

Independent Auditor's Report

To the Members of Shadowfax Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shadowfax Technologies Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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Independent Auditor's Report (Continued)

Shadowfax Technologies Private Limited

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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



Independent Auditor's Report (Continued)
Shadowfax Technologies Private Limited

safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis. However, the back-up is kept in servers located outside India on a daily basis.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The remarks relating to the maintenance of back-up of books and accounts in servers physically located in India on a daily basis, therewith are as stated in the paragraph 2(A)(b) above.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 41(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 41(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding,



Independent Auditor's Report (Continued)

Shadowfax Technologies Private Limited

whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Ashish Chadha

Partner

Place: Bengaluru

Date: 23 September 2023

Membership No.: 500160

ICAI UDIN: 23500160BGXSGA3663

Annexure A to the Independent Auditor's Report on the Financial Statements of Shadowfax Technologies Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering platform for logistics/delivery services using technology. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

**Annexure A to the Independent Auditor's Report on the Financial Statements of Shadowfax Technologies Private Limited for the year ended 31 March 2023
(Continued)**

Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of equity shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment and private placement of compulsory convertible preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of such shares have been used for the purposes for which the funds were raised.

-  (xi) (a) Based on examination of the books and records of the Company and according to the

Annexure A to the Independent Auditor's Report on the Financial Statements of Shadowfax Technologies Private Limited for the year ended 31 March 2023 (Continued)

information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of INR 957.26 million in the current financial year and INR 1,221.78 Million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Shadowfax Technologies Private Limited for the year ended 31 March 2023
(Continued)**

by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022



Ashish Chadha

Partner

Place: Bengaluru

Date: 23 September 2023

Membership No.: 500160

ICAI UDIN:23500160BGXSGA3663

Annexure B to the Independent Auditor's Report on the financial statements of Shadowfax Technologies Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Shadowfax Technologies Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are 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. 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 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

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 Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



Annexure B to the Independent Auditor's Report on the financial statements of Shadowfax Technologies Private Limited for the year ended 31 March 2023 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Ashish Chadha

Partner

Place: Bengaluru

Membership No.: 500160

Date: 23 September 2023

ICAI UDIN:23500160BGXSGA3663

Shadowfax Technologies Private Limited
Balance sheet
(Rs. in millions, except share and per share data, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	656.15	379.72
Intangible assets	3	123.63	102.16
Right-of-use assets	3a	53.34	114.58
Financial assets			
Loans	4	162.12	150.51
Income tax assets (net)	5	305.66	278.36
Deferred tax assets (net)	6	-	-
		1,300.90	1,025.33
Current assets			
Financial assets			
Investments	7	596.31	580.83
Trade receivables	8	932.99	693.66
Cash and bank balances	9	861.84	1,109.89
Loans	10	4.80	8.08
Other financial assets	11	58.71	58.02
Other current assets	12	671.73	1,043.97
		3,126.38	3,494.45
		4,427.28	4,519.78
Equity and liabilities			
Equity			
Equity share capital	13	2.31	2.31
Instruments entirely equity in nature	14	48.80	46.28
Other equity	15	1,712.04	1,522.91
		1,763.15	1,571.50
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	257.58	402.74
Lease liability	3a	15.73	53.16
Provisions	17	76.64	65.63
		349.95	521.53
Current liabilities			
Financial liabilities			
Borrowings	18	349.71	532.77
Lease liability	3a	43.92	71.83
Trade payables	19	-	-
- Total outstanding dues to micro and small enterprises		-	-
- Total outstanding dues to other than micro and small enterprises		941.48	894.43
Other current financial liabilities	20	189.87	164.03
Provisions	21	14.65	13.71
Other current liabilities	22	774.55	749.98
		2,314.18	2,426.75
		4,427.28	4,519.78
Significant accounting policies	2		

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W - 100022



Ashish Chadha

Partner

Membership No. 500160

Bengaluru

Date: 23 September 2023

for and on behalf of the Board of Directors of
Shadowfax Technologies Private Limited



Abhishek Bansal

Director

DIN-07155421

Bengaluru

Date: 23 September 2023



Vaibhav Khandelwal

Director

DIN-07155413

Bengaluru

Date: 23 September 2023



Praveen Kumar KJ

Chief Financial Officer

Bengaluru

Date: 23 September 2023

Shadowfax Technologies Private Limited**Statement of profit and loss***(Rs. in millions, except share and per share data, unless otherwise stated)*

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations			
Sale of services	23	14,151.24	9,906.87
Other income	24	77.68	67.04
Total income		14,228.92	9,973.91
Expenses			
Employee benefits expenses	25	2,137.36	1,742.47
Finance cost	26	129.36	58.74
Depreciation and amortisation expenses	3 and 3a	240.01	210.38
Other expenses	27	13,148.57	9,723.47
Total expenses		15,655.30	11,735.06
Loss before tax		(1,426.38)	(1,761.15)
Income tax expense			
Current tax		-	-
Deferred tax	6	-	-
Loss for the year		(1,426.38)	(1,761.15)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Actuarial gain / (loss) on remeasurement of defined employee benefit plans		6.38	(0.90)
- Income tax relating to this item that will not be reclassified to profit or loss		-	-
Total comprehensive income for the year		(1,420.00)	(1,762.05)
Earnings per equity share [par value Rs 10 each (31 March 2022: Rs.10)]			
Basic and diluted	29	(1,856)	(2,353)
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W - 100022


Ashish Chadha

Partner

Membership No. 500160

Bengaluru

Date: 23 September 2023

for and on behalf of the Board of Directors of

Shadowfax Technologies Private Limited

Abhishek Bansal

Director

DIN-07155421

Bengaluru

Date: 23 September 2023


Vaibhav Khandelwal

Director

DIN-07155413

Bengaluru

Date: 23 September 2023


Praveen Kumar KJ

Chief Financial Officer

Bengaluru

Date: 23 September 2023

Shadowfax Technologies Private Limited
Cash flow statement
(Rs. in millions, except share and per share data, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Loss before tax	(1,426.38)	(1,761.12)
Adjustments:		
Depreciation and amortisation	240.01	210.38
Interest on borrowings	119.37	41.59
Interest on Lease liability	9.99	17.15
Interest income	(12.65)	(22.29)
Provision for bad and doubtful debts	36.00	13.00
Gain on sale and re-measurement of mutual fund investments measured at FVTPL	(62.81)	(42.47)
Stock compensation expense	193.11	328.21
<i>Operating cash flow before working capital changes</i>	(903.36)	(1,215.55)
Working capital changes:		
Change in trade receivables	(275.33)	(189.60)
Change in loans, other financial assets and other assets	364.65	(542.00)
Change in trade payables	47.05	242.09
Change in provisions and other liabilities	68.75	550.71
<i>Cash used in operating activities before taxes</i>	(698.24)	(1,154.35)
Income tax paid	(27.30)	(166.82)
Net cash used in operating activities (A)	(725.54)	(1,321.17)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(476.67)	(304.13)
Redemption of / (investment in) short term investments	(15.48)	1,108.41
Sale, redemption of short term investments (net)	62.81	42.47
Investment in bank deposits with maturity more than three months	17.79	419.19
Interest received	11.22	29.29
Net cash used in/ generated from investing activities (B)	(400.33)	1,295.23
C. Cash flow from financing activities		
Proceeds from borrowings	25.00	944.55
Repayment of borrowings	(472.59)	(64.26)
Increase in / (repayment of) lease liabilities	(65.34)	(105.57)
Proceeds from issuance of preference shares	1,418.54	-
Interest on borrowings and lease liabilities	(9.99)	(58.74)
Net cash generated from financing activities (C)	895.61	715.97
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(230.26)	690.03
Cash and cash equivalents at the beginning of the year	1,036.06	346.03
Cash and cash equivalents at the end of the year (Refer Note 9)	805.80	1,036.06

Notes to Cash flow statement
Components of cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash in hand	446.08	292.64
Balances with banks		
- In current accounts	359.72	741.82
Bank balances available on demand/deposits with original maturity of 3 months or less	-	1.60
	805.80	1,036.06

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for BSR & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W - 100022


Ashish Chadha

Partner

Membership No. 500160

Bengaluru

Date: 23 September 2023

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Date: 23 September 2023


Praveen Kumar KJ

Chief Financial Officer

Bengaluru

Date: 23 September 2023

Shadowfax Technologies Private Limited

Statement of changes in equity

(Rs. in millions, except share and per share data, unless otherwise stated)

a. Share capital

	Equity shares		Instruments entirely equity in nature- CCPS	
	Number of shares	Amount	Number of shares	Amount
Balance as at 1 April 2021	2,29,640	2.30	4,62,753	46.28
Changes during the year				
(a) Issue of equity shares (Refer Note 13)	970	0.01	-	-
(b) Issue of CCPS (Series D1) (Refer Note 14)*	-	-	1,162	0.00
Balance as at 31 March 2022	2,30,610	2.31	4,63,915	46.28
Changes during the year:				
(a) Issue of equity shares (Refer Note 13)	-	-	-	-
(b) Issue of CCPS (Series D1) (Refer Note 14)*	-	-	581	0.00
(c) Issue of CCPS (Series D2) (Refer Note 14)	-	-	25,179	2.52
Balance as at 31 March 2023	2,30,610	2.31	4,89,675	48.80

*Amount is less than a lakh

b. Other Equity

	Reserves and Surplus			Total other equity
	Securities premium reserve	Employees stock options outstanding account	Accumulated deficit	
Balance as at 1 April 2021	5,925.60	377.09	(3,345.98)	2,956.71
Received on shares issued during the year	0.04	-	-	0.04
Employees stock option cost	-	328.21	-	328.21
Employees stock option exercised	4.66	(4.66)	-	-
Loss for the year	-	-	(1,761.15)	(1,761.15)
Other comprehensive income	-	-	(0.90)	(0.90)
Balance as at 31 March 2022	5,930.30	700.64	(5,108.03)	1,522.91
Received on shares issued during the year	1,416.02	-	-	1,416.02
Employees stock option cost	-	193.11	-	193.11
Employees stock option exercised	-	-	-	-
Loss for the year	-	-	(1,426.38)	(1,426.38)
Other comprehensive income	-	-	6.38	6.38
Balance as at 31 March 2023	7,346.32	893.75	(6,528.03)	1,712.04

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W - 100022



Ashish Chadha

Partner

Membership No. 500160

Bengaluru

Date: 23 September 2023

for and on behalf of the Board of Directors of
Shadowfax Technologies Private Limited



Abhishek Bansal

Director

DIN-07155421

Bengaluru

Date: 23 September 2023



Vaibhav Khandelwal

Director

DIN-07155413

Bengaluru

Date: 23 September 2023



Praveen Kumar KJ

Chief Financial Officer

Bengaluru

Date: 23 September 2023

Shadowfax Technologies Private Limited**Notes to financial statements (continued)**

(Rs. in millions, except share and per share data, unless otherwise stated)

1 Company overview

Shadowfax Technologies Private Limited ('Shadowfax' or 'the Company') was incorporated on 21 April 2015 as a private limited company under the Companies Act, 2013 ("the Act"). The Company has its registered office in Bengaluru, India and provides platform for logistics services using technology.

2 Significant accounting policies**2.1 Basis of preparation****a. Statement of compliance**

These Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act 2013 ('the Act') and other relevant provisions of the Act.

These financial statement have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's reporting date, 31 March 2023. The financial statements have been authorised for issuance by the Company's Board of Directors on 23 September 2023.

b. Basis of presentation and disclosure

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- b. Share based payment transactions and
- c. Defined benefit and other long term employee benefits

c. Use of 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 policies. Accounting estimates could change from period to period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and appropriate changes are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are reflected in the period in which such changes are made and if material, their effects are disclosed in the financial statements.

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.

The areas involving critical estimates or judgements are:

- Note 2.2 (c) - Useful lives of Intangible assets;
- Note 2.2 (d) - Impairment test of non-financial assets;
- Note 2.2 (d) - Impairment test of financial assets;
- Note 2.2 (h) - Determination of lease, lease term and classification;
- Note 2.2 (i) - Measurement of defined benefit obligations - key actuarial assumptions;
- Note 2.2 (j) - Share based compensation to employees - key assumptions used in valuation;
- Note 2.2 (m) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

d. Functional and presentation currency

The financial statements are presented in Indian Rupees rounded off to nearest million, unless otherwise stated, which is the presentation and functional currency of the Company.



2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

e Fair value measurement

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 35 and 36: financial instruments

f Current and 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 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.

A liability is treated as 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.

All other liabilities are classified as non-current.

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

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

2.2 Other significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligation in contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.



2 Significant accounting policies (continued)**2.2 Other significant accounting policies (continued)****a Revenue recognition (continued)**

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contracts with customers often include promises to transfer multiple services to a customer. The Company applies judgement in determining whether services are considered distinct performance obligations that should be accounted for separately or together, based on nature of the contract, transfer of control over the service, ability of the service to benefit the customer on its own or together with other readily available resources and the ability of the service to be separately identifiable from other promises in the contract.

Service income is recognized when the related services are rendered unless significant future contingencies exist.

Interest income

Interest income is recognised when it is probable that the 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 discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments in mutual fund is accounted when the right to receive the dividend is established, which is generally when the management of the fund houses approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss.

b Property, plant and equipment

Property, Plant and Equipment, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses. Leasehold improvements is carried at historical cost and is amortised over the period of lease on straight line method.

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

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and such expenditure can be measured reliably.

Depreciation and useful lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Based on the internal technical assessment, the management believes that the useful lives as given below, which are different from those prescribed in Part C of schedule II of the Act, best represent the period over which Management expects to use these assets.

Property, plant and equipment	Useful Life (in years)
Leasehold improvements	Over the lease term or life, whichever is lower
Office equipments	1-5 years
Computers	3 years
Electronic equipments	5-10 years
Furniture and fixtures	10 years
Motor vehicles	8 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



2 Significant accounting policies (continued)**2.2 Other significant accounting policies (continued)****b Property, plant and equipment (continued)**

A property, plant and equipment is eliminated from the Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the statement of profit and loss.

c Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The cost of internally generated intangible assets arising from development comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

Revenue expenditure incurred for new product development is expensed till technical and commercial feasibility is established and thereafter is capitalized as intangible assets.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible asset	Useful Life (in years)
Computer software	3 years
Intellectual property rights	3 years
Internally generated intangible assets	5 years
Goodwill	3 years
Non-compete fees	3 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

d Impairment**(i) Non-financial assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(ii) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

e Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

f Cash flow statement

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Indian Accounting Standard 7-“Statement of Cash Flows”. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



2 Significant accounting policies (continued)

2.2 Other significant accounting policies (continued)

g Financial instruments

(i) Financial assets

-Classification

The Company classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

-Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Investment in subsidiary

Investment in subsidiary is measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'

Impairment of investment in subsidiary:

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

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. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

-Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

-Income recognition

Interest income from deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(ii) Financial liabilities

-Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

-Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss



2 Significant accounting policies (continued)

2.2 Other significant accounting policies (continued)

g Financial instruments (continued)

-Derecognition of financial liability

A financial liability is derecognised by the Company only when the liability is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

h Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if the contract conveys the right to control the use of identified assets for the period of time in exchange of a consideration.

To assess where the Company has the right to control the use of identified assets, the Company assesses whether the :

- 1) the contract involves the use of identified assets,
- 2) whether the Company has the right to obtain substantially all the economic benefits from the use of assets throughout the period of use and
- 3) whether the Company has the right to direct the use of assets.

As inception, or reassessment of contract that contain a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As lessee

The Company recognises a right-of-use assets and a lease liability at the lease commencement date. The right-of-use ("ROU") asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated life of such right-of-use assets are determined on the same basis as those of property, plant and equipment. The right-of-use assets is periodically assessed for impairment.

The lease liability is initially measured at the present value of future lease payments, discounted using the implicit rate of interest or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally the Company uses the incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in index or rate, or if there is change in the Company's estimate of amount expected to be payable under residual guaranteed value, or if the Company changes its assessment whether it will exercise a purchase, extension or termination option.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

i Employee benefits

(i) 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 employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in balance sheet.

(ii) Defined contribution plan

The Company's contribution to provident fund, employee state insurance scheme, social security etc are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.



2 Significant accounting policies (continued)

2.2 Other significant accounting policies (continued)

i Employee benefits (continued)

(iii) Defined benefit plan

Post employment benefit plans other than Defined Contribution Plans include liabilities for gratuity is determined by using Projected Unit Credit method with Actuarial Valuation made at the end of each financial year. The Company's gratuity scheme is unfunded.

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

Actuarial gains and losses are recognised in Other Comprehensive Income. Interest recognised in the statement of profit and loss is calculated by applying a discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. Remeasurement gains and losses are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurement gains and losses are not reclassified to statement of profit and loss in subsequent periods.

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.

(iv) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. The current and non-current classification of compensated absences is as per the actuarial valuation report.

j Share based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognised in the Statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation).

k Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

l Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, if any, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax are recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



2 Significant accounting policies (continued)

2.2 Other significant accounting policies (continued)

m Provisions and contingent liabilities

(i) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

n Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Company's CODM consists of the managing director. The Company is engaged in providing platform for logistic services using technologies and its principal geographical segment in India. Consequently, the CODM believes that there are no reportable segments as required under Ind AS 108.

o Borrowing costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method, and
- (ii) interest on lease liabilities

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below :

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



3. Property, plant and equipment and Intangible assets

3. Property, plant and equipment and Intangible assets														
Description of Assets	Property, plant and equipment						Intangible assets							
	Leasehold improvements	Computers	Electronic equipments	Furniture and fixtures	Office equipment	Motor vehicles	Total	Computer software	Internally generated intangible assets	Intellectual property rights	Goodwill	Non-compete fees	Total	
I. Accumulated depreciation and impairment	Balance as at 1 April, 2021	26.98	56.08	80.84	51.14	65.69	5.39	286.12	0.93	187.55	0.20	1.10	1.00	190.78
	Additions	-	73.07	65.40	97.58	2.64	-	238.69	-	49.51	-	-	-	49.51
	Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balance as at 31 March, 2022	26.98	129.15	146.24	148.72	68.33	5.39	524.81	0.93	237.06	0.20	1.10	1.00	240.29
	Additions	-	132.31	172.62	105.03	1.40	-	411.36	2.16	59.02	-	-	-	61.18
	Disposals	-	3.76	1.98	2.86	0.04	-	8.64	-	-	-	-	-	-
	Balance as at 31 March, 2023	26.98	257.70	316.88	250.89	69.69	5.39	927.53	3.09	296.08	0.20	1.10	1.00	301.47
	II. Accumulated depreciation and impairment													
	Balance as at 1 April, 2021	7.09	24.19	2.70	3.87	25.65	1.38	64.88	0.85	100.63	0.20	1.10	1.00	103.78
	Depreciation / amortisation expense for the year	19.89	26.14	13.54	9.17	10.83	0.64	80.21	-	34.35	-	-	-	34.35
Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 March, 2022	26.98	50.33	16.24	13.04	36.48	2.02	145.09	0.85	134.98	0.20	1.10	1.00	138.13	
Depreciation / amortisation expense for the year	-	64.08	32.88	19.52	11.42	0.78	128.68	0.07	39.64	-	-	-	39.71	
Disposal of assets	-	1.68	0.25	0.45	0.01	-	2.39	-	-	-	-	-	-	
Balance as at 31 March, 2023	26.98	112.73	48.87	32.11	47.89	2.80	271.38	0.92	174.62	0.20	1.10	1.00	177.84	
Net block (I-II)														
Balance as on 31st March 2023	-	144.97	268.01	218.78	21.80	2.59	656.15	2.17	121.46	-	-	-	123.63	
Balance as on 31st March 2022	-	78.82	130.00	135.68	31.85	3.37	379.72	0.08	102.08	-	-	-	102.16	

Note a

Internally generated intangible assets - The Company has capitalised the cost incurred for developing software during the current and previous years. The break up of the cost incurred, which got capitalised is given below:

Particulars	2022-23	2021-22
Employee benefits expenses	23.17	23.13
Other direct expenses	35.85	26.38
Total	59.02	49.51



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)
3a Leases

On transition to Ind AS, the Company, following the practical expedient given under Ind AS 101, has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS and measured the ROU assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

The Company has taken on lease various offices, distribution centers and warehouses. Rental contracts are typically made for 1 to 5 years.

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets	53.34	114.58
Lease liability		
Non-current	15.73	53.16
Current	43.92	71.83

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at date of commencement of lease. The weighted-average rate considered is 9.85%.

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

I. Right-of-use assets
Gross carrying amount

	Amount in Rs Million
As at 1 April 2021	240.79
Additions	15.97
As at 31 March 2022	256.76
Additions	10.38
As at 31 March 2023	267.14

II. Accumulated depreciation

	Amount in Rs Million
As at 1 April 2021	46.37
Charge for the year	95.81
As at 31 March 2022	142.18
Charge for the year	71.62
As at 31 March 2023	213.80

III. Net block (I-II)

Balance as on 31 March 2023	53.34
Balance as on 31 March 2022	114.58

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

	Amount in Rs Million
As at 1 April 2021	197.95
Additions	15.45
Interest on lease liabilities	17.15
Repayments	(105.57)
As at 31 March 2022	124.98
Additions	53.41
Interest on lease liabilities	9.99
Repayments	(128.72)
As at 31 March 2023	59.66

The table below provides details regarding the contractual maturities of lease liabilities

Period	As at 31 March 2023	As at 31 March 2022
Less than 1 year	43.92	71.83
1 - 5 years	15.73	53.16
More than 5 years	-	-
Total	59.65	124.99

The Company has certain hubs/ warehouse and guest house on lease with contract terms of less than one year. These leases are classified as short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The following is the amount recognised in statement of profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expense relating to short-term lease	506.80	310.75
Depreciation expense of right-of-use assets	71.62	95.81
Interest expense on lease liabilities	9.99	17.15



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)

588.41	423.71
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4. Loans

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Non-current		
Security deposits	162.12	150.51
	162.12	150.51

5. Income tax assets (net)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advance tax and tax deducted at source, net of provision for tax	305.66	278.36
	305.66	278.36

6. Deferred tax assets (net)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax liability		
Property, plant and equipment and intangible assets	16.40	28.85
Total (A)	16.40	28.85
Deferred tax asset		
Provision for gratuity	4.50	4.82
Provision for leave encashment	0.47	7.65
Unabsorbed depreciation	69.21	43.17
Business losses	779.25	563.45
Total (B)	853.43	619.09
Unrecognised deferred tax asset, net (A - B)	(837.03)	(590.24)

Unrecognised deferred tax charge

Deferred tax asset is recognised as at 31st March 2023 to the extent of deferred tax liability, as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset will be realised.

7. Investments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carried at fair value through profit and loss (FVTPL)		
Investments in Mutual Funds		
Axis Banking and PSU debt fund	51.30	49.02
IDFC Banking and PSU debt fund	40.66	276.78
HDFC Ultra Short Term Fund Direct Plan-Growth	143.25	-
IDFC Bond Fund - Short term Plan	232.71	-
IDFC Floating Rate Fund Direct Plan-Growth	-	34.85
HDFC Floating Rate Debt Fund-DP-Growth	17.18	115.55
ICICI Prudential Floating Interest Fund - DP Growth	111.21	104.63
	596.31	580.83

8. Trade receivables

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured		
Considered good	932.99	693.66
Considered doubtful	77.32	41.32
	1,010.31	734.98
Less: Allowance for doubtful debts	(77.32)	(41.32)
	932.99	693.66

Note:

The Company uses a provisional matrix to determine impairment loss on trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

Movement in the expected credit loss allowance	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period	41.32	28.32
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	36.00	13.00



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)
Provision at the end of the period
77.32
41.32
Trade receivables ageing schedule

Particulars	For the year ended 31 March 2023	As at 31 March 2022
Not Due	650.45	404.13
Less than 6 months	276.63	311.01
6 months to 1 year	5.23	16.51
1-2 years	15.61	3.33
2-3 years	62.39	-
Allowance for doubtful debts	(77.32)	(41.32)
	932.99	693.66

9. Cash and bank balances

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash and cash equivalents		
Cash in hand	446.08	292.64
Balances with banks		
- In current accounts	359.72	741.82
Bank balances available on demand/deposits with original maturity of 3 months or less	-	1.60
	805.80	1,036.06
Bank balances other than cash and cash equivalents		
Other bank balances		
- In deposit accounts with banks (due to mature within 12 months from the reporting date)	56.04	73.83
	861.84	1,109.89

Details of bank deposits

Bank balances available on demand/deposits with original maturity of 3 months or less	-	1.60
Bank deposits due to mature within 12 months from the reporting date included under other bank balances	56.04	73.83
	56.04	75.43

10. Loans

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current		
Unsecured, considered good		
Advances to employees	4.80	8.08
	4.80	8.08

11. Other financial assets

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured, considered good		
Interest accrued on fixed deposits	3.70	2.27
Receivables from business associates	55.01	55.75
	58.71	58.02

12. Other current assets

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured, considered good		
Prepaid expenses	12.14	10.01
Advance to suppliers	22.34	34.29
Unbilled revenue	637.25	999.67
	671.73	1,043.97



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)

13. Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022		
Authorised share capital				
Equity shares				
335,140 (31 March 2022: 335,140) equity shares of Rs 10 par value	3.35	3.35		
	3.35	3.35		
Issued, subscribed and paid up share capital				
Equity shares				
230,610 (31 March 2022: 230,610) Equity shares of Rs 10 par value, each fully paid up	2.31	2.31		
	2.31	2.31		
The details of shareholders holding more than 5% shares:	As at 31 March 2023	As at 31 March 2022		
	% of holding	Number of shares	% of holding	Number of shares
Equity shares of Rs 10 par value, each fully paid-up				
Abhishek Bansal	47%	1,08,906	47%	1,08,906
Vaibhav Khandelwal	36%	82,148	36%	82,148
Eight Roads Investments Mauritius II Limited (Formerly known as FIL Capital Investments (Mauritius) II Ltd)	6%	13,746	6%	13,746
Reconciliation of shares outstanding at the beginning and at the end of the reporting year is set out below:	As at 31 March 2023	As at 31 March 2022		
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares of Rs 10 par value, each fully paid-up				
At the commencement of the year	2,30,610	2.31	2,29,640	2.30
Issued during the year	-	-	970	0.01
At the end of the year	2,30,610	2.31	2,30,610	2.31

14. Instruments entirely equity in nature

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
Compulsory convertible preference shares		
82,320 (31 March 2022: 82,320) 0.01% cumulative compulsory convertible preference shares of Rs 100 par value	8.23	8.23
57,560 (31 March 2022: 57,560) 0.001% cumulative compulsory convertible preference shares of Rs 100 par value	5.76	5.76
142,900 (31 March 2022: 142,900) 0.001% cumulative compulsory convertible preference shares of Rs.100 par value	14.29	14.29
190,000 (31 March 2022: 190,000) 0.001% cumulative compulsory convertible preference shares of Rs 100 par value	19.00	19.00
2,000 (31 March 2022: 2,000) 0.001% cumulative compulsory convertible preference shares of Rs 100 par value	0.20	0.20
30,000 (31 March 2022: Nil) 0.001% cumulative compulsory convertible preference shares of Rs 100 par value	3.00	-
	50.48	47.48
Issued, subscribed and paid up share capital		
Compulsory convertible preference shares		
82,320 (31 March 2022: 83,320) 0.01% Series A cumulative compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up	8.23	8.23
57,560 (31 March 2022: 57,560) 0.001% Series B cumulative compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up	5.76	5.76
142,900 (31 March 2022: 142,900) 0.001% Series C cumulative compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up	14.29	14.29
179,973 (31 March 2022: 179,973) 0.001% Series D cumulative compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up	18.00	18.00
1,743 (31 March 2022: 1,162) 0.001% Series D1 Compulsorily Convertible Partly Paid Preference Shares (Series D1 CCPS), Partly paid Rs 1 per share*	0.00	0.00
25,179 (31 March 2022: Nil) 0.001% Series D2 Compulsorily Convertible Partly Paid Preference Shares (Series D2 CCPS), Partly paid Rs 1 per share	2.52	-
	48.80	46.28

*Amount is less than a lakh



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)
14. Instruments entirely equity in nature (continued)

The details of shareholders holding more than 5% shares:	As at 31 March 2023		As at 31 March 2022	
	% of holding	Number of shares	% of holding	Number of shares
0.01% Cumulative Compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up				
Eight Roads Investments Mauritius II Limited (Formerly known as FIL Capital Investments (Mauritius) II Ltd) - Series A	100%	82,320	100%	82,320
0.001% Cumulative Compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up				
Eight Roads Investments Mauritius II Limited (Formerly known as FIL Capital Investments (Mauritius) II Ltd) - Series B	100%	57,560	100%	57,560
0.001% Cumulative Compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up				
Nokia Growth Partners IV, LP - Series C	25%	35,720	25%	35,720
International Finance Corporation - Series C	20%	28,580	20%	28,580
Qualcomm Asia Pacific Pte. Ltd - Series C	20%	28,580	20%	28,580
Mirae Asset - GS Retail New Growth Fund I - Series C	10%	14,280	10%	14,280
Mirae Asset Naver New Growth Fund I - Series C	10%	14,300	10%	14,300
Eight Roads Investments Mauritius II Limited (Formerly known as FIL Capital Investments (Mauritius) II Ltd) - Series C	15%	21,440	15%	21,440
0.001% Cumulative Compulsory convertible preference shares ('CCPS') of Rs 100 par value, each fully paid up				
Flipkart Internet Private Limited- Series D	67%	1,20,154	67%	1,20,154
Nokia Growth Partners IV, LP- Series D	10%	17,165	10%	17,165
International Finance Corporation- Series D	8%	13,732	8%	13,732
Eight Roads Investments Mauritius II Limited- Series D	6%	10,299	6%	10,299
Reconciliation of shares outstanding at the beginning and at the end of the reporting year is set out below:	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
0.01% Series A cumulative compulsory convertible preference shares of Rs 100 par value, each fully paid up				
At the commencement of the year	82,320	8.23	82,320	8.23
Issued during the year	-	-	-	-
At the end of the year	82,320	8.23	82,320	8.23
0.001% Series B cumulative compulsory convertible preference shares of Rs 100 par value, each fully paid up				
At the commencement of the year	57,560	57,56,000	57,560	5.76
Issued during the year	-	-	-	-
At the end of the year	57,560	57,56,000	57,560	5.76
0.001% Series C cumulative compulsory convertible preference shares of Rs 100 par value, each fully paid up				
At the commencement of the year	1,42,900	14.29	1,42,900	14.29
Issued during the year	-	-	-	-
At the end of the year	1,42,900	14.29	1,42,900	14.29
0.001% Series D cumulative compulsory convertible preference shares of Rs 100 par value, each fully paid up				
At the commencement of the year	1,79,973	18.00	1,79,973	18.00
Issued during the year	-	-	-	-
At the end of the year	1,79,973	18.00	1,79,973	18.00
0.001% Series D1 Compulsorily Convertible Partly Paid Preference Shares (Series D1 CCPS), Partly paid Rs 1 per share				
At the commencement of the year*	1,162	0.00	-	-
Issued during the year*	581	0.00	1,162	0.00
At the end of the year	1,743	0.00	1,162	0.00
<i>*Amount is less than a lakh</i>				
0.001% Series D2 Compulsorily Convertible Partly Paid Preference Shares (Series D2 CCPS), Partly paid Rs 1 per share				
At the commencement of the year	-	-	-	-
Issued during the year	25,179	2.52	-	-
At the end of the year	25,179	2.52	-	-



Shadowfax Technologies Private Limited

Notes to financial statements (continued)

(Rs. in millions, except share and per share data, unless otherwise stated)

Rights and terms attached to shares

Instruments entirely equity in nature:

0.01% Compulsory convertible preference shares: (Series A)

Series A CCPS shall carry a pre-determined cumulative dividend rate of 0.01% per annum on the face value of each Series A CCPS, to be paid in cash until the date of conversion of Series A CCPS into Equity Shares. CCPS of this class carry a preferential right as to dividend over equity shareholders. Where dividend on this CCPS is not declared for a financial year, the entitlement thereto is carried forward. Holders of series A CCPS shall be entitled to attend General Meetings and be entitled to such voting rights on a fully diluted basis. The holders of series A CCPS shall convert the series A CCPS, whether in one or more tranches, into equity shares at any time after the closing date but before 20 years from the date of issuance of the same. Further, the holders of these CCPS have a liquidation preference, whereby they will be entitled to receive in preference to the equity share holders, an amount equal to 100% of the subscription price plus any accrued and unpaid dividends or such percentage. If the Company makes a subsequent issuance after the closing date at a price per share that is less than the average price per Series A CCPS paid by the holders of Series A CCPS, then such holders of Series A CCPS shall be entitled to broad based weighted average anti-dilution price protection and the Company and Founders shall cooperate with the holders of Series A CCPS to exercise such price protection. If the rights granted to any other investors are at variance with rights of the Series A CCPS, the holders of Series A CCPS shall be entitled to such favorable terms as are offered by the Company to the current/potential investor.

0.01% Compulsory convertible preference shares: (Series B)

Series B CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum on the face value of each Series B CCPS, to be paid in cash until the date of conversion of Series B CCPS into Equity Shares. CCPS of this class carry a preferential right as to dividend over equity shareholders. Where dividend on this CCPS is not declared for a financial year, the entitlement thereto is carried forward. Holders of series B CCPS shall be entitled to attend General Meetings and be entitled to such voting rights on a fully diluted basis. The holders of series B CCPS shall convert the series B CCPS, whether in one or more tranches, into equity shares at any time after the closing date but before 19 years from the date of issuance of the same. Further, the holders of these CCPS have a liquidation preference, whereby they will be entitled to receive in preference to the equity share holders, an amount equal to 100% of the subscription price plus any accrued and unpaid dividends or such percentage. If the Company makes a subsequent issuance after the closing date at a price per share that is less than the average price per Series B CCPS paid by the holders of Series B CCPS, then such holders of Series B CCPS shall be entitled to broad based weighted average anti-dilution price protection and the Company and Founders shall cooperate with the holders of Series B CCPS to exercise such price protection. If the rights granted to any other investor are at variance with rights of the Series B CCPS, the holders of Series B CCPS shall be entitled to such favorable terms as are offered by the Company to the current/potential investor.

0.01% Compulsory convertible preference shares: (Series C)

Series C CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum on the face value of each Series C CCPS, to be paid in cash until the date of conversion of Series C CCPS into Equity Shares. In addition to the same, if dividend is declared on Equity Shares or any other class of Shares, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series C CCPS shall be entitled to participate in the surplus funds along with other Equity Shareholders and the payment of such declared dividend in priority and preference to the holders of Equity Shares and holders of such other classes of Shares, but pari passu with Series A CCPS and Series B CCPS. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant Financial Year and shall be paid in priority to holders of Equity Shares and holders of other classes of Shares. The holders of Series C CCPS shall convert the Series C CCPS, whether in one or more tranches, into Equity Shares at any time after the date of issuance of the Series C CCPS but before 20 years from the date of issuance of the same. Further, the holders of these CCPS have a liquidation preference, whereby they will be entitled to receive in preference to the equity shareholders and holders of such other classes of Shares, an amount equal to 100% of the subscription price plus any accrued and unpaid dividends or such percentage. If the Company makes a subsequent issuance after the closing date at a price per share that is less than the average price per Series C CCPS paid by the holders of Series C CCPS, then such holders of Series C CCPS shall be entitled to broad based weighted average anti-dilution price protection and the Company and Founders shall cooperate with the holders of Series C CCPS to exercise such price protection. The holders of Series C CCPS shall be entitled to superior rights or other rights that may be given to any other investor, if any, in the future after the Closing Date.

0.01% Compulsory convertible preference shares: (Series D)

Series D CCPS shall carry a pre-determined cumulative dividend rate of 0.001% per annum on the face value of each Series D CCPS, to be paid in cash until the date of conversion of Series D CCPS into Equity Shares. In addition to the same, if dividend is declared on Equity Shares or any other class of Shares, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series D CCPS shall be entitled to participate in the surplus funds along with other Equity Shareholders and the payment of such declared dividend in priority and preference to the holders of Equity Shares and holders of such other classes of Shares, but pari passu with Series A CCPS and Series B CCPS. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant Financial Year and shall be paid in priority to holders of Equity Shares and holders of other classes of Shares. The holders of Series D CCPS shall convert the Series D CCPS, whether in one or more tranches, into Equity Shares at any time after the date of issuance of the Series D CCPS but before 20 years from the date of issuance of the same. Further, the holders of these CCPS have a liquidation preference, whereby they will be entitled to receive in preference to the equity shareholders and holders of such other classes of Shares, an amount equal to 100% of the subscription price plus any accrued and unpaid dividends or such percentage. If the Company makes a subsequent issuance after the closing date at a price per share that is less than the average price per Series D CCPS paid by the holders of Series D CCPS, then such holders of Series D CCPS shall be entitled to broad based weighted average anti-dilution price protection and the Company and Founders shall cooperate with the holders of Series D CCPS to exercise such price protection. The holders of Series D CCPS shall be entitled to superior rights or other rights that may be given to any other investor, if any, in the future after the Closing Date.



Shadowfax Technologies Private Limited

Notes to financial statements (continued)

(Rs. in millions, except share and per share data, unless otherwise stated)

Rights and terms attached to shares

Instruments entirely equity in nature:

0.01% Compulsory convertible preference shares: (Series D1)

Series D1 CCPS shall carry a pre-determined cumulative dividend rate of 0.001% (Zero Point Zero Zero One percent) per annum on the face value of each Series D1 CCPS, to be paid in cash until the date of conversion of Series D1 CCPS into Equity Shares. In addition to the same, if dividend is declared on Equity Shares or any other class of Shares, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series D1 CCPS shall be entitled to participate in the surplus funds along with other Equity Shareholders and the payment of such declared dividend in priority and preference to the holders of Equity Shares and holders of such other classes of Shares, but pari passu with other CCPS class of shares. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant Financial Year and shall be paid in priority to holders of Equity Shares and holders of other classes of Shares other than CCPS.

The holders of these CCPS have a liquidation preference, whereby they will be entitled to receive in preference to the equity shareholders and holders of such other classes of Shares except CCPS, an amount equal to 100% of the subscription price plus any accrued and unpaid dividends or such percentage.

0.01% Compulsory convertible preference shares: (Series D2)

Series D2 CCPS shall carry a pre-determined cumulative dividend rate of 0.001% (Zero Point Zero Zero One percent) per annum on the face value of each Series D2 CCPS, to be paid in cash until the date of conversion of Series D2 CCPS into Equity Shares. In addition to the same, if the dividend is declared on Equity Shares or any other class of Shares, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series D2 CCPS shall be entitled to participate in the surplus funds along with other Equity Shareholders and the payment of such declared dividend in priority and preference to the holders of Equity Shares and holders of such other classes of Shares, but pari passu with Series A CCPS, Series B CCPS, Series C CCPS, Series D CCPS and Series D1 CCPS. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant Financial Year and shall be paid in priority to holders of Equity Shares and holders of other classes of Shares.

The holders of these CCPS have a liquidation preference whereby they shall be entitled to exercise any one of the following rights: (i) receive payments from the Company as per the waterfall mechanism, in preference to all other Shareholders and before any distribution is made upon any Shares or otherwise to any other Shareholder; or (ii) receive its pro rata share of distribution to which it will be entitled to on account of its shareholding (on a Fully Diluted Basis) in the Share Capital.



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)
15. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
a) Securities premium account	7,346.32	5,930.30
b) Employees stock options outstanding account (Refer Note 33)	893.75	700.64
c) Accumulated deficit	(6,528.03)	(5,108.03)
	1,712.04	1,522.91
a) Securities premium		
	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	5,930.30	5,925.60
Add: Premium on shares issued during the year	1,416.02	0.04
Add: Employee stock option exercised	-	4.66
Balance as at the end of the year	7,346.32	5,930.30
b) Employees stock options outstanding account		
	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	700.64	377.09
Add : Employee stock option cost for the year (Refer Note 33)	193.11	328.21
Less: Employee stock option exercised	-	(4.66)
Balance as at the end of the year	893.75	700.64
c) Accumulated deficit		
	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	(5,108.03)	(3,345.98)
Add : Loss for the year	(1,420.00)	(1,762.05)
Balance as at the end of the year	(6,528.03)	(5,108.03)
Total	1,712.04	1,522.91

Nature and purpose of other reserves
a) Securities premium

Securities premium has been created consequent to issue of equity and preference shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

b) Employees stock options outstanding account

The employees stock options outstanding account is used to recognised the grant date fair value of share options issued to employees under the employee stock option plan.

c) Accumulated deficit

The cumulative loss arising from the operations which is retained by the Company is recognised and accumulated under the head of accumulated deficit. At the end of the year, the total other comprehensive income is transferred from the statement of profit and loss to the accumulated deficit account.

16. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Secured		
Term loans from financial institutions		
Term loan 1	-	34.68
Term loan 2	257.58	368.06
	257.58	402.74

The Term loan and WCDL loan carries interest at a rate of 9% p.a. to 14% p.a.

ICICI Bank Limited (Term loan 1)

The loan is secured against all receivables and specific movable assets financed under this facility, The loan is repayable on equal monthly installments from February 2021 to August 2023.

- Non-current	-	34.68
- Current	34.68	100.83

ICICI Bank Limited (WCDL)

The loan is for working capital requirements, the loan is secured against first pari-passu charge over the fixed and current assets of the company. The WCDL got renewed for an enhanced limit of INR 500.00 million during the year.

- Non-current	-	-
- Current	-	300.00

Trifecta Venture Debt (Term loan 2)

The loan is secured against first pari-passu charge over the fixed and current assets of the company, The loan is repayable on equal monthly installments from June 2022 to July 2025.



Shadowfax Technologies Private Limited**Notes to financial statements (continued)***(Rs. in millions, except share and per share data, unless otherwise stated)*

- Non-current	257.58	368.06
- Current	315.03	131.94

17. Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (Refer Note 34)	49.16	37.26
Compensated absences (Refer Note 34)	27.48	28.37
	76.64	65.63

18. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of non-current borrowings (Refer Note 16)	349.71	532.77
	349.71	532.77

19. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues to micro and small enterprises (Refer Note 31)	-	-
Total outstanding dues to other than micro and small enterprises	941.48	894.43
	941.48	894.43

Trade payables ageing schedule- Others

Particulars	As at 31 March 2023	As at 31 March 2022
Not Due	-	-
Less than 1 year	917.92	884.08
1 to 2 years	16.91	5.82
2 to 3 years	5.73	4.54
More than 3 years	0.92	-
	941.48	894.44

20. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Accrued salary and benefits	189.87	164.03
	189.87	164.03

21. Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Gratuity (Refer Note 34)	5.62	4.24
Compensated absences (Refer Note 34)	9.03	9.47
	14.65	13.71

22. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payables to customers against cash on delivery	532.77	570.06
Deposits from suppliers	136.80	89.56
Statutory dues payable	104.98	90.36
	774.55	749.98



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)

23. Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of logistics and delivery services*	14,151.24	9,906.87
	14,151.24	9,906.87

*The amount of revenue recognised is as per the contracted price

24. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on:		
On deposits with bank	7.00	19.30
On income tax refund	3.87	-
On unwinding of security deposits	1.78	2.99
Other non-operating income		
Gain on sale and re-measurement of mutual fund investments measured at FVTPL	62.81	42.47
Others	2.23	2.29
	77.68	67.04

25. Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, allowances and wages (Refer Note 34)	1,821.16	1,326.88
Contributions to provident and other funds (Refer Note 34)	83.28	57.72
Stock compensation expense (Refer Note 33)	193.11	328.21
Staff welfare expenses	39.81	29.66
	2,137.36	1,742.47

26. Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	119.37	41.59
Interest on Lease liability (Refer Note 3a)	9.99	17.15
	129.36	58.74



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)

27. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Partners expenses	7,687.35	5,734.24
Telephone and communication	24.59	19.98
Legal and professional fees (refer note below)	36.33	19.21
Partner accessories	60.04	37.99
Transportation charges	2,904.67	2,349.56
Rent (Refer Note 3a)	506.80	310.75
Recruitment and training expenses	24.73	31.11
Provision for bad and doubtful debts	36.00	13.00
Conveyance and travelling expenses	77.80	55.15
Office expenses	44.52	34.58
Printing and stationery	424.55	222.46
Brokerage	4.24	4.53
Electricity expenses	37.69	29.20
Rates and taxes	18.58	3.45
Advertising and sales promotion	10.98	14.82
Bank charges	60.82	34.11
Security expenses	113.51	92.34
Membership and subscription fees	150.69	134.61
Transactional messaging cost	176.90	147.81
Lost shipments	677.16	380.34
Operational loss	46.21	37.09
Repairs and maintenance	21.86	15.46
Miscellaneous expenses	2.55	1.68
	13,148.57	9,723.47

Auditors' remuneration (included in legal and professional fees, excluding goods and service tax)

Statutory audit fees	2.40	1.80
Other services	-	-
	2.40	1.80



Shadowfax Technologies Private Limited**Notes to financial statements (continued)**

(Rs. in millions, except share and per share data, unless otherwise stated)

28. Commitments and contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Outstanding bank guarantees*	14.50	16.00
*Lien against fixed deposits		

As at 31 March 2023 the Company had other commitments of Rs. Nil, (31st March 2022 Rs. Nil)

29. Earnings per share (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic earnings per share		
Loss for the year attributable to equity share holders (Amount in Rs.)	(1,426.38)	(1,761.15)
Weighted average number of equity used for calculation of earnings per share	7,68,413	7,48,432
Basic and diluted earnings per share (Amount in Rs.) *	(1,856)	(2,353)
Face value per equity share (Amount in Rs.)	10	10

*There are potential equity shares as on March 31, 2023 and March 31, 2022 in the form of stock options issued. As these are antidilutive, they are ignored in the calculation of diluted loss per share and accordingly the diluted loss per share is the same as basic loss per share.

The weighted average number of shares takes into account the weighted average effect of changes in Compulsorily Convertible Preference Shares during the year.

30. Related party disclosure**(i) Name of related parties and description of relationship:****a. Related parties where significant influence exist.**

Eight Roads Investments Mauritius II Limited (Formerly known as FIL Capital Investments (Mauritius) II Ltd)
Flipkart Internet Private Limited
Instakart Services Private Limited

b. Key management personnel ('KMP')

Abhishek Bansal (Chief Executive Officer)
Vaibhav Khandelwal (Director)
Praveen Kumar KJ - (CFO)

ii. Related party transactions

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Related parties where significant influence exist		
<i>Sale of logistics and delivery services</i>		
Flipkart Internet Private Limited		2.06
Instakart Services Private Limited	907.61	1,531.90
	907.61	1,533.96
<i>Trade receivable</i>		
Instakart Services Private Limited	115.92	194.90
	115.92	194.90
Key management personnel ('KMP')		
<i>Managerial remuneration</i>		
Abhishek Bansal	8.10	8.10
Vaibhav Khandelwal	8.10	8.10
Praveen Kumar KJ	13.50	10.42
	29.70	26.62



Shadowfax Technologies Private Limited**Notes to financial statements (continued)**

(Rs. in millions, except share and per share data, unless otherwise stated)

31. Dues to Micro, Small & Medium Enterprises:

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act')'. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company does not have any dues to micro and small enterprises as at 31 March 2023 and 31 March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	-	-
(b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period;	-	-
(c) 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 period) but without adding the interest specified under this Act;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the period; and	-	-
(e) 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.	-	-
	-	-

32. Segment Reporting:

Ind AS 108 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Company is engaged in providing platform for logistic services using technologies and its principal geographical segment in India. Consequently, the management believes that are no reportable segments as required under Ind AS 108.

33. Employee stock options:

The Company has granted share options to specified employees of the Company. The cost of share options has been charged to the Company based on the fair value on the grant date. Accordingly, the Company measures and discloses the compensation costs relating to share options using the fair value method.

The general terms and conditions of Employee Stock Option Plan 2016 can be explained as follows:

Each option will entitle the option grantee to one share of the Company. The exercise price shall not be less than face value and not more than face value as determined by the Board. Options granted under the plan would vest not later than five years from the date of Grant of such Options, provided that, there shall be a minimum period of one year between the grant of options and vesting of options.

In case of resignation / termination (other than due to misconduct or breach of Company policies / terms of employment) all vested Options can be exercised only from the date on which the Shares of the Company get listed on a Recognized Stock Exchange, but not later than one month from the date of such listing. Thus, the Company, is not reversing the cost of the shares vested but not exercised for the employees (option grantee) resigned during the year.

In addition, the option grantee may exercise the options in such other manner, as may be prescribed by the Board. All unvested options as on the date of submission of resignation / the last working day shall stand cancelled with effect from that date.

The details of options granted are as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Number of options outstanding as at the beginning of year	76,098	52,562
Add: Options granted during the year	5,765	28,817
Less: Options forfeited during the year	9,298	4,312
Less: Exercised during the year	-	969
Number of options outstanding as at the end of year	72,565	76,098
Exercisable at the end of the year	48,254	37,791
Exercise price of the options	10	10
Weighted average remaining contractual life	4 years	4 years
Total cost recognised in the financial year	193.11	328.21
ESOP reserve as at the end of financial year	893.75	700.64

The Shareholders' had approved the ESOP Plan 2016 in the shareholders' meeting dated 15 December 2016.

The fair value of each option granted is calculated using Black-Scholes model with the following assumptions:

Particulars	As at 31 March 2023	As at 31 March 2022
Expected life (years)	6	6
Risk free interest rate (%)	7.42%	6.42%
Weighted average fair value per share (Amount in Rs.)	37,553	20,822



Shadowfax Technologies Private Limited**Notes to financial statements (continued)***(Rs. in millions, except share and per share data, unless otherwise stated)***34. Employee Benefits:****I Defined contribution plans**

The Company makes contribution towards employees' provident fund and other defined contribution plans. During the year, the Company has recognised Rs. 58.21 million (March 31, 2022: Rs. 40.07 million) as an expense towards contribution to these plans in the Statement of Profit and Loss under the head employee benefits expenses.

II Defined benefit plans**Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service or retirement or death whichever is earlier. This is an unfunded benefit plan for qualifying employees.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, promotion and other relevant factors

a Reconciliation of net defined benefit asset/ (liability) :

Particulars	As at 31 March 2023	As at 31 March 2022
Change in projected benefit obligations:		
Obligation at the beginning of the period	41.49	24.41
Current service cost	20.86	15.95
Interest on defined benefit obligation	2.81	1.69
Benefits settled	(4.01)	(1.46)
Re-measurement-actuarial gain/(loss)	(6.38)	0.90
Obligation at the end of the period	54.78	41.49

b Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation	54.78	41.49
Fair value of plan assets	-	-
Asset / (Liability) recognised	54.78	41.49
Current and non-current liability		
Non-current liability	49.16	37.26
Current liability	5.62	4.24

c Expenses recognised in statement of profit and loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity Cost		
Current service cost	20.86	15.95
Interest cost	2.81	1.69
Expected return on plan assets	-	-
Total amount recognised in statement of profit or loss	23.67	17.64

d Amounts recognised in other comprehensive income pertaining to actuarial gain/(loss) for the year on defined benefit obligation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remesurement gain from changes in actuarial assumptions	(6.38)	0.90



34. Employee Benefits (continued)

e Total amount recognised in statement of profit and loss and other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenses recognised in statement of profit and loss (c)	23.67	17.64
Amounts recognised in other comprehensive Income (d)	(6.38)	0.90
Total (c+d)	17.30	18.54

f Actuarial assumptions:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Assumptions		
Discount Rate	7.49% p.a.	7.12% p.a.
Salary increase	9.00% p.a.	9.00% p.a.
Withdrawal rate		
Up to 35 years	19.74%	19.74%
From 35 to 40 years	13.16%	13.16%
From 40 to 45 years	6.58%	6.58%
Above 50 years	2.00%	2.00%
Retirement Age (Years)	58	58
Mortality rate	100 % of IALM (2012 - 14)	100 % of IALM (2012 - 14)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligation by the amount shown below:

Particulars	At at 31 March 2023		At at 31 March 2022	
	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
Discount rate (1% movement)	(3.48)	3.95	(2.67)	3.04
Future salary growth (1% movement)	3.03	(2.78)	2.40	(2.20)

The sensitivity analysis above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Expected future cashflows - Undiscounted		
Within 1 year	5.94	4.46
2-5 years	14.27	10.91
6-10 years	8.67	5.86
More than 10 years	76.20	56.14

Particulars	As at 31 March 2023	As at 31 March 2022
Average duration of the defined benefit obligation at the end of the reporting period is (in years)	9.50	9.69

III Other long- term benefits

Cost of compensated absences recognised in the Statement of Profit and Loss under the head employee benefits expenses.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Compensated absences	1.80	29.42

Actuarial assumptions for compensated absences are same as disclosed above for Gratuity.



Shadowfax Technologies Private Limited**Notes to financial statements (continued)**

(Rs. in millions, except share and per share data, unless otherwise stated)

35. Capital management

For the purpose of Company's capital management, capital includes equity share capital and all other equity reserves attributable to the equity shareholders

The Company's objectives when managing capital are to:

- (i) Safeguard their ability to continue as going concern so as to maximise the shareholders value and;
- (ii) maintain an optimal capital structure to reduce the cost of capital

The Company manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions and future business prospects.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

36. Financial instruments - fair values**Accounting classification and fair value**

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their level of fair value hierarchy:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

- a) recognised and measured at fair value
- b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2023:

Particulars	Carrying Amount	Fair Value			Total
	31-Mar-23	Level 1	Level 2	Level 3	
Financial assets measures at amortised cost					
Trade receivables	932.99	-	-	-	-
Cash and cash equivalents	805.80	-	-	-	-
Bank balances other than cash and cash equivalents	56.04	-	-	-	-
Loans (current and non-current)	166.92	-	-	-	-
Other financial assets	58.71	-	-	-	-
Financial assets measured at Fair Value					
Investment in mutual funds	596.31	596.31	-	-	596.31
Total Financial assets	2,616.77	596.31	-	-	596.31
Financial liabilities measured at amortised cost					
Borrowings	607.29	-	-	-	-
Trade payables	941.48	-	-	-	-
Other financial liabilities (current and non-current)	189.87	-	-	-	-
Total financial liabilities	1,738.64	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2022:

Particulars	Carrying Amount	Fair Value			Total
	31-Mar-22	Level 1	Level 2	Level 3	
Financial assets measures at amortised cost					
Trade receivables	693.66	-	-	-	-
Cash and cash equivalents	1,036.06	-	-	-	-
Bank balances other than cash and cash equivalents	73.83	-	-	-	-
Loans (current and non-current)	158.59	-	-	-	-
Other financial assets	58.02	-	-	-	-
Financial assets measured at Fair Value					
Investment in mutual funds	580.83	580.83	-	-	580.83
Total Financial assets	2,600.99	580.83	-	-	580.83
Financial liabilities measured at amortised cost					
Borrowings	935.51	-	-	-	-
Trade payables	894.43	-	-	-	-
Other financial liabilities (current and non-current)	164.03	-	-	-	-
Total financial liabilities	1,993.97	-	-	-	-



Shadowfax Technologies Private Limited**Notes to financial statements (continued)***(Rs. in millions, except share and per share data, unless otherwise stated)***36. Financial instruments – fair values (continued)****Fair value hierarchy**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in equity shares of the subsidiary included in level 3.

Fair valuation method

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. Investments in mutual funds carried at fair value are generally based on market price quotations.

Financial Assets:

Fair value of all the above financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

Financial liabilities:

Borrowings: Borrowings are classified and subsequently measured in the financial statements at amortised cost. Considering that the interest rate on loans is reset on yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at balance sheet date value, as most of them are satisfied within a short period and so their fair values are assumed almost equal to balance sheet date values.

37. Financial risk management

The Company's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

Risk management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

a) Trade and other receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Expected credit loss assessment for trade receivables as at 31 March 2022 and 31 March 2023 are as follows:

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows.

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	41.32	28.32
Net measurement of loss allowance	36.00	13.00
Balance as at the end of the year	77.32	41.32



37. Financial risk management (continued)

b) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity management, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company invests its surplus funds in Bank fixed deposit and liquid and liquid plus schemes of mutual funds and short term mutual funds, which carry no/ low mark to market risks.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022. The amounts are gross and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements:

As at 31 March 2023	Carrying Amount	Total	0-1 years	1-3 years	3 years and above
Borrowings (including current maturities of non-current borrowings)*	698.73	698.73	412.96	285.77	-
Lease liability (current and non-current)*	63.13	63.13	47.40	15.73	-
Trade payables	941.48	941.48	918.84	22.64	-
Other financial liabilities (current and non-current, excluding current maturities of non-current borrowings)	189.87	189.87	189.87	-	-

* Includes future interest payable on outstanding lease liability / borrowings (including current maturities of non-current borrowings)

As at 31 March 2022	Carrying Amount	Total	0-1 years	1-3 years	3 years and above
Borrowings (including current maturities of non current borrowings)*	935.51	935.51	532.77	402.74	-
Lease liability (current and non-current)*	124.99	124.99	71.83	53.16	-
Trade payables	894.43	894.43	884.07	10.36	-
Other financial liabilities (current and non-current, excluding current maturities of non-current borrowings)	164.03	164.03	164.03	-	-

* Includes future interest payable on outstanding lease liability / borrowings (including current maturities of non-current borrowings)

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and advances, deposits and FVTOCI investments.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's Bank Overdraft facility with floating interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate instruments		
Borrowings (including current maturities of non-current borrowings)	607.29	935.51

Interest rate sensitivity analysis for variable instruments:

With all other variables held constant, the sensitivity to a reasonably possible change in interest rate of borrowings on the Company's profit before tax and equity is not material. The company has total outstanding borrowings as on 31st March 2023 amounting to Rs. 607.29 million out of which Rs. 34.68 million is having variable interest rate, which is not material.

(ii) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

(iii) Foreign currency sensitivity:

Foreign currency sensitivity risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market currency rates. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities for all currencies are not material.



Shadowfax Technologies Private Limited
Notes to financial statements (continued)
(Rs. in millions, except share and per share data, unless otherwise stated)
38. Additional regulatory information - Analytical ratios

Ratios	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance	Note
Current ratio (in times)	Current assets	Current liabilities	1.35	1.44	-6%	1
Debt equity ratio (in times)	Debt (borrowings + lease liabilities)	Shareholders equity	0.16	0.29	-47%	2
Debt service coverage ratio (in times)	Earnings for Debt Service (Profit after tax+Depreciation+finance cost+Profit on sale of property,plant and equipment)	Debt Service (Interest and lease payments + Principal repayments)	(3.46)	(6.51)	-47%	3
Return on equity ratio (in %)	Net Profit for the year	Average shareholders equity	-85.55%	-76.96%	11%	4
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	17.40	16.37	6%	5
Trade payables turnover ratio	Other expenses	Average trade payables	14.32	12.57	14%	6
Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	17.42	9.28	88%	7
Net profit ratio	Net Profit for the year	Revenue from operations	-10.08%	-17.78%	-43%	8
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings + lease liabilities)	-63.69%	-83.97%	-24%	9
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	13.20%	5.91%	123%	10

Sub Notes
Note 1 - Due to Increase in Current liabilities
Note 2 - Due to increase in borrowings and business lossess
Note 3 - Due to increase in loan/lease principal repayments
Note 4 - Due to increase in Net losses which resulted in decrease of shareholders equity
Note 5 - Due to increase in Revenue from operations as compared to previous FY 2021-22
Note 6 - Due to increase in Other expenses due to increase in revenue as comapred to FY 21-22
Note 7 - Due to increase in Revenue from operations as compared to Previous FY 2021-22
Note 8 - Due to decrease in losses as a percentage to revenue
Note 9 - Due to increase in losses and increase in borrowings
Note 10 - Due to increase in income for investments
39. Foreign currency transactions
Expenditure in foreign currency

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2023
Subscription and license fee	17.56	16.31
Legal and professional fees	0.08	2.15
	17.64	18.46

Earning in foreign currency

The Company does not have any earnings in foreign currency during the period under reporting. Further there was no foreign currency exposure as at the current and previous balance sheet date.

Unhedged foreign currency liability

The unhedged foreign currency exposure Rs. 9.38 million (USD 0.11 million) {March 31, 2022: Rs. 3.53 million(USD 0.04 million)}.

40. Company's books of accounts and other relevant books and papers ("Books and papers") are maintained in electronic mode. In addition, Company maintains backup of books and papers on daily basis. However, back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India. As at 31 March 2023, the Company is in the process of consultation with the vendor to ensure the compliance with the requirement.



Shadowfax Technologies Private Limited

Notes to financial statements (continued)

(Rs. in millions, except share and per share data, unless otherwise stated)

41. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (vi) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date attached.

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W - 100022



Ashish Chadha

Partner

Membership No. 500160

Bengaluru

Date: 23 September 2023

for and on behalf of the Board of Directors of
Shadowfax Technologies Private Limited



Abhishek Bansal

Director

DIN-07155421

Bengaluru

Date: 23 September 2023



Vaibhav Khandelwal

Director

DIN-07155413

Bengaluru

Date: 23 September 2023



Praveen Kumar KJ

Chief Financial Officer

Bengaluru

Date: 23 September 2023