loans - non current		
Security deposits		
- Considered good - unsecured	1,252.70	1,622.60
- Deposits which have significant increase in credit risk	-	30.00
Less: Allowance for expected credit loss	-	(30.00)
	<u>1,252.70</u>	<u>1,622.60</u>
B Loans - current		
Security deposits		
- Considered good - unsecured	735.30	30.63
- Deposits which have significant increase in credit risk	45.45	0.21
Less: Allowance for expected credit loss	(45.45)	(0.21)
	<u>735.30</u>	<u>30.63</u>
Note - 10		
A Other financial assets - non current		
Fixed deposits with maturity more than 12 months	13,751.68	4,992.17
	<u>13,751.68</u>	<u>4,992.17</u>
B Other financial assets - current		
<i>(Unsecured, considered good)</i>		
Insurance recoverables	217.50	122.29
Advances to employees	47.84	60.98
Other recoverables	361.31	0.12
Less: Allowance for expected credit loss	(89.90)	(95.04)
	<u>536.75</u>	<u>88.35</u>
Note - 11		
A Other non-current assets		
<i>(Unsecured considered good, unless otherwise stated)</i>		
Capital advances	2,039.94	30.12
Prepaid expenses	70.83	82.41
	<u>2,110.77</u>	<u>112.53</u>
B Other current assets		
Prepaid expenses	293.76	346.97
Advance to suppliers	69.30	44.50
Balance with government authorities	454.81	84.30
	<u>817.87</u>	<u>475.77</u>
Note - 12		
A Income tax assets (net) - non-current		
Tax deducted at source recoverable (including advance tax)	3,038.85	3,782.52
	<u>3,038.85</u>	<u>3,782.52</u>
B Income tax assets (net) - current		
Tax deducted at source recoverable (including advance tax)	3,387.23	-
	<u>3,387.23</u>	<u>-</u>

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Note - 13		
Trade receivables		
Trade receivables considered good - unsecured	12,820.73	11,782.60
Trade receivables which have significant increase in credit risk	3,152.87	1,247.01
Less: Allowance for expected credit loss	<u>(3,152.87)</u>	<u>(1,247.01)</u>
	<u>12,820.73</u>	<u>11,782.60</u>
Note - 14		
Cash and cash equivalents		
Cash on hand	83.41	3,925.20
Balances with banks		
In current accounts	2,224.14	6,468.38
In fixed deposits account (with original maturity upto 3 months)	-	578.41
	<u>2,307.55</u>	<u>10,971.99</u>
Note - 15		
Other bank balances		
Fixed deposits having residual maturity of more than 3 months but less than 12	21,292.44	9,129.53
	<u>21,292.44</u>	<u>9,129.53</u>

*(Held as margin with government ₹ 29.10 lakh (31 March 2019: ₹ 8.65 lakh), Held as margin with bank ₹ 20.70 lakh, (31 March 2019: ₹ 19.39 lakh)

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Ecom Express Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ Lakh unless stated otherwise)

Note - 16

Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount (₹)	Number	Amount (₹)
i Authorised				
Equity shares of face value of ₹ 10 each	2,39,00,000	2,390.00	2,43,50,000	2,435.00
	2,39,00,000	2,390.00	2,43,50,000	2,435.00
ii Issued, subscribed and fully paid up				
Equity shares of face value of ₹ 10 each fully paid up	21,02,565	210.26	21,02,465	210.25
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	21,02,465	210.25	21,01,715	210.17
Add: Issued during the year*	100	0.01	750	0.08
Balance at the end of the year	21,02,565	210.26	21,02,465	210.25

During the year ended 31 March 2020, on 9 December 2019, the Company had issued 100 equity shares of ₹ 10 each fully paid up at ₹ 6,025.66 per share (including securities premium of ₹ 6,015.66 per share)

iv Rights, preferences and restrictions attached to equity shares

i) All the existing equity shares rank pari passu to all respect including but not limited to entitlement for dividend, bonus issue and right issue.

ii) In the event of liquidation of the Company, the distribution (after factoring, liquidation preference as per investor agreement) will be in proportion to the number of equity shares held by the shareholders.

iii) The Company has neither issued any bonus shares nor there has been any buy back of shares since the incorporation of the Company.

v No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid-up shares by way of bonus issues nor has any bought back of shares happened during the period of five years immediately preceding the reporting date.

vi Details of shareholder holding more than 5% share capital

Name of the equity shareholders*	Number	%	Number	%
Equity shares of face value of ₹ 10 each fully paid up				
Jayanti Krishnan	3,00,000	14.27%	3,00,000	14.27%
Kotla Sridevi	2,25,174	10.71%	2,25,174	10.71%
Sanjeev Saxena	2,27,174	10.81%	2,27,174	10.81%
Manju Dhawan	3,02,000	14.37%	3,02,000	14.37%
Eaglebay Investment Ltd	8,55,700	40.71%	8,55,700	40.71%

* As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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Ecom Express Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ Lakhs unless stated otherwise)

Note - 17 Other equity	As at 31 March 2020	As at 31 March 2019
A Securities premium		
Balance at the beginning of the year	517.19	484.27
Add: Issued during the year	6.02	23.55
Add: Transfer from share option outstanding account	-	9.57
Balance at the end of the year	523.21	517.19
B Put option reserve		
Balance at the beginning of the year	(509.57)	(509.57)
Add: Reclassification to the financial instruments	509.57	-
Balance at the end of the year	-	(509.57)
C Share options outstanding account		
Balance at the beginning of the year	361.34	147.18
Add: Share based payment expense	113.41	223.53
Less: Transfer from share options outstanding account	-	(9.37)
Less: Transfer on account of options not exercised	(12.57)	-
Balance at the end of the year	462.18	361.34
D Retained earnings		
Balance at the beginning of the year	(1,42,942.75)	(1,30,030.19)
Add: Loss during the year	(31,351.50)	(12,959.93)
Add: Transfer on account of options not exercised	12.57	-
Add: Remeasurements (loss)/ gain on the defined benefit plans	(297.95)	47.37
Balance at the end of the year	(1,74,579.62)	(1,42,942.75)
E Money received against share warrants		
Balance at the beginning of the year	175.05	175.05
Add: Money received against share warrants	-	-
Balance at the end of the year	175.05	175.05
F Equity component of compound financial instruments		
Balance at the beginning of the year	-	-
Add: Reclassification on extinguishment of financial liability and recognition of compound financial instruments	2,09,324.00	-
Add: Issue of compulsorily convertible preference shares	24,993.96	-
Balance at the end of the year	2,34,317.96	-
	60,898.78	(1,42,398.74)

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Compulsorily Convertible Preference Shares (CCPS) - Series IV

- i) During the year ended 31 March 2020, the Company has issued 414,792 CCPS - Series IV, of ₹10 each fully paid-up at a premium of ₹ 6015.66 per share to CDC Group PLC. CCPS carry non-cumulative dividend @ 0.001% p.a. The company declares and pays dividends in Indian rupees.
- ii) Each holder of CCPS are entitled to convert the CCPS into equity shares at any time at the option of the holder of the CCPS subject to the compliance of applicable laws. Each CCPS automatically be converted into fixed no. of equity share, at the fixed conversion price as specified by the relevant clauses of the Shareholder's agreement, upon the earlier of (i) Liquidity Event (ii) in any exit by the CCPS holder or (iii) at the time of IPO. Each CCPS shall be converted into Ordinary Shares at the conversion price determined as per detailed terms and conditions of CCPS as may be arrived in terms of the investment agreement dated 7 October 2019.
- iii) The preference shares will have preference to receive dividend. The holders of 0.001% compulsorily convertible preference shares have equal right to receive notices of, attend or vote at general meetings except in certain limited circumstances.
- iv) On the distribution of the assets of the Company, on winding up or other return of the capital (subject to certain exceptions), the holders of preference share have priority over the holders of ordinary shares to receive the capital paid up on those shares.

Nature and purpose of other reserves

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act 2013.

Put option reserve

This amount represents direct charge to equity on recognition of obligation in respect of put option on equity shares held by some of the investors.

Share options outstanding account

The reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

Retained earnings

All the profits/ losses made by the Company are transferred to retained earnings from statement of profit and loss.

Money received against share warrants

Money received against share warrants represents amount received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of ₹10 each.

During the year ended 31 March 2018, the Company has issued to its Promoters 1,53,820 warrants at an exercise price of ₹ 2,389.93 each entitling them for subscription of equivalent number of equity shares of ₹10 each in accordance with provisions of Section 42, Section 62 of The Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014 and The Companies (Share Capital and Debentures) Rules, 2014. The holder of the warrants would need to exercise the option to subscribe to equity shares upon payment of the balance ₹ 2,276.13 each of the consideration of warrants. Each warrant shall convert into 1 equity share of the Company at any time within a period of 20 (twenty) years from the warrant issue date.

Equity component of compound financial instruments

The Company's promoters and the investor have entered into a shareholder agreement (SHA) pursuant to which investors have subscribed to securities of the Company. It sets out the rights and obligations of the investors and the promoters as shareholders of the Company, management of the Company and other matters in connection therewith. The Company had issued 4 different series of compulsorily convertible preference shares (CCPS) namely Series I, Series II, Series III and Series IV at different time during its lifecycle.

During the current year, the Company has revised the terms of Series I, Series II, and Series III CCPS and issued Series IV CCPS with similarly modified terms. Basis the assessment of updated terms and conditions in SHA i.e. conversion ratio, exit clauses, liquidation preferences and other relevant provisions, these instruments are now classified as compound financial instruments i.e. having features of both 'equity and liability' and measured accordingly.

Note - 18

A Borrowings - non current

Unsecured

Compulsory convertible preference shares*

Series I

Series II

Series III

	As at 31 March 2020	As at 31 March 2019
	-	50,128.22
	-	55,269.89
	-	29,351.27
	-	1,34,749.38

*Refer note 17F for details

B Lease liabilities- non-current

Lease liabilities

	4,781.24	-
	4,781.24	-

C Lease liabilities - current

Lease liabilities

	3,882.21	-
	3,882.21	-

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Ecom Express Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ Lakh unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Note - 19		
A Other financial liabilities - non-current		
Liability arising on account of put option*	-	36,399.92
	-	36,399.92
*This amount becomes payable under the put option if exercised by the investors		
B Other financial liabilities		
Payables towards 'Cash on Delivery' shipments	2,417.95	9,250.53
Employee related payables	2,183.01	1,542.17
Creditors for capital assets	116.96	191.99
Deposits from customers	72.56	55.56
	<u>4,790.48</u>	<u>11,040.05</u>
Note - 20		
A Provisions - non-current		
Employees' benefits		
Gratuity	669.54	440.28
Compensated absences	676.64	321.28
	<u>1,346.18</u>	<u>761.56</u>
B Provisions - current		
Employees' benefits		
Gratuity	283.02	15.74
Compensated absences	398.14	13.28
	<u>681.16</u>	<u>29.02</u>
Note - 21		
Deferred tax assets / (Liabilities)		
i) Deferred tax liabilities arising on account of :		
Impact of difference between depreciation as per Income-tax and depreciation and amortisation as per books	-	67.67
	-	<u>67.67</u>
Deferred tax assets arising on account of :		
Impact of difference between depreciation as per Income-tax and depreciation and amortisation as per books	59.89	-
Provision for gratuity	239.74	152.24
On account of brought forward losses and unabsorbed depreciation	3,640.99	9,075.96
Difference between right-of-use assets and lease liabilities	81.60	-
Provision for compensated absences	270.50	111.69
Provision for lease rent equalisation	-	46.24
Provision for credit notes	802.39	212.99
Allowance for expected credit loss	827.58	458.12
Provision for bonus	330.73	-
Provision for performance incentives	50.48	280.39
Others	116.84	139.72
	<u>6,420.74</u>	<u>10,477.35</u>
Net deferred tax assets recognised in balance sheet	<u>6,420.74</u>	-

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Note - 23		
Trade payables	189.95	14.98
Total outstanding dues of micro enterprises and small enterprises	8,428.21	8,239.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>8,618.16</u>	<u>8,254.34</u>

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019:

Particulars	31 March 2020	31 March 2019
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	189.95	14.98
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii 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 this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.86	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Ecom Express Private Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
 (All amounts in ₹ Lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note - 24		
Revenue from operations		
Sale of service - service charges	1,23,545.16	1,00,585.61
	<u>1,23,545.16</u>	<u>1,00,585.61</u>
Note - 25		
Other income		
Interest income on -		
Bank deposits	1,450.80	1,048.14
Other financial asset carried at amortised cost	135.52	84.48
Income-tax refund	59.70	41.65
Miscellaneous income	203.19	85.20
	<u>1,849.21</u>	<u>1,259.47</u>
Note - 26		
Cost of services		
Freight and transportation costs	30,028.15	27,723.41
Printing, stationery and consumables	1,816.90	1,425.70
Courier charges	17,071.79	13,812.95
Fuel costs	9,297.48	7,186.98
Handling and clearing charges	1,469.28	1,376.51
	<u>59,683.60</u>	<u>51,525.55</u>
Note - 27		
Employee benefits expense		
Salaries and incentives*	34,593.95	26,260.22
Contributions to provident and other fund	2,536.91	1,466.69
Staff welfare expenses	386.88	222.43
Share based payment expense	113.41	223.53
	<u>37,631.15</u>	<u>28,172.87</u>
<i>* Refer note 37</i>		
Note - 28		
Finance costs		
Interest on -		
Working capital loans	125.70	290.94
Lease liabilities	982.79	-
Others	8.73	2.51
	<u>1,117.22</u>	<u>293.45</u>
Note - 29		
Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	2,348.74	1,596.17
Amortisation of right-of-use assets	4,223.30	-
Amortisation of other intangible assets	183.44	141.90
	<u>6,755.48</u>	<u>1,738.07</u>

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakhs unless stated otherwise)

	<u>For the year ended 31 March 2020</u>	<u>For the year ended 31 March 2019</u>
Note - 30		
Other expenses		
Rent	3,084.28	6,235.08
Electricity and water	1,019.58	877.11
Bank charges	1,120.01	999.72
Bad debts written off	105.18	5.09
Allowance for expected credit loss	1,938.84	548.77
Hire charges	223.29	210.73
Insurance	361.90	238.43
Legal and professional charges*	815.33	492.47
Rates and taxes	248.27	63.22
Repair and maintenance		
- building	136.20	117.06
- others	2,024.74	1,502.03
Printing and stationery	560.39	557.37
Office expenses	2,905.55	1,413.08
Uniform charges	90.16	109.01
Security expenses	1,648.49	1,219.81
Communication expenses	2,231.67	2,020.27
Travelling and conveyance	434.08	564.82
Net loss on sale of property, plant and equipment	11.40	7.74
Miscellaneous expenses	307.02	173.17
	<u>19,266.38</u>	<u>17,354.98</u>

* Legal and professional charges includes remuneration to auditors (excluding applicable taxes):

Audit fees	24.40	24.40
Tax audit fees	2.30	2.30
Reimbursement of expense	0.73	0.86
	<u>27.43</u>	<u>27.56</u>

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Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Note - 31		
Income tax		
A Income tax expense reported in the statement of profit and loss		
Tax expense comprises of:		
Current tax	-	-
Deferred tax	(6,392.24)	-
	<u>(6,392.24)</u>	<u>-</u>
B Income tax expense reported in the Other comprehensive income:		
Tax expense comprises of:		
Current tax	-	-
Deferred tax	(28.50)	-
	<u>(28.50)</u>	<u>-</u>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2019: 33.38%) and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	(37,743.74)	(12,959.93)
At India's statutory income tax rate of 25.17% (31 March 2019: 33.38%)	(9,499.34)	(4,326.02)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses not allowable under income-tax	9,764.44	7,161.94
Tax impact on deductions allowable expenses	-	(1,075.61)
Deferred tax not created	-	(1,760.30)
Creation of deferred tax for the first time	(6,685.83)	-
Income tax expense	<u>(6,420.74)</u>	<u>-</u>
Basis of computing Company's domestic tax rate:		
Base tax rate	22.00%	30.00%
Add: Surcharge @ 10% (March 31, 2019 - 7%)	2.20%	2.10%
	<u>24.20%</u>	<u>32.10%</u>
Add: Cess @ 4%	0.97%	1.28%
	<u>25.17%</u>	<u>33.38%</u>

The Government promulgated the Taxation Laws (Amendment) Ordinance 2019, announcing key changes to corporate tax rates in the Income-tax Act, 1961 (Act). Existing domestic companies have been provided an option to pay tax at a concessional rate of 22%. However, the reduced tax rates come with consequential surrender of specified deductions/ incentives. No minimum alternate tax (MAT) would be applicable in either of these options. Accordingly, Company has opted for Section 115BAA of the Income Tax Act, 1961 and accordingly Tax rate of 25.168% have been applied (Basic Tax Rate -22%, Surcharge - 10% and Cess - 4%).

Note - 32

Earnings per share (EPS)

Net loss for the year attributable to equity shareholders	(31,351.50)	(12,959.93)
Nominal value of equity share (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year (number)	21,02,465	21,01,715
Total number of equity shares outstanding at the end of the year (number)	21,02,565	21,02,465
Weighted average number of equity shares (number)	21,02,496	21,01,807
Earnings per equity share (₹)		
(1) Basic	(1,491.16)	(616.61)
(2) Diluted	(1,491.16)	(616.61)

There are potential equity shares as on 31 March 2020 and 31 March 2019 in the form of compulsorily convertible preference shares, employee stock option plan and share warrants issued. As these are anti dilutive, they are ignored in the calculation of diluted earning per share and accordingly, the diluted earning per share is the same as basic earnings per share.



Note - 33

Financial Instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2020	As at 31 March 2019
Financial assets measured at amortised cost			
Cash and cash equivalents	Note - 14	2,307.55	10,971.99
Other bank balances	Note - 15	21,292.44	9,129.53
Trade receivables	Note - 13	12,820.73	11,782.60
Loans	Note - 9	1,987.99	1,653.23
Other financial assets	Note - 10	14,268.43	5,060.52
Total		52,697.14	38,617.87
Financial liabilities measured at fair value			
Compulsorily convertible preference shares	Note - 18	-	1,34,749.38
Liability arising on account of put option	Note - 19	-	36,399.92
Financial liabilities measured at amortised cost			
Trade payables	Note - 23	8,618.16	8,254.34
Lease liabilities	Note - 18	8,663.46	-
Other financial liabilities	Note - 19	4,796.48	11,040.05
Total		22,072.10	1,90,443.69

B. Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3
Financial assets				
Financial liabilities at fair value through profit and loss				
Compulsorily convertible preference shares	31 March 2020	-	-	-
	31 March 2019	-	-	1,34,749.38
Liability arising on account of put option	31 March 2020	-	-	-
	31 March 2019	-	-	36,399.92

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) for unquoted compulsorily convertible preference shares and liability arising on account of put option, adjusted discounted cash flow method (income approach) and Black-Scholes option pricing model has been used.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	31 March 2020	31 March 2019	
Compulsorily convertible preference shares	-	1,34,749.38	Volatility rate
Liability arising on account of put option	-	36,399.92	Volatility rate

Sensitivity analysis

Description	For the year ended 31 March 2020	For the year ended 31 March 2019
Impact on compulsorily convertible preference shares fair value if change in volatility rate		
- Impact due to increase of 5%	-	(2,127.57)
- Impact due to decrease of 5%	-	1,646.92
Impact on liability arising on account of put options fair value if change in volatility rate		
- Impact due to increase of 5%	-	(571.72)
- Impact due to decrease of 5%	-	442.56

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

Particulars	Compulsorily convertible preference shares	Liability arising on account of put option
As at 1 April 2018	1,22,540.68	32,888.53
Add: fair value changes during the year	12,208.71	3,511.38
As at 31 March 2019	1,34,749.39	36,399.91
Add: fair value changes during the year	30,161.62	8,522.65
Less: Reclassification on extinguishment of financial liability and recognition of compound financial instruments	(1,64,911.01)	(41,922.57)
As at 31 March 2020	-	-



B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	2,307.55	2,307.55	10,971.99	10,971.99
Other bank balances	21,292.44	21,292.44	9,129.53	9,129.53
Trade receivables	12,820.73	12,820.73	11,782.60	11,782.60
Loans	1,987.99	1,987.99	1,653.23	1,653.23
Other financial assets	14,288.43	14,288.43	5,060.52	5,060.52
Total	52,697.14	52,697.14	38,617.87	38,617.87
Financial liabilities				
Trade payables	8,618.16	8,618.16	8,254.34	8,254.34
Lease liabilities	8,663.46	8,663.46	-	-
Other financial liabilities	4,790.49	4,790.48	11,040.05	11,040.05
Total	22,072.10	22,072.10	19,294.39	19,294.39

The following methods and assumptions were used to estimate the fair values for other assets and liabilities:

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The fair value of the Company's non-interest bearing security deposits is determined by applying discounted cash flows (DCF) method.

Note - 34

Financial risk management

1. Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company's risk are managed by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	Ageing analysis	Highly rated bank deposits and diversification of asset base and collaterals taken for assets
Liquidity risk	Borrowings, trade payables and other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - interest rate	Variable rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

A) Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
 (ii) Moderate credit risk
 (iii) High credit risk

The Company provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, security deposits and other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.



Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Low credit risk		
Cash and cash equivalents	2,307.55	10,971.99
Other bank balances	21,292.44	9,129.53
Trade receivables	12,820.73	11,782.60
Loans	1,987.99	1,653.23
Other financial assets	14,288.43	5,080.52
(ii) Moderate credit risk		
Trade receivables	3,152.87	1,247.01
Loans	45.45	30.21
Other financial assets	89.90	95.04

* These represent gross carrying values of financial assets, without deduction for expected credit losses

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

- b) Credit risk exposure
 i) Expected credit losses for financial assets

As at 31 March 2020	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	2,307.55	-	2,307.55
Other bank balances	21,292.44	-	21,292.44
Trade receivables	15,973.60	(3,152.87)	12,820.73
Loans	2,033.44	(45.45)	1,987.99
Other financial assets	14,378.33	(89.90)	14,288.43

As at 31 March 2019	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	10,971.99	-	10,971.99
Other bank balances	9,129.53	-	9,129.53
Trade receivables	13,029.61	(1,247.01)	11,782.60
Loans	1,683.44	(30.21)	1,653.23
Other financial assets	5,175.56	(95.04)	5,080.52

- ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables	Loans	Other financial assets
Loss allowance on 1 April 2018	823.50	-	-
Impairment loss recognised during the year	423.52	30.21	95.04
Write - offs	-	-	-
Loss allowance on 31 March 2019	1,247.02	30.21	95.04
Impairment loss recognised during the year	1,905.85	32.99	-
Write - offs	-	(17.75)	(5.15)
Loss allowance on 31 March 2020	3,152.87	45.45	89.90

- iii) Concentration of trade receivables

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

Particulars	As at 31 March 2020	As at 31 March 2019
E-commerce	15,973.59	13,029.61
Total	15,973.59	13,029.61

- B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors the Company's liquidity positions (also comprising the unfunded borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company also takes into account liquidity of the market in which the entity operates.



(All amounts in ₹ Lakhs unless stated otherwise)

i) Financing arrangements

The Company had access to the following funding facilities:

	Total facility	Drawn	Undrawn
As at 31 March 2020			
- Expiring within one year	12,000.00	-	12,000.00
- Expiring beyond one year	-	-	-
Total	12,000.00	-	12,000.00
As at 31 March 2019			
- Expiring within one year	6,500.00	-	6,500.00
- Expiring beyond one year	-	-	-
Total	6,500.00	-	6,500.00

ii) Maturities of financial assets and liabilities

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year	1-3 years	More than 3 years	Total
As at 31 March 2020				
Non-derivatives				
Borrowings	-	-	-	-
Lease liabilities	4,673.90	4,490.15	639.57	9,803.62
Trade payables	8,618.16	-	-	8,618.16
Other financial liabilities	4,790.48	-	-	4,790.48
Total	18,082.54	4,490.15	639.57	23,212.26
As at 31 March 2019				
Non-derivatives				
Borrowings	-	-	1,34,749.38	1,34,749.38
Trade payables	8,254.34	-	-	8,254.34
Other financial liabilities	11,040.05	-	-	11,040.05
Total	19,294.39	-	1,34,749.38	1,54,043.76

C) Market risk

Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate liabilities		
- Borrowings	-	-
Fixed rate liabilities		
- Borrowings	-	1,34,749.38

The Company's fixed rate borrowing are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Note - 35

Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to comply with externally imposed capital requirement and maintain strong credit ratings
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2020	As at 31 March 2019
Convertible preference shares	-	1,34,749.38
Total debt	-	1,34,749.38
Less: Cash and cash equivalents	(2,307.55)	(10,971.99)
Net debt	(2,307.55)	1,23,777.39
Equity attributable to the owners of the Company	61,109.03	(1,42,188.49)
Net debt to equity ratio	-	-

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Note - 36
 Commitments and contingencies

Commitment:

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital accounts	3,237.56	-491.45

Contingencies:

(a) The Company has certain tax litigations. Based on legal advice, the management believes that chance of devolving of a material liability on the Company in respect of these litigations is remote. Accordingly, no provision or contingent liability has been recognised in the financial statements.

(b) The Honourable Supreme Court of India in its decision dated 28 February 2019 has held that an 'allowance' paid by an employer to its employee will be included in the scope of 'basic wages' and hence, should be included in the calculations for determining provident fund contributions. The said decision has not prescribed any clarification regarding its date of application. Company has obtained the legal opinion in this regard. Based on the legal opinion, no additional provision for provident fund contribution have been recognised in the financial statements for the year ended 31 March 2019.

Note - 37

Employee benefits

The Company has classified the various benefits provided to employees as under:

A Defined contribution plans

Provident fund and employer's contribution to employee state insurance*

Particulars	31 March 2020	31 March 2019
Provident fund	1,697.89	682.86
Employer's contribution to employee state insurance	817.39	771.78

*Included in contribution to provident and other funds under employee benefits expense (refer note 27).

B Defined benefit plans/other long term benefits

Compensated absences

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet:

Particulars	31 March 2020	31 March 2019
Present value of the obligations	1,074.78	334.56
Current liability	398.14	13.28
Non-current liability	676.64	321.28

ii) Expenses recognised in statement of profit and loss:

Particulars	31 March 2020	31 March 2019
Current service cost	578.79	164.61
Interest cost	25.63	22.19
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	260.38	-
-Changes in financial assumptions	(67.71)	7.79
-Changes in experience adjustment	204.70	(49.32)
Expenses recognised during the year	1,001.79	145.27

iii) Movement in the liability recognised in the balance sheet is as under:

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	334.56	284.45
Current service cost	578.79	164.61
Interest cost	25.63	22.19
Actuarial loss/(gain) (net)	397.36	(41.53)
Benefits paid	(261.56)	(95.16)
Present value of defined benefit obligation at the end of the year	1,074.78	334.56



iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.76%	7.66%
Salary escalation rate	0% - 5% ⁺	5.50%
Retirement age (years)	58	58
Ages	Withdrawal rate (%)	
Up to 30 years	49.00/25.00	3.00%
From 31 to 44 years	49.00/25.00	2.00%
Above 44 years	49.00/25.00	1.00%
Leave		
Leave availment rate	5.00%	5.00%

⁺ 0% for the first year and 5% thereafter

Mortality rates inclusive of provision for disability -100% of IALM (2012 - 14) [previous year - IALM (2006 - 08)]

iv) (b) Maturity profile of defined benefit obligation

Particulars	31 March 2020	31 March 2019
0 to 1 year	398.44	13.28
1 to 2 year	328.98	8.32
2 to 3 year	164.78	7.82
3 to 4 year	86.27	12.31
4 to 5 year	46.12	7.18
5 to 6 year	23.58	6.92
6 year onwards	26.91	278.72

v) Sensitivity analysis for compensated absences liability

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	1,074.78	334.56
Impact due to increase of 0.50 %	(65.09)	(26.69)
Impact due to decrease of 0.50 %	63.72	30.07
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	1,074.78	334.56
Impact due to increase of 0.50 %	67.37	30.57
Impact due to decrease of 0.50 %	(59.60)	(27.32)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Sensitivity**Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet

Particulars	31 March 2020	31 March 2019
Present value of the obligation	952.56	454.02
Current liability	283.02	15.74
Non-current liability	669.54	448.28

iii) Actuarial loss/(gain) on obligation recognised in other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	(164.11)	
-Changes in financial assumptions	(107.46)	8.58
-Changes in experience adjustment	598.02	(55.95)
Actuarial loss/(gain) on obligation recognised in other comprehensive income	326.45	(47.37)



Ecom Express Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ Lakh unless stated otherwise)

iv) Expenses recognised in statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current service cost	218.60	175.56
Interest cost	34.93	24.75
Expenses recognised in profit and loss	253.53	200.31

v) Movement in the liability recognised in the balance sheet is as under:

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	456.02	317.30
Current service cost	218.60	175.56
Interest cost	34.93	24.75
Actuarial loss/(gain) (net)	326.45	(47.37)
Benefits paid	(83.44)	(14.22)
Present value of defined benefit obligation at the end of the year	952.56	455.02

vi) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.76%	7.66%
Salary escalation rate	0% - 5%*	5.50%
Retirement age (years)	58	58
Ages	Withdrawal rate (%)	
Up to 30 years	49.00/25.00	3.00%
From 31 to 44 years	49.00/25.00	2.00%
Above 44 years	49.00/25.00	1.00%
Weighted average duration of PBO	1.56	21.84

* 0% for the first year and 5% thereafter

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14) (previous year - IALM (2006 - 08))

vi) (b) Maturity profile of defined benefit obligation:

Particulars	31 March 2020	31 March 2019
0 to 1 year	283.02	15.74
1 to 2 year	293.58	8.63
2 to 3 year	149.44	24.03
3 to 4 year	80.75	8.40
4 to 5 year	42.97	9.63
5 to 6 year	20.31	27.19
6 year onwards	80.49	362.38

ix) Sensitivity analysis for gratuity liability:

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	952.56	456.02
Impact due to increase of 0.50 %	(10.87)	(34.90)
Impact due to decrease of 0.50 %	11.17	39.24
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	952.56	456.02
Impact due to increase of 0.50 %	11.30	39.90
Impact due to decrease of 0.50 %	(11.10)	(35.73)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

Note - 38

Operating segments

The Company operates in a single reportable segment i.e. "Courier services", which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", is considered to be the only reportable business segment. The Company derives its major revenues from courier services. Further, the Company is operating in India which is considered as a single geographical segment.

Information about major customer

During the year ended 31 March 2020, revenue of approximately 55% are derived from three external customer (31 March 2019: 54% from two external customers).

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Note - 39
 Leases

Adoption of Ind AS 116 'Leases'

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease').

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 9.85%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Lease liabilities are presented in the statement of financial position as follows:

	31 March 2020
Current	3,882.21
Non-current	4,781.24
	8,663.45

A. The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 at 01 April 2019:

	Carrying amount at 31 March 2019	Adjustment upon transition to Ind AS 116	Ind AS 116 carrying amount at 01 April 2019
Right-of-use assets	-	8,108.35	8,108.35
Lease liabilities	-	(8,096.40)	(8,096.40)
Other non-current assets	112.53	(82.96)	29.57
Other current assets	475.77	(67.33)	408.44
Other non-current Liabilities	(95.80)	95.80	-
Other current Liabilities	(1,911.51)	42.53	(1,868.98)
Total	(1,419.02)	(0.00)	(1,419.02)

B. The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 01 April 2019:

Total operating lease commitments disclosed at 31 March 2019	1,030.98
Variable lease payments not recognised	-
Other adjustments relating to commitment disclosures	8,331.62
	8,331.62
Operating lease liabilities before discounting	9,362.60
Discounted using incremental borrowing rate	(1,266.20)
Operating lease liabilities	8,096.40
Finance lease obligations	-
Total lease liabilities recognised under Ind AS 116 at 01 April 2019	8,096.40

C. The following are amounts recognised in profit or loss:

	31 March 2020
Depreciation expense of right-of-use assets	4,223.30
Interest expense on lease liabilities	982.79
Rent expense*	3,084.28
Total	8,290.37

*Rent expense in term of short term leases

The Company has leases for the offices and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:



Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	No of leases with extension options	No of leases with termination options
Offices and related facilities	723	1 to 9 years	723	723

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in Note - 34

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 3,084.28 Lakhs. At 31 March 2020 the Company is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31 March 2020 was ₹ 7,773.58 Lakh

Disclosures under Ind AS 17 for the year ended 31 March 2019:

Operating leases - Assets taken on lease

Minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year (₹)	814
Later than one year but not later than five years (₹)	217
Later than five years (₹)	-
Total	1,031

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Note - 40

Related party disclosures

List of related parties and relationships

Key Management Personnel (KMP)

Mr. T.A. Krishnan (Director)
 Mr. Kotla Satyanarayana - (Director)
 Mr. Sanjeev Saxena - (Head - Operations, Security and IT)
 Ms. Manju Dhawan - (Head - Customer Service and Business Development)
 Mr. Vishal Kashyap Mahadevia - (Director) (till 13 August 2018)
 Mr. Viraj Sawhney - (Director)
 Mr. Himanshu Nema - (Director) (w.e.f. 13 August 2018)
 Mr. Rajiv Kapoor - (Director)
 Mr. Girish Lakshman Sunder - (Director)
 Mr. Yogesh Dhingra - (Director) (w.e.f. 15 February 2019)
 Mr. Anantharaman Venkataramanan - (Director) (w.e.f. 22 November 2019)
 Mr. Rohit Anand - (Director) (w.e.f. 09 December 2019)

(B) Details of transactions with related party in the ordinary course of business:

S.No.	Particulars	Key Management Personnel		Total	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
1	Remuneration paid:				
	Mr. T.A. Krishnan	264.59	211.75	264.59	211.75
	Mr. Kotla Satyanarayana	173.13	137.22	173.13	137.22
	Mr. Sanjeev Saxena	159.34	131.89	159.34	131.89
	Ms. Manju Dhawan	172.60	140.07	172.60	140.07
2	Sitting fees				
	Mr. Rajiv Kapoor	2.50	1.00	2.50	1.00
	Mr. Girish Lakshman Sunder	1.50	-	1.50	-
	Mr. Yogesh Dhingra	2.00	-	2.00	-
3	Advisory fees				
	Mr. Rajiv Kapoor	15.00	8.00	15.00	8.00
	Mr. Girish Lakshman Sunder	15.00	10.00	15.00	10.00
	Mr. Yogesh Dhingra	16.88	-	16.88	-
	Mr. Anantharaman Venkataramanan	10.75	-	10.75	-
4	Reimbursement of Expenses				
	Mr. T.A. Krishnan	2.35	1.11	2.35	1.11
	Mr. Kotla Satyanarayana	9.73	6.34	9.73	6.34
	Mr. Sanjeev Saxena	19.07	12.32	19.07	12.32
	Ms. Manju Dhawan	4.27	1.85	4.27	1.85
	Mr. Girish Lakshman Sunder	8.67	5.09	8.67	5.09
	Mr. Viraj Sawhney	1.26	0.92	1.26	0.92
	Mr. Anantharaman Venkataramanan	0.40	-	0.40	-
	Mr. Himanshu Nema	1.17	-	1.17	-

*The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

Particulars	31 March 2020	31 March 2019
Short-term employee benefits	677.72	564.84
Post employment defined benefits	62.49	45.49
Other long-term benefits	29.45	10.60

(C) Amount due to / from related parties

(₹)

S.No.	Particulars	Key Management Personnel		Total	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
1	Payable for Advisory Fees				
	Mr. Girish Lakshman Sunder	3.36	6.72	3.36	6.72
	Mr. Rajiv Kapoor	3.38	1.80	3.38	1.80
	Mr. Yogesh Dhingra	3.38	-	3.38	-
	Mr. Anantharaman Venkataramanan	6.75	-	6.75	-
2	Payable for Sitting Fees				
	Mr. Girish Lakshman Sunder	0.45	-	0.45	-
	Mr. Rajiv Kapoor	0.45	-	0.45	-
	Mr. Yogesh Dhingra	0.45	-	0.45	-



Note - 41

Employee stock option scheme

The Company vide resolution dated 1 June 2017 approved ESOP 2017 for granting employee stock options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the board of directors or the committee authorised by the board.

The employees can purchase equity shares by exercising the options as vested at the price specified in the grant

Particulars	ESOP - 2017	
	31 March 2020	31 March 2019
No. of options	53,832 options	52,740 options
Exercise price (₹)	2,276.13 to 6,025.66	2,276.13 to 3,150
Expected volatility *	30.80% to 37.97%	30.80% to 32.90%
Expected forfeiture percentage on each vesting date	Nil	Nil
Option life (weighted average)	1.79 years	1.97 years
Expected dividends yield	0%	0%
Risk free interest rate	6.36% to 6.99%	6.82% to 6.99%
Fair value of the options(₹) **	993.81 to 3,362	993.81 to 1,585.55

* The expected volatility was determined based on historical volatility data.

** Fair value of the options is computed using the Black Scholes Option Pricing Model.

Remaining contractual life of options as at 31 March 2020: 9 to 12 years (31 March 2019: 6 to 10 years)

The Company has recognised share based payment expense of ₹ 113.41 Lakh in the statement of profit and loss for the year ended 31 March 2020 (31 March 2019: ₹ 223.53 Lakh).

Set out below is a summary of options granted under the plan

	ESOP - 2017	
	31 March 2020	31 March 2019
Outstanding as at beginning of the year (Nos.)	47,283	52,740
Granted during the year (Nos.)	9,959	-
Exercised during the year (Nos.)*	-	750
Lapsed during the year (Nos.)	3,410	4,707
Outstanding at the end of the year	53,832	47,283

*Weighted average exercise price of share during the year ended 31 March 2020 : Not Applicable (31 March 2019: ₹ 3,150).

Note - 42

Revenue from contracts with customers

Disaggregation of revenue

There is only stream of revenue from operations i.e. sale of service through courier services and warehousing services. Same has been disclosed

Description	Year ended 31 March 2020	Year ended 31 March 2019
Courier services	1,19,010.86	98,554.54
Warehousing services	4,534.30	2,031.07
	1,23,545.16	1,00,585.61

Assets and liabilities related to contracts with customers

Description	As at 31 March 2020	As at 31 March 2019
Contract assets		
Trade receivables	12,820.73	11,782.60
Contract liabilities		
Payables towards 'Cash on Delivery' shipments	2,417.95	9,250.53
Deposits from customers	72.56	55.36



Note - 43

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	Lease liabilities	Liability arising on account of put option	Compulsorily convertible preference shares	Short term borrowings	Accrued interest
Opening balance as on 1 April 2018	-	32,888.53	1,22,540.68	3,745.04	-
Add: Non cash changes due to-					
- Interest expense	-	-	-	-	293.45
- fair value changes during the year	-	3,511.38	12,208.71	-	-
Less: Cash outflow during the year					
- Repayment of current borrowings	-	-	-	(3,745.04)	-
- Interest paid	-	-	-	-	(293.45)
Closing balance as on 31 March 2019	-	36,399.91	1,34,749.39	-	-
Add: Non cash changes due to-					
- fair value changes during the year	-	8,532.65	30,161.62	-	-
- Recognition of lease liabilities	13,389.71	-	-	-	-
- Interest on lease liabilities	-	-	-	-	-
- Interest expense	-	-	-	-	1,117.22
Less: Non cash changes due to-					
Reclassification on extinguishment of financial liability and recognition of compound financial instruments	-	(44,922.57)	(1,64,911.01)	-	-
Less: Cash outflow during the year					
- Repayment of lease liabilities	(3,726.23)	-	-	-	-
- Interest paid	-	-	-	-	(1,117.22)
Closing balance as on 31 March 2020	8,663.46	-	-	-	-

Note - 44

Corporate social responsibility

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. A CSR committee has been formed by the Company as per the Act.

As per Section 198 of the Companies Act, 2013, the Company incurred losses in the preceding three financial years. Thus, the Company was not required to spend any money for CSR activities during the financial year 2019-20.

Note - 45

Till previous year, the Company had issued three different series of compulsorily convertible preference shares (CCPS) namely Series I, Series II, Series III and these were classified and measured as financial liability as per guidance under Ind AS. During the current year, the Company had raised additional funds by issuing new equity shares and CCPS to the new investor CDC Group PLC ('New Investor'). The new Investor has subscribed to Series IV CCPS at a price, which is significantly higher than the price at which Eaglebay Investment Ltd. ('the Existing Investor') has subscribed to Series I CCPS, Series II CCPS and the Series III CCPS.

In the revised shareholders agreement ('SHA') the Company has revised the terms of Series I, Series II, Series III CCPS. Additionally, the Company has issued Series IV CCPS with the similar terms i.e. modified terms of Series I, Series II and Series III CCPS. Basis the assessment of updated terms and conditions in SHA i.e. conversion ratio, exit clauses, liquidation preferences and other relevant provisions, these instruments are now classified as compound financial instruments i.e. having features of both 'equity and liability' and measured accordingly.

Note - 46

World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic. COVID-19 continues to spread across the globe including India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Company depends upon future developments that cannot be predicted reliably at this stage.

However, based on the preliminary estimates, the Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has also resumed its operations. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial statement. The Company will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial and operational performance of the Company and take necessary measures to address the situation.

Note - 47

Previous year amounts have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current year.

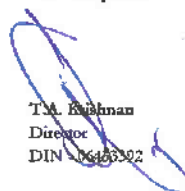
For Walker Chandok & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N/N500013



Neeraj Goel
 Partner
 Membership No. 099514



For and on behalf of board of directors of
 Ecom Express Private Limited

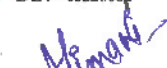


T.A. Bishnan
 Director
 DIN - 06483322





K. Satyanarayana
 Director
 DIN - 05320682



Himanshu Goel
 Company Secretary
 M. No. 30989

Place: Gurugram
 Date: 25 September 2020