



INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Logistics Private Limited,

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Vakrangee Logistics Private Limited (the 'Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind



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INDEPENDENT AUDITORS' REPORT

To the Members of Vakrangee Logistics Private Limited,

Report on the Financial Statements

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AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

**Other Matter**

7. The company was incorporated on March 18, 2016 and the aforesaid financial statements have been prepared for the period from March 18, 2016 to March 31, 2017, these financial statements being the first financial statements of the Company. As these financial statements have been prepared in accordance with Indian Accounting Standards, there were no further adjustments required to be made in these financial statements for compliance with Indian Accounting Standards. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

8. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations as at March 31, 2017 and accordingly there is no impact on its financial position which requires to be disclosed in its Ind AS financial statements;
- (ii) The Company does not have long-term contracts, including derivative contracts, as at March 31, 2017;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer Note No. 31.

**For S. K. Patodia & Associates**  
Chartered Accountants  
**Firm Registration Number: 112723W**

*Arun Poddar*  
**Arun Poddar**  
Partner

**Membership No. : 134572**



Place : Mumbai  
Date : May 26, 2017

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Logistics Private Limited on the financial statements as of and for the period ended March 31, 2017.

- i. The Company does not have any Fixed Assets during the period.
- ii. The inventory has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any unsecured loan, to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. The company also has not granted any secured or unsecured loans to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act:
- iv. In our opinion and according to the information and explanation given to us, the Company has not given any loan, guarantee or security in respect of loans or made investments, as per the provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section(1) of section 148 of the Companies Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of



## **Annexure to Independent Auditors' Report**

Referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Vakrangee Logistics Private Limited on the financial statements as of and for the period ended March 31, 2017.

Page 2 of 2

material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.

- xi. The Company has not paid / provided any managerial remuneration during the period and accordingly the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act are not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly the provisions of clause 3(xiv) of the order are not applicable to the Company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For S. K. Patodia & Associates**  
Chartered Accountants  
**Firm Registration Number: 112723W**

*Arun Poddar*  
**Arun Poddar**  
Partner  
**Membership. No. : 134572**



Place : Mumbai  
Date : May 26, 2017

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Logistics Private Limited on the standalone financial statements as of and for the period ended March 31, 2017.

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

1. We have audited the internal financial controls over financial reporting of Vakrangee Logistics Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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**

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, 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 judgment, including the assessment of the risk of material misstatement of the financial statement, 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 over financial reporting.



## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Vakrangee Logistics Private Limited on the standalone financial statements as of and for the period ended March 31, 2017.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial controls over financial reporting 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 the Generally Accepted Accounting Principles. A company's internal financial controls over financial reporting includes those policies and procedures that :
- i. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transaction and dispositions of the assets of the company;
  - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For S. K. Patodia & Associates**  
Chartered Accountants  
Firm Registration Number: 112723W

*Arun Poddar*  
**Arun Poddar**  
Partner  
Membership No. : 134572

Place : Mumbai  
Date : May 26, 2017



Vakrangee Logistics Private Limited

Balance Sheet as at March 31, 2017

(Amount in ₹ 000's)

Particulars	Note No.	As at March 31, 2017	
<b>I ASSETS</b>			
<b>1 Non - Current Assets</b>			
Capital Work in Progress	4	405.00	
Financial Assets			
(a) Other Financial Assets	5	25.00	430.00
<b>2 Current Assets</b>			
Financial Assets			
(a) Trade Receivables	6	76.43	
(b) Cash and cash equivalents	7	10,818.10	
(c) Bank Balances other than (b) above	8	5,122.01	
(d) Other Financial Assets	9	1,570.04	
Other Current Assets	10	118.69	
			17,705.27
<b>TOTAL</b>			<b>18,135.27</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>1 Equity</b>			
Equity Share Capital	11	20,000.00	
Other Equity	12	(6,904.00)	13,096.00
<b>2 Non - Current Liabilities</b>			
Employee Benefit Obligations	13	192.95	192.95
<b>3 Current Liabilities</b>			
Financial liabilities			
(a) Trade Payables	14	1,884.90	
(b) Other Financial Liabilities	15	2,454.18	
Other Current Liabilities	16	494.90	
Provisions	17	8.19	
Employee Benefit Obligations	18	4.15	
			4,846.32
<b>TOTAL</b>			<b>18,135.27</b>
<b>Significant Accounting Policies</b>	1-3		

The accompanying notes forms an integral part of the financial statements

As per our report of even date  
**For S. K. Patodia & Associates**  
 Chartered Accountants  
 Firm Registration No: 112723W

*Arun Poddar*  
**Arun Poddar**  
 Partner  
 Membership No.: 134572



Place : Mumbai  
 Date : May 26, 2017

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

*Dinesh Nandwana*  
**Dinesh Nandwana**  
 Director  
 DIN: 00062532

*Shailendra Jindal*  
**Shailendra Jindal**  
 Director  
 DIN: 00062539

*S. R. Agarwal*  
**Shivratan Agarwal**  
 Chief Financial Officer



Place : Mumbai  
 Date : May 26, 2017



Vakrangee Logistics Private Limited

Statement of Profit and Loss for the period ended March 31, 2017

(Amount in ₹ 000's)

Particulars		For the period ended March 31, 2017	
<b>I</b>	<b>Income</b>		
	Revenue from Operations	19	9,292.86
	Other Income	20	221.45
	<b>Total Income</b>		<b>9,514.31</b>
<b>II</b>	<b>Expenses</b>		
	Purchase of Stock- in-trade	21	4,411.06
	Operating Expenses	22	2,445.74
	Employee Benefits Expenses	23	6,543.55
	Finance Costs	24	109.80
	Other Expenses	25	2,908.16
	<b>Total Expenses</b>		<b>16,418.31</b>
<b>III</b>	<b>Profit Before Tax</b>		<b>(6,904.00)</b>
<b>IV</b>	<b>Tax Expense:</b>		
	(a) Current Tax		-
	(b) Deferred Tax		-
<b>V</b>	<b>Profit for the year</b>		<b>(6,904.00)</b>
<b>VI</b>	<b>Other Comprehensive Income</b>		
	Items that will be reclassified subsequently to profit or loss		-
	Items that will not be reclassified subsequently to profit or loss		-
<b>VII</b>	<b>Total Comprehensive Income for the period</b>		<b>(6,904.00)</b>
<b>VIII</b>	<b>No. of equity shares for computing EPS (in thousands)</b>		
	(1) Basic	26	1,083.33
	(2) Diluted		1,083.33
<b>IX</b>	<b>Earnings Per Equity Share (Face Value ₹ 10/- Per Share):</b>	26	
	(1) Basic (₹)		(6.37)
	(2) Diluted (₹)		(6.37)
	<b>Significant Accounting Policies</b>	1-3	

The accompanying notes forms an integral part of the financial statements

As per our report of even date

For S. K. Patodia & Associates

Chartered Accountants

Firm Registration No: 112723W

*Arun Poddar*

Arun Poddar

Partner

Membership No.: 134572



Place : Mumbai

Date : May 26, 2017

For & on behalf of the Board of Directors

*Dinesh Nandwana*

Dinesh Nandwana

Director

DIN: 00062532

*Shailendra Jindal*

Shailendra Jindal

Director

DIN: 00062539



*S.R. Agarwal*

Shivratan Agarwal

Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

Vakrangee Logistics Private Limited

Cash flow statement for the period ended March 31, 2017

(Amount in ₹ 000's)

Particulars	For the period ended March 31, 2017
<b>Cash flow from operating activities</b>	
Profit before tax from continuing operations	(6,904.00)
Non-cash adjustment to reconcile the profit before tax to net cash flows	
- Allowance for credit losses	1,190.09
- Finance Costs	40.61
- Interest Income	(139.55)
<b>Operating profit before working capital changes</b>	<b>(5,812.85)</b>
Movements in assets and liabilities :	
- Increase in Trade payables	1,884.90
- Increase in Other payables	2,454.18
- Increase in Other current liabilities	494.90
- Increase in Provisions	8.19
- Increase in Employee benefit obligations	197.10
- (Increase) in Trade Receivables	(76.43)
- (Increase) in Other financial assets	(7,907.14)
<b>Cash generated from / (used in) operations</b>	<b>(8,757.15)</b>
Direct taxes paid (net of refunds)	(118.69)
<b>Net cash flow used in operating activities (A)</b>	<b>(8,875.84)</b>
<b>Cash flows from investing activities</b>	
Capital Work in progress	(405.00)
Interest received	139.55
<b>Net cash flow used in investing activities (B)</b>	<b>(265.45)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of share capital	20,000.00
Interest paid	(40.61)
<b>Net cash flow from financing activities (C)</b>	<b>19,959.39</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>10,818.10</b>
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year</b>	<b>10,818.10</b>

The accompanying notes forms an integral part of the financial statements

For S. K. Patodia & Associates

Chartered Accountants

Firm Registration No: 112723W

*Arun Poddar*

Arun Poddar  
Partner

Membership No.: 134572



For & on behalf of the Board of Directors

*Dinesh Nandwana*  
Dinesh Nandwana  
Director  
DIN: 00062532

*Shailendra Jindal*  
Shailendra Jindal  
Director  
DIN: 00062539



*S.R. Agarwal*  
Shivratan Agarwal  
Chief Financial Officer

Place : Mumbai

Date : May 26, 2017

**Vakrangee Logistics Private Limited**  
**Statement of changes in equity for the period ended March 31, 2017**

(Amount in ₹ 000's)

Particulars	Equity Share Capital	Other Equity		Total equity attributable to equity holders of the Company
		Reserve and Surplus	Retained earnings	
As at March 18, 2016	10,000.00	-	-	10,000.00
Profit for the period	-	(6,904.00)	-	(6,904.00)
Other comprehensive income	-	-	-	-
Issue of equity shares	10,000.00	-	-	10,000.00
Dividends paid	-	-	-	-
As at March 31, 2017	20,000.00	(6,904.00)	-	13,096.00

*The accompanying notes forms an integral part of the financial statements*

As per our report of even date

**For S. K. Patodia & Associates**  
Chartered Accountants  
**Firm Registration No: 112723W**

*Arun Poddar*  
**Arun Poddar**  
Partner

**Membership No.: 134572**

Place : Mumbai

Date : May 26, 2017



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

*Dinesh Nandwana*  
**Dinesh Nandwana**  
Director  
DIN: 00062532

*Shailendra Jindal*  
**Shailendra Jindal**  
Director  
DIN: 00062539

Place : Mumbai

Date : May 26, 2017



*Shivratan Agarwal*  
**Shivratan Agarwal**  
Chief Financial Officer

## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### **Note 1 - Corporate Information**

Vakrangee Logistics Private Limited (hereinafter referred to as “the Company”) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at ‘Vakrangee House’, Plot No. 66, Marol Co-op. Indl. Estate, Off. M. V. Road, Marol, Andheri (East), Mumbai, Maharashtra, India. The Company is a wholly owned subsidiary of Vakrangee Limited, whose shares are listed on two stock exchanges in India- the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).

The Company is engaged in providing last mile delivery services of parcels on behalf of e-commerce entities and courier booking services.

The Company was incorporated on 18<sup>th</sup> March 2016 and hence the figures of the previous year are not applicable and the period for the current year is from 18<sup>th</sup> March 2016 to 31<sup>st</sup> March 2017 i.e. more than 12 months.

The financial statements were authorized for issue by the Company’s Board of Directors on May 26, 2017.

### **Note 2 - Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been applied in preparation of the first-year financial statements of the Company.

#### **A. Basis of preparation**

##### **i. Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as “Ind AS”) under the provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

##### **ii. Basis of measurement**

The financial statements have been prepared on historical cost basis except the following

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments



## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### B. Summary of significant accounting policies

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

A liability is current when:

- It is expected to be settled in normal operating cycle
- 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

All other liabilities are classified as non –current.

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

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

#### b. Foreign Currencies

The company's financial statements are presented in INR (rounded off to thousands), which is also the company's functional currency.

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except



## Vakrangee Logistics Private Limited

### Notes to financial statements for the period ended March 31, 2017

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of services

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The Company recognizes the income for last mile delivery upon delivery of shipment to end customer or in case of reverse pick-up upon the pick-up of the shipment from the end customer. The Company recognizes the income or commission income from courier services upon pick up of parcels by courier companies.

#### Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold



## Vakrangee Logistics Private Limited

### Notes to financial statements for the period ended March 31, 2017

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Service Tax and Value Added Taxes (VAT), and is net of discounts.

#### Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

#### Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

#### d. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.



## Vakrangee Logistics Private Limited

### Notes to financial statements for the period ended March 31, 2017

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight- line method (“SLM”). Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Rate of Depreciation
Buildings	1.67%
Computers and Printers, including Computer Peripherals	33.33%
Office Equipments	20.00%
Furniture & Fixtures	10.00%
Motor Vehicles	12.50%
Plant & Machinery	6.67%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### e. Taxation

##### Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

##### Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary





## Vakrangee Logistics Private Limited

### Notes to financial statements for the period ended March 31, 2017

differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **f. Fair Value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

- Level 1 —Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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



## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### g. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### h. Financial Instruments

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

#### Financial Assets

##### a) Initial recognition and measurement

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



## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### b) Subsequent measurement

#### Debt Instruments at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

#### Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

#### Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the financial statements.



**c) De-recognition**

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

The rights to receive cash flows from the asset have expired, or

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

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

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

**d) Impairment of financial assets**

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.



## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### Financial Liabilities

#### a) Initial recognition and measurement

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

#### b) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor



## Vakrangee Logistics Private Limited

### Notes to financial statements for the period ended March 31, 2017

fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### c) Derecognition

A financial liability is derecognised 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 derecognition 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 or loss

#### d) 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.

#### i. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

#### k. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



## Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

### **l. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **m. Provisions**

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

### **n. Contingent Liabilities**

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 present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

### **o. Earnings Per Share**

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

### **p. Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



**q. Employee Benefits**

• **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

• **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

• **Post-employment obligations**

**Defined benefit plan - Gratuity Obligations**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.





## Vakrangee Logistics Private Limited

### Notes to financial statements for the year ended March 31, 2017

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Note 3 - Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

##### ▪ Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 29.

##### ▪ Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 4 - Capital work in progress

(Amount in ₹ 000's)	
Description	Capital Work in progress
At March 31, 2016	-
Additions	405.00
Disposals/Transfers	-
At March 31, 2017	405.00
<b>Depreciation and Impairment</b>	
At March 31, 2016	-
Depreciation charged for the year	-
Disposals/Transfers	-
At March 31, 2017	-
<b>Net Book Value</b>	
At March 31, 2017	405.00

Note 5 - Other Financial Assets

Non-Current

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
Deposit with statutory authorities	25.00
<b>TOTAL</b>	<b>25.00</b>

Note 6 - Trade Receivables

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
(Unsecured)	
Considered Good	76.43
<b>TOTAL</b>	<b>76.43</b>

Note 7 - Cash and Cash equivalents

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
<b>Cash and cash equivalents</b>	
(i) Balances with Banks :	
- Current Accounts	6,703.60
- Deposit Accounts	4,081.15
(ii) Cash-in-hand	33.35
<b>TOTAL</b>	<b>10,818.10</b>

Note 8 - Bank Balances other than above

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
Fixed Deposits with maturity period of more than 3 months but less than 12 months*	5,122.01
<b>TOTAL</b>	<b>5,122.01</b>

\* Amount held as margin money against bank guarantee

100.00



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 9 - Other Financial Assets

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
Other Receivables	2,760.13
Less:- Allowance for credit losses	1,190.09
<b>TOTAL</b>	<b>1,570.04</b>

Note 10 - Other Current Assets

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
Balances with statutory authorities	118.69
<b>TOTAL</b>	<b>118.69</b>

Note 11 - Equity Share Capital

(Amount in ₹ 000's)		
Particulars	As at March 31, 2017	
<b>(i) Authorised Share Capital :</b>	<b>Number of Shares ( in 000's)</b>	<b>Amount</b>
As at March 18, 2016	5,000.00	50,000.00
Increase during the year	5,000.00	50,000.00
As 31 March 2017	<b>10,000.00</b>	<b>100,000.00</b>

(Amount in ₹ 000's)		
<b>(ii) Issued Equity Share Capital</b>	<b>Number of Shares ( in 000's)</b>	<b>Amount</b>
As at March 18, 2016	1,000.00	10,000.00
Increase during the year	1,000.00	10,000.00
As at March 31, 2017	<b>2,000.00</b>	<b>20,000.00</b>

(iii) Details of shareholders holding more than 5% shares in the Company

No. of Shares held by	As at March 31, 2017	
	Number of Shares ( in 000's)	%
Vakrangee Limited	2,000.00	100.00
<b>TOTAL</b>	<b>2,000.00</b>	<b>100.00</b>

(a) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. New equity shares issued shall be ranked parripassu to the existing equity shares.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 12 - Other Equity

(Amount in ₹ 000's)	
Particulars	As at March 31, 2017
<b>Surplus in Statement of Profit &amp; Loss</b>	
Balance at the beginning of the period	-
Add: Profit for the period	(6,904.00)
Amount available for appropriations	(6,904.00)
<b>TOTAL</b>	<b>(6,904.00)</b>

Note 13 - Employee Benefit Obligations

(Amount in ₹ 000's)

Non-Current

Particulars	As at March 31, 2017
Provision for Gratuity	77.36
Provision for Leave encashment	115.59
<b>TOTAL</b>	<b>192.95</b>

Note 14 - Trade Payables

(Amount in ₹ 000's)

Particulars	As at March 31, 2017
Trade Payables	1,884.90
<b>TOTAL</b>	<b>1,884.90</b>

Note 15 - Other Financial Liabilities

(Amount in ₹ 000's)

Particulars	As at March 31, 2017
Payables against cash collection	1,873.89
Advance from customers	125.00
Payable to Employees	290.65
Commission Expenses Payable	106.05
Other Payables	58.59
<b>TOTAL</b>	<b>2,454.18</b>

Note 16 - Other Current liabilities

(Amount in ₹ 000's)

Particulars	As at March 31, 2017
Withholding taxes and others	494.90
<b>TOTAL</b>	<b>494.90</b>

Note 17 - Provisions

(Amount in ₹ 000's)

Particulars	As at March 31, 2017
Provision for Expenses	8.19
<b>TOTAL</b>	<b>8.19</b>

Note 18 - Employee Benefit Obligations

(Amount in ₹ 000's)

Current

Particulars	As at March 31, 2017
Provision for Employees' benefits	4.15
<b>TOTAL</b>	<b>4.15</b>



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 19 - Revenue from Operations

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
Sale of Logistics Kit	3,894.89		
Sale of Courier services	318.26		
Sale of Last mile delivery services	5,079.71		
			9,292.86
<b>TOTAL</b>			<b>9,292.86</b>

Note : The amount of revenues are exclusive of indirect taxes (service tax, value added tax, etc.)

Note 20 - Other Income

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
Interest Income			
- Bank Deposits	139.55		
Miscellaneous Income	81.90		
			221.45
<b>TOTAL</b>			<b>221.45</b>

Note 21 - Purchase of Stock- in-trade

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
Purchase of Logistic Kit	4,100.94		
Purchase of Courier Services	310.12		
			4,411.06
<b>TOTAL</b>			<b>4,411.06</b>

Note 22 - Operating Expenses

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
Commisison Expense			2,445.74
<b>TOTAL</b>			<b>2,445.74</b>

Note 23 - Employee Benefits Expenses

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
(i) Salaries & Wages	6,494.50		
(ii) Staff Welfare Expenses	49.05		
			6,543.55
<b>TOTAL</b>			<b>6,543.55</b>

Note 24 - Finance Costs

		(Amount in ₹ 000's)	
Particulars	For the period ended March 31, 2017		
Interest Expenses			
- Banks	-		
- Others	40.61		
Bank Charges & Commission			69.19
<b>TOTAL</b>			<b>109.80</b>



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 25 - Other Expenses

		(Amount in ₹ 000's)
Particulars	For the period ended March 31, 2017	
Business Promotion Expenses		17.97
Conveyance & Travelling Expenses		218.57
Communication Costs		98.35
Electricity Expenses		66.83
Allowance for credit losses		1,190.09
Legal & Professional Fees - Other than payments to Auditor		
- Legal & Professional Fees	32.50	
- Filing Stamp Duty and Franking Charges	522.45	
- Fees & Registration charges	8.11	563.06
Payments to Auditors :		
- Audit fees	40.00	
- Tax audit fees	-	40.00
Office & General Expenses		104.39
Preliminary Expenses written off		608.90
<b>TOTAL</b>		<b>2,908.16</b>

Note 26 - Earnings Per Equity Share

		(Amount in ₹ 000's)
Particulars	For the period ended March 31, 2017	
(a) Net profit after tax attributable to equity shareholders for Basic EPS		(6,904.00)
Add/Less: Adjustment relating to potential equity shares		-
Net profit after tax attributable to equity shareholders for Diluted EPS		(6,904.00)
(b) Weighted average no. of equity shares (in thousands) outstanding during the year		
For Basic EPS		1,083.33
For Diluted EPS		1,083.33
(c) Basic EPS (₹)		(6.37)
Diluted EPS (₹)		(6.37)
Face Value per Equity Share (₹)		10.00
(d) Reconciliation between no. of shares used for calculating basic and diluted EPS		
No. of shares (in thousands) used for calculating Basic EPS		1,083.33
Add: Potential equity shares		-
No. of shares (in thousands) used for calculating Diluted EPS		1,083.33

Note 27 - Related Party Transactions

a) Key Management Personnel

Dinesh Nandwana  
Nitinkumar Shanna  
Shivratan Agarwal  
Shailendra Jindal  
Jitendra Jog  
Sanjay Nandwana  
Chetan Joshi

Director  
Director (upto April 24, 2017)  
Chief Financial Officer (w.e.f. November 21, 2016)  
Director (w.e.f. April 24, 2017)  
Director (w.e.f. April 24, 2017)  
Director (w.e.f. April 24, 2017)  
Director (w.e.f. April 24, 2017)



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

b) Holding Company of the company with whom company has entered in transactions during the year  
- Vakrangee Limited

Transactions during the year

- In relation to (a) (Amount in ₹ 000's)

Nature of Transactions	For the period ended March 31, 2017
Employee Benefit Expenses	
- Shivratn Agarwal	612.25

- In relation to (b) (Amount in ₹ 000's)

Nature of Transaction	For the period ended March 31, 2017
Sale of goods and services	3,070.67
Receipt towards goods and services	3,070.67
Loans received	3,996.57
Interest paid	40.61
Loan Repaid	4,037.18
Equity Share Capital subscription	20,000.00

Note 28 - Amounts due to Micro, Small and Medium Enterprises:

The Company has not received any intimation from the suppliers under the The Micro, Small & Medium Enterprises Development Act 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Note 29 - Employee Benefit Obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 119.42 thousands is presented as current and non-current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employee to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Gratuity (post-employment benefits)

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Particulars	(Amount in ₹ 000's)		
	Present value of obligation	Fair value of Plan assets	Net amount
01-Apr-16			
Current Service cost	102.68	(25.00)	77.68
Total amount recognised in profit or loss	102.68	(25.00)	77.68
31-Mar-17	102.68	(25.00)	77.68

The net liability disclosed above relates to funded plans are as follows

Particulars	(Amount in ₹ 000's)	
	31-Mar-17	
Present value of funded obligations	102.68	
Fair value of plan assets	(25.00)	
Deficit/(Surplus) of gratuity plan	77.68	

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

	31-Mar-17
Discount rate	7.50%
Salary growth rate (per annum)	5.00%
Withdrawal rate (per annum)	2.00%
Expected rate of return	7.50%
Mortality Table	IALM 2006-08 Ultimate



Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption 31-Mar-17	Impact on defined benefit obligation	
		Increase in assumption 31-Mar-17	
Discount rate	1%	Decrease by	12%
Salary growth rate	1%	Increase by	14%
Withdrawal rate	1%	Decrease by	1%

Particulars	Change in assumption 31-Mar-17	Impact on defined benefit obligation	
		Decrease in assumption 31-Mar-17	
Discount rate	1%	Increase by	14%
Salary growth rate	1%	Decrease by	12%
Withdrawal rate	1%	Decrease by	0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

\*The major categories of plans assets are as follows :

Particulars	In Percentage %
	31-Mar-17
Equity instruments	7.71
Debt instruments	89.43
Government bonds	63.10
Corporate bonds/debentures	26.33
Asset backed securities	0.03
Cash and cash equivalents	2.83
<b>Total</b>	<b>100.00</b>

\*The Company contributes all the ascertained liabilities towards gratuity to Life Insurance Corporation of India (LIC) which is the insurer- managed fund. Since the investments in the plan assets is managed by LIC the detailed breakup of the investments is not made available to the Company.

**Risk Exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Maturity profile of gratuity liability and Employer contribution**

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are ₹ 148.18 thousands.





Vakrangee Logistics Private Limited

Notes to financial statements for the period ended March 31, 2017

Note 30 - Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹ 000's)

Particulars	As at March 31, 2017
<b>(A) Contingent Liabilities</b>	
Company has provided Counter Guarantee in relation to Bank Guarantee	100.00
<b>Total (A)</b>	<b>100.00</b>
<b>(B) Commitments</b>	
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances).	945.00
<b>Total (B)</b>	<b>945.00</b>
<b>Total (A+B)</b>	<b>1,045.00</b>

Note 31 - Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹ 000's)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	28.00	0.87	28.87
(+) Permitted receipts	2.00	50.00	52.00
(-) Permitted payments		23.20	23.20
(-) Amount deposited in Banks	30.00	-	30.00
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>27.67</b>	<b>27.67</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

The Company is engaged in providing the last mile delivery services of parcel received on behalf of e-commerce entities through its franchisees in rural, semi-urban and urban areas in India. The franchisee collects the cash upon delivery of parcels from the end customer. The franchisee has deposited such amounts into the Company's specified bank account during the period totalling ₹ 11,807.63 thousands. The Company has requested for information with the franchisees, of the denomination of notes deposited into the Company's bank account. However, the details have not been received as on date from them and accordingly, the details of denomination of notes is not available with the Company. This amount has not been included above as the amounts were not held as cash balance with the company during the period from November 8, 2016 to December 30, 2016.

Note 32 - Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Exposure arising from	Risk	Measurement	Management
Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Credit Risk	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings and other liabilities	Liquidity Risk	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Market Risk - foreign exchange	Cash flow forecasting Sensitivity analysis	Forwarded foreign exchange contracts Foreign currency options
Long-Term borrowings at variable rates	Market Risk - interest	Sensitivity analysis	Interest rate swaps
Investments in equity securities	Market Risk - security	Sensitivity analysis	Portfolio diversification

As per our report of even date attached.

For S. K. Patodia & Associates

Chartered Accountants

Firm Reg. No: 112723W

*Arun Poddar*

Arun Poddar  
Partner

Membership No.: 134572

Place : Mumbai

Date : May 26, 2017



For & on behalf of the Board of Directors

*Dinesh Nandwana*

Dinesh Nandwana  
Director  
DIN: 00062532

*Shailendra Jindal*

Shailendra Jindal  
Director  
DIN: 00062539

Place : Mumbai

Date : May 26, 2017

*S.R. Agarwal*

Shivratan Agarwal  
Chief Financial Officer

