

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Bundl Technologies Private Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Bundl Technologies Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2019 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associate as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

As described in Note 15 (f) to the financial statements, the Group classified the preference shares (including premium) amounting to ₹ 87,341 million as at 31 March 2019 as an equity classified instrument which is not in accordance with Ind AS 32 Financial Instruments: Presentation, that requires them to be presented as a financial liability in its entirety given that it contains a buy back right available to the holders. Such preference shares, that contains a buy back right with the holders are required to be accounted for at fair value. As a result, the classification and measurement of the liability through profit and loss, the gain / loss from such adjustments, related income tax effects as of 31 March 2019 and for the year ended 31 March 2019 are misstated. The Group has not quantified the impact of such misstatements and has not included the relevant fair value disclosures required under Ind AS 107 Financial Instruments: Disclosures for these preference shares recognized as financial liabilities as of the balance sheet date. In absence of such quantification, we are unable to comment on the impact on the balance sheet and the statement of profit and loss.

Subsequent to the balance sheet date, the majority preference shareholders having ability to trigger the put option have irrevocably waived these rights. Basis this development and legal advice obtained by the Company as on the date of the waiver, the buyback clause is neither enforceable nor exercisable. Accordingly, on the date of the waiver obtained, the above mentioned preference shares will be classified from liability to equity.

Bundl Technologies Private Limited
Independent Auditor's Report (continued)

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



Bundl Technologies Private Limited
Independent Auditor's Report (continued)

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group (company and subsidiaries) as well as associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Bundl Technologies Private Limited
Independent Auditor's Report (continued)

Other Matters

- (a) The consolidated financial statements include the Group's share of net loss (and other comprehensive income) of Rs. 18 million for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate whose financial statements/financial information has not been audited by us or by other auditors. These unaudited financial statements/financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.



Bundl Technologies Private Limited
Independent Auditor's Report (continued)

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company and certification obtained by management of associate company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph above.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associate. Refer Note 31(b) to the consolidated financial statements;
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate company incorporated in India during the year ended 31 March 2019; and
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.



Bundl Technologies Private Limited
Independent Auditor's Report (continued)

C. With respect to the matter to be included in the Auditor's report under section 197(16):

- In our opinion and according to the information and explanations given to us and as referred to in 'Other Matters' paragraph above, the holding company, its subsidiary company and its associate company are private limited companies and accordingly, the provisions of Section 197 to the Act are not applicable to the Group and its associate.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231 W/W-100024



Ashish Chadha

Partner

Membership No.: 500160

UDIN: 19500160AAAAE06730

Place: Bengaluru, India

Date: 14 November 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Bundl Technologies Private Limited for the year ended 31 March 2019.

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Bundl Technologies Private Limited (hereinafter referred to as "the Holding Company") and its associate company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company and its associate company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019 based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.



Annexure A to the Independent Auditors' report on the consolidated financial statements of Bundl Technologies Private Limited for the year ended 31 March 2019

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and as referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



B S R & Associates LLP

Annexure A to the Independent Auditors' report on the consolidated financial statements of Bundl Technologies Private Limited for the year ended 31 March 2019

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the exemption availed by the Management of the subsidiary company.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Ashish Chadha

Partner

Membership No.: 500160

UDIN: **19500160AAAAE06730**

Place: Bengaluru, India

Date: 14 November 2019

Bundl Technologies Private Limited
Consolidated balance sheet

(₹ in Million)

Note
As at
March 31, 2019

ASSETS

Non-current assets

Property, plant and equipment	3	882
Capital work-in- progress		183
Goodwill (refer note 37)		349
Other intangible assets	4	159
Financial assets		
Investment in associate	5	294
Loans	7	299
Income tax assets (net)	13	147
Other assets	14	236
		<u>2,549</u>

Current assets

Inventories	8	41
Financial assets		
Investments	6	53,774
Loans	7	95
Trade receivables	9	1,383
Cash and cash equivalents	10	2,122
Other balances with banks	11	772
Other financial assets	12	180
Other assets	14	2,917
		<u>61,284</u>

Total

63,833

EQUITY AND LIABILITIES

Equity

Share capital	15	9
Other equity	16	57,209
		<u>57,218</u>

Non- current liabilities

Provisions	19	138
		<u>138</u>

Current liabilities

Financial liabilities		
Trade payables	17	4,610
Other financial liabilities	18	1,176
Provisions	19	234
Other liabilities	20	457
		<u>6,477</u>

Total

63,833

Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

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As per our report of even date

for B S R & Associates LLP

Chartered Accountants

Firm's Registration Number: 116231W/W-100024



Ashish Chadha

Partner

Membership No: 500160

Bengaluru

November 14, 2019

14 NOV 2019

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



Sriharsha Majety

Director

DIN: 06680073

Bengaluru

November 14, 2019

14 NOV 2019



Lakshmi Nandan Reddy Obul

Director

DIN: 06686145



Rahul Bothra

Chief Financial

Officer





Bundl Technologies Private Limited
Consolidated statement of profit and loss

		(₹ in Million)
	Note	Year ended March 31, 2019
Income		
Revenue from operations	21	11,283
Other income	22	1,690
Total income		12,973
Expenses		
Cost of operations	23	16,812
Cost of materials consumed	24	372
Employee benefits expense	25	5,438
Finance costs	26	21
Depreciation and amortisation	3 & 4	201
Other expenses	27	13,747
Total expenses		36,591
Loss before share in net profit / (loss) of associate		(23,618)
Share in net profit / (loss) of associate (refer note 5)		(18)
Loss before tax		(23,636)
Tax expense		-
Loss for the year		(23,636)
Other comprehensive income ('OCI'), net of tax		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Re-measurement gain/ (loss) on defined benefit plans		(34)
		(34)
Total comprehensive loss, net of tax		(23,670)
Loss per equity share Basic and Diluted (₹)	28	(231,513)
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the consolidated financial statements		

As per our report of even date
for B S R & Associates LLP
Chartered Accountants
Firm's Registration Number: 116231W/W-100024



Ashish Chadha
Partner
Membership No: 500160

Bengaluru
November 14, 2019

14 NOV 2019

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


Sriharsha Majety
Director
DIN: 06680073

Bengaluru
November 14, 2019

14 NOV 2019


Lakshmi Nandan Reddy Obul
Director
DIN: 06686145


Rahul Bothra
Chief Financial
Officer





Bundl Technologies Private Limited
Consolidated statement of changes in equity for the year ended March 31, 2019

A. Share capital (refer note 15)

	Equity shares of ₹ 1		CCCPS of ₹ 10		Total share capital	Total share capital (₹ in Million)
	No.	Amount in ₹	No.	Amount in ₹		
Shares issued, subscribed and fully paid up						
As at April 01, 2018	102,070	102,070	470,480	4,704,800	4,806,870	5
Add: Issued during the year	60	60	366,557	3,665,570	3,665,630	4
As at March 31, 2019	102,130	102,130	837,037	8,370,370	8,472,500	9

B. Other equity (refer note 16)

	Attributable to the equity holders of the Company				Total
	Reserve and surplus			Items of OCI	
	Securities premium	Employee stock options reserve	Deficit in the statement of profit and loss	Re-measurement gain/ (loss) on defined benefit plans	
As at April 01, 2018	16,301	100	(7,179)	5	9,227
Loss for the year	-	-	(23,636)	-	(23,636)
Re-measurement gain/ (loss) on defined benefit plans	-	-	-	(34)	(34)
Issue of share capital	71,470	-	-	-	71,470
Deferred stock compensation expenses	-	774	(159)	-	615
Share issue expenses	(433)	-	-	-	(433)
As at March 31, 2019	87,338	874	(30,974)	(29)	57,209

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
for B S R & Associates LLP
 Chartered Accountants
 Firm's Registration Number: 116231W/W-100024



Ashish Chadha
 Partner
 Membership No: 500160

Bengaluru
 November 14, 2019

14 NOV 2019

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



Sriharsha Majety
 Director
 DIN: 06680073

Bengaluru
 November 14, 2019

14 NOV 2019



Lakshmi Nandan Reddy Obul
 Director
 DIN: 06686145



Rahul Bothra
 Chief Financial Officer





Bundl Technologies Private Limited
Consolidated cash flow statement for the year ended March 31, 2019

	(₹ in Million)
	Year ended March 31, 2019
A. Operating activities	
Loss before tax	(23,636)
<i>Adjustments to reconcile the loss before tax to net cash flows:</i>	
Depreciation and amortization	201
Fair value gain on financial instruments, at fair value through profit or loss (including profit on sale)	(1,255)
Fair value gain on financial instruments, carried at amortised cost (net)	(40)
Impairment loss recognised on money market instruments	598
Loss on disposal / write off of property, plant and equipment	1
Employee stock option scheme expenses	787
Amortised cost of deposits	27
Finance costs (including fair value changes)	21
Interest income	(395)
Share of loss of associate	18
Operating cash flow before working capital adjustments	(23,673)
Working capital adjustments - changes in:	
Inventories	(36)
Loans	(307)
Trade receivables	(1,146)
Other assets	(2,955)
Trade payables	3,419
Other financial liabilities	719
Other liabilities	362
Provisions	234
	(23,383)
Direct taxes paid (net of refund)	(100)
Net cash used in operating activities	(23,483)
B. Investing activities	
Purchase of investments	(127,677)
Proceeds from sale/ maturity of investments	83,290
Purchase of property, plant and equipment and intangible assets	(944)
Investment in term deposits	(756)
Interest received	261
Acquisition of subsidiary, net of cash acquired	(115)
Investment in associate company	(312)
Net cash used in investing activities	(46,253)
C. Cash flows from financing activities	
Proceeds from issue of equity shares	12
Proceeds from issue of CCCPS	71,461
Share issue expenses	(433)
Repayment of borrowings	(172)
Repurchase of stock options	(172)
Interest paid	(21)
Net cash generated from financing activities	70,675
Net increase in cash and cash equivalents (A+B+C)	939
Cash and cash equivalents at the beginning of the year	1,183
Cash and cash equivalents at the end of the year (refer note 10)	2,122

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

for **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024



Ashish Chadha

Partner

Membership No: 500160

Bengaluru

November 14, 2019

14 NOV 2019

for and on behalf of the Board of Directors of

Bundl Technologies Private Limited



Sriharsha Majety

Director

DIN: 06680073

Bengaluru

November 14, 2019

14 NOV 2019


Lakshmi Nandan Reddy Obul

Director

DIN: 06686145

Bengaluru

November 14, 2019

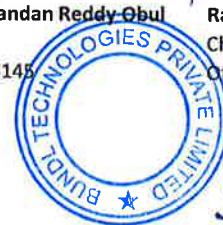
14 NOV 2019



Rahul Bothra

Chief Financial

Officer





Bundl Technologies Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2019

1 Group overview

The Consolidated financial statements comprises financial statements of Bundl Technologies Private Limited ("The Company" or "Swiggy"), its subsidiary company i.e. Scootsy Logistics Private Limited ("Scootsy") and its associate company i.e. Maverix Platforms Private Limited ("Maverix"), collectively hereinafter referred to as "the Group".

The Company was incorporated on December 26, 2013 as a private limited company, with its registered office situated at Bengaluru.

The Group is principally engaged in facilitating the food orders and delivery through its own application platform, and is also in the business of preparing food in its own kitchen and selling through the aforesaid platform.

Following companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Nature of relationship	Country of incorporation	Effective date	% of holding	
				March 31, 2019	April 01, 2018
Scootsy Logistics Private Limited	Wholly owned subsidiary	India	August 03, 2018	100%	-
Maverix Platforms Private Limited	Associate company	India	February 22, 2019	27%	-

2 Significant accounting policies

2.1 Basis of preparation and statement of compliance

The Group has adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2018, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the Consolidated Financial Statements comply with Ind AS prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

During the year, the Company has acquired the Scootsy Logistics Private Limited and had an investment in associate company, refer note 37 and note 5 for the details on acquisition of Scootsy Logistics Private Limited and details of investment in associate, respectively. With the aforesaid business combination, the Company is required to prepare consolidated financial statements for the first time in accordance with Ind AS for the year ended March 31, 2019. Accordingly, no comparative figures for consolidated financial statements are required to be presented.

The consolidated financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained further in the accounting policies below.

The consolidated financial statements are presented in INR (₹) and all the values are rounded off to the nearest Million (INR 000,000) except when otherwise indicated.

2.2 Basis of consolidation

The Group consolidates the companies which it owns or controls. The Consolidated financial statements comprise the financial statements of the Company, its subsidiary and associate, as detailed in note 1 above.

Control exists when the parent has the power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affects the entity's returns. Subsidiary is consolidated from the date of control commences until the date control ceases. Associate entity has been considered in the consolidated financial statement as per equity method of consolidation as per Ind AS 28 (refer note 2.12 for details on associate).

The financial statements of Group Companies are consolidated on line by line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.



2.3 Business combination

Business combinations have been accounted for using the acquisition method under the provisions of IND AS 103, 'Business Combinations'.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Goodwill on consolidation as on the date of acquisition represents the excess of cost of acquisition of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the financial statements on acquisition date

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquirer's identifiable net assets. Business combinations between entities under common control are accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees and other professional and consulting fees are expenses as incurred.

2.4 Use of estimates, assumptions and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

a Impairment of investment:

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model, and involves use of significant estimates and assumptions including turnover, earning multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discounted rate, future economic and market conditions.

b Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2.13.

c Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

d Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 30.



e Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

f Taxes

The Group's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded. The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.20.

g Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the financial position.

2.5 Current and Non-current classification

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

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- > Expected to be realised or intended to be sold or consumed in normal operating cycle
- > Held primarily for the purpose of trading
- > Expected to be realised within twelve months after the reporting period, or
- > Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- > It is expected to be settled in normal operating cycle
- > It is due to be settled within twelve months after the reporting period, or
- > There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2.6 Revenue recognition

The Group generates revenue mainly from providing online food ordering services to restaurants, prime placement and other advertisement services.

General revenue recognition :

Revenue is recognised at the point in time when value and control is transferred to the customer, being delivery of food to a customer and it is probable that the Group will collect the related consideration. Revenue is measured net of discounts and other sales-related taxes.

Commission income:

Commission revenue generated from restaurant partners is earned and recognised when a customer's order is fulfilled, being the point at which the Group has no remaining transactional obligation. The fulfilment of the food order is the responsibility of restaurant, accordingly, the gross order value placed by customers is not recognised as revenue, only the commission to which the Group is entitled is recognised as revenue.

Delivery revenue:

Delivery revenue is earned when the Group arranges the food delivery, instead of the restaurant partner using its own delivery system. Where the Group arranges delivery, all delivery fees are recognised as revenue at the point of order fulfilment to the customer. This is irrespective of whether the individual making the delivery is Group's employee, a contractor, or an employee of a third-party service company, as Group maintain primary responsibility for delivery under any of these arrangements. The obligation to fulfil the food order itself remains the responsibility of the restaurant partner, and therefore the gross order value placed by customers is not recognised as revenue, only the delivery fee to which the Group is entitled is recognised as revenue.

Carousal income:

Carousal income represents income for placing prioritisation on Swiggy's website for specific period. These arrangements cover specified period and the associated revenue are recognised evenly over the same period.

Onboarding fee:

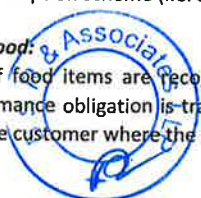
Restaurants pay one-time non-refundable fees to join the Group's network, which is majorly towards the completion of onboarding formalities, which is not linked to any future performance obligations accordingly this revenue is recognised immediately.

Subscription fee:

Revenue from the subscription scheme (i.e. Swiggy super subscription) is recognised over the subscription period of the respective customer.

Income from sale of food:

Revenue from sale of food items are recognised when the performance obligations are satisfied i.e. when "control" of the goods or services underlying the performance obligation is transferred to the customer. Accordingly, revenue from the sale of food items are recognised when the food is delivered to the customer where the performance obligation is satisfied.



Discounts:

The Group periodically provides incentive offers to restaurants and diners to use our platform. These promotions are generally in the nature of discount coupons, cash credits, delivery free coupon etc. to be applied against purchases. These incentive offers are recorded as a reduction in revenues, generally on the date the corresponding order revenue is recognized.

For those incentives that create an obligation to discount current or future orders, management applies judgment in allocating the incentives that are expected to be redeemed proportionally to current and future orders based on their relative expected transaction prices.

Other income:

Profit on sale of mutual funds and fair value impact on mark to mark contracts are recognised on transaction completion and or on reporting date as applicable.

Interest income is recognised using the effective interest method or time-proportion method, based on rates implicit in the transaction.

Dividend income is recognized when the Group's right to receive Dividend is established.

2.7 Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains or losses arising from derecognition of the assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets and are recognized in the consolidated statement of profit and loss when the assets are derecognized.

Capital work in progress:

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress. The capital work- in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest. No depreciation is charged extra on the capital work in progress until the asset is ready for the intended use.

2.8 Intangible assets

Intangible assets acquired separately including acquired in business combination are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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



2.9 Depreciation and amortisation

Depreciation on property, plant and equipment and amortisation on intangible assets with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management.

The Group has used the following useful lives to provide depreciation on plant and equipment and amortisation of intangible assets:

Asset category	Useful lives estimated by the management
Plant and equipment*	5
Office equipment	5
Computer equipment	3
Furniture and fixtures*	5
Leasehold improvements	Over lease term
Computer software	5
Other intangible assets (as per Ind AS 38)	3-6

* Based on an internal technical evaluation, management believes that the useful lives as given above are realistic and reflect fair approximation of the period over which the assets are likely to be used. Hence, the useful lives for these assets is different from the useful lives as prescribed under part C of Schedule II of The Companies Act 2013.

Group is assuming terminal value of 5% of the cost of the asset i.e. only 95% of the original cost of asset is depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Impairment

Financial Assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Impairment of non-financial assets:

Non-financial assets including property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

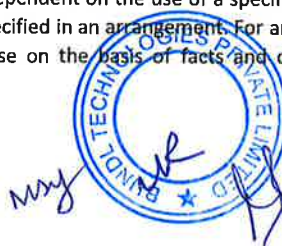
If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.11 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 fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.



Group as a lessee:

Operating lease

A Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term unless the lease escalations are linked to inflation, in such a case the lease expense is recognised as per the terms of the lease arrangement.

2.12 Investments in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

2.13 Financial instruments

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

Financial assets and liabilities are recognised when the Group becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

b Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in consolidated statement of profit and loss.

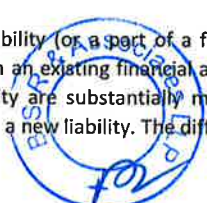
e Financial liabilities

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

f Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial asset/ liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.



g Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

h Offsetting of financial instruments

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

i Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

2.14 Inventories

Inventory is stated at the lower of cost and net realisable value. Cost of inventories comprise of all cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 Share issue expenses

Share issue expenses eligible to be capitalised are adjusted with securities premium.

2.17 Foreign currency:

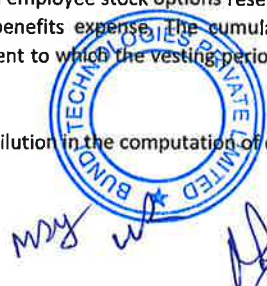
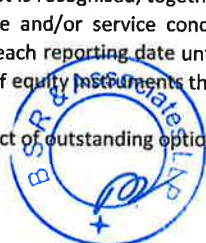
The Group determines the functional currency on the basis of primary economic environment in which the entity operates. The functional currency of the Group is Indian Rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the consolidated statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.18 Employee share based payments

The Group measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period as per graded vesting method. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (Black-Scholes valuation model). That cost is recognised, together with a corresponding increase in employee stock options reserves in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



2.19 Employee benefits

Employee benefits includes provident fund, gratuity and compensated absences.

Defined contribution plans

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the consolidated statement of profit and loss.

Defined benefit plans

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is carried out based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as liability. Actuarial gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to the consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Group transfers it immediately to "surplus/(deficit) in the statement of profit and loss" under other equity.

Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the entire compensated absences balance as a current liability in the consolidated balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

2.20 Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the balance sheet date.

Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.



2.21 Provision and contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. If the effect of time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

2.22 Earnings/(loss) per share

Basic earnings/(loss) per share is computed by dividing the profit/(loss) after tax attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest (net of any attributable taxes) other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The Group did not have any potentially dilutive securities in any of the years presented.

2.23 Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief decision maker.

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief decision maker in deciding how to allocate resources and in assessing performance, the analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.24 consolidated statement of cash flow

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise the total of current portion of cash and cash equivalents as disclosed in cash and cash equivalent schedule.



2.25 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS, these amendments are applicable to the Group from April 1, 2019.

a Ind AS 116, Leases.

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard allows for two methods of transition:

- (1) The full retrospective approach - requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented.
- (2) the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Group is in the process of evaluating the impact on the financial statements, on completion of evaluation of the effect of adaptation of Ind AS 116, the Group is proposing to use the 'modified retrospective approach' for transitioning to Ind AS 116, and take the cumulative adjustment to the retained earnings on the date of initial application, i.e. April 01, 2019. Accordingly, comparatives for the year ended April 01, 2018 and March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

b Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Group does not expect any significant impact of the amendment on its financial statements.

c Ind AS 109 – Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

d Ind AS 19 – Plan amendment, curtailment or settlement

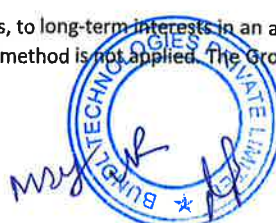
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

e Ind AS 23 – Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

f Ind AS 28 – Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group doesn't expect any impact from this amendment.



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

3 Property, plant and equipment

(₹ in Million)

	Plant and equipment*	Office equipment	Computer equipment	Furniture and fixtures	Leasehold improvements	Total
Cost						
As at April 01, 2018	25	18	168	11	56	278
Additions	144	125	336	28	186	819
Additions - Business combination	1	1	1	-	-	3
Disposal	-	-	(2)	-	-	(2)
As at March 31, 2019	170	144	503	39	242	1,098
Depreciation						
As at April 01, 2018	2	2	45	1	7	57
Charge for the year	14	13	105	5	23	160
Disposal	-	-	(1)	-	-	(1)
As at March 31, 2019	16	15	149	6	30	216
Net block						
As at April 01, 2018	23	16	123	10	49	221
As at March 31, 2019	154	129	354	33	212	882

* majorly kitchen equipments

4 Intangible assets

(₹ in Million)

	Customer contracts	Developed technology	Trade mark	Non-compete asset	Computer software	Total
Cost						
As at April 01, 2018	-	-	19	48	10	77
Additions	-	-	-	-	-	-
Acquisition on business combination	89	13	32	-	-	134
Disposal	-	-	-	-	-	-
As at March 31, 2019	89	13	51	48	10	211
Amortisation						
As at April 01, 2018	-	-	2	7	2	11
Charge for the year	12	2	8	16	3	41
Disposal	-	-	-	-	-	-
As at March 31, 2019	12	2	10	23	5	52
Net block						
As at April 01, 2018	-	-	17	41	8	66
As at March 31, 2019	77	11	41	25	5	159



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

5 Investment in associate

	<u>(₹ in Million)</u>
	<u>As at</u>
	<u>March 31, 2019</u>
Non-current	
<i>Unquoted - Equity method</i>	
Investment in equity instruments of associate	
Maverix Platforms Private Limited	294
<i>(10 Equity shares of ₹ 10 each, fully paid up)</i>	
<i>(2,065,542 Series C1 0.01% CCPS of ₹ 10 each, fully paid up)</i>	
	<u>294</u>

On February 22, 2019, the Company acquired 27% of shareholding in Maverix Platforms Private Limited ("Maverix"), India, for a total consideration of ₹ 312 Million. The Maverix produces and sells ready-to-eat and ready-to-cook food products such as curries, batters and mixes, parathas, dals, sides etc. The investment was carried through a share subscription agreement and the entire consideration was paid during February, 2019. Further, share of loss of ₹ 18 million has been recognised for the year ended March 31, 2019 as per equity method in accordance with IND AS 28.

6 Other investments

	<u>(₹ in Million)</u>
	<u>As at</u>
	<u>March 31, 2019</u>
<i>Quoted</i>	
<i>Investments carried at fair value through profit and loss</i>	
Investments in liquid mutual fund units	48,615
Investments in fixed maturity plan securities	156
<i>Investments carried at amortised cost</i>	
Investments in commercial papers	231
Investments in Non-Convertible Debentures(NCDs)/Bonds	4,222
Investments in certificate of deposits	550
	<u>53,774</u>

Detail of other investments:

Below are the category wise details of investment in money market instruments:

	<u>As at March 31, 2019</u>	
	<u>Units</u>	<u>₹ in Million</u>
Investments carried at fair value through profit and loss		
Investments in liquid mutual fund units		
Aditya Birla Sun Life Savings Fund - Dir - Growth	12,273,609	4,563
SBI Liquid Direct-Growth	607,202	1,778
SBI Magnum Low Duration Fund	1,657,619	4,032
SBI Magnum Ultra Short Duration Fund- Direct-Growth	673,931	2,810
Aditya Birla SL Liquid Direct-Growth	11,851,124	3,560
Axis Liquid Fund - Dir - Growth	1,665,929	3,454
HDFC Low Duration Fund Direct-Growth	115,199,132	4,707
ICICI Prudential Liquid Fund- Dir- G	9,365,400	2,589
IDFC Corporate Bond Direct -G	440,121,036	5,660
IDFC Low Duration Direct-G	125,573,660	3,358
Kotak Savings Fund- Direct- G	137,840,975	4,212
Reliance Floating Rate Fund - Dir - Growth	4,392,326	132
Reliance Liquid Direct-Growth	1,701,032	7,760
		<u>48,615</u>
Investments in fixed maturity plan securities		
Reliance Interval Fund V Series 1 Direct-G	15,000,000	156
		<u>156</u>
Investments carried at amortised cost		
Investments in commercial papers		
KMIL CP 346 Days 28-June-2019	500	231
IL&FS Financial Services Limited Cp 15-02-2019 (refer note 27.b)	800	369
IL&FS Leasing and Financial Services Limited Cp 11-07-2019 (refer note 27.b)	500	229
Impairment loss recognised on expected credit loss (refer note 27.b)	(1,300)	(598)
		<u>231</u>



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

		As at March 31, 2019	
		Units	₹ in Million
Investments carried at amortised cost			
Investments In Non-Convertible Debentures(NCDs)/Bonds			
0.00% LIC Housing Finance Limited NCD 02Sp19	250		353
7.50% Bajaj Finance Limited 2-Dec-2019	100		102
7.85% Housing Development Fin Corp. Ltd Sr-T-002 NCD 21Ju19 Fvrs1Crloaupto23Mr18	35		351
7.90% Bajaj Finance Limited	150		156
7.90% Mahindra & Mahindra Fin. Services Ltd Srncd 23Apr19 Fvrs10Lac	350		355
7.95% TCFSL 10-Apr-2019	250		255
8.26% HDFC Secured Redeemable NCD Series P-005	35		368
8.5855% Aditya Birla Finance Ltd- 27-12-2019	350		350
8.5975% L&T Finance Ltd 19-12-19	250		250
8.6197% L&T Finance Ltd. 30-1-2020	250		250
8.8820% TCFSL 20-Jan-2020	500		505
9.44% LIC HFL 30-08-2019	100		107
9.51% LIC HFL 24-07-2019	100		109
Fullerton India Credit Co. Ltd Sr-40 8.85 Ncd 19Ap19 Fvrs10Lac	250		255
Fullerton India Credit Company Ltd Sr-47 8.9 Ncd 16Sp19 Fvrs10Lac	250		254
KMIL Sr-001 7.9 Ncd 05Ap19	50		51
Kotak Mahindra Prime Ltd Sr-li 7.7605 Ncd 27My19 Fvrs10Lac	50		51
L&T Housing Finance Limited Sr-H Opt 1 8.7 NCD 22Jl19	40		100
			4,222
Investments in certificate of deposits			
7.40% PNB Housing Finance Ltd Fd 15-April-2019	50,000,000		50
8.55% Bajaj Finance Limited Fd 28-03-2020 Cumm Option	500,000,000		500
			550
			53,774

7 Loans			
(Carried at amortised cost)			(₹ in Million)
			As at
			March 31, 2019
Non-current			
Unsecured, considered good			
Security deposits			299
			299
Current			
Unsecured, considered good			
Security deposits			95
			95
8 Inventories			
(Valued at lower of cost or net realisable value)			(₹ in Million)
			As at
			March 31, 2019
Raw material			41
			41
9 Trade receivables			
(Carried at amortised cost)			(₹ in Million)
			As at
			March 31, 2019
Current			
Unsecured, considered good			1,383
			1,383



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

10 Cash and cash equivalents (Carried at amortised cost)	(₹ in Million) As at March 31, 2019
Cash in hand	4
Balances with banks	
- In current accounts	2,085
- In deposit account (with original maturity of 3 months or less)	33
	2,122
11 Other balances with banks (Carried at amortised cost)	(₹ in Million) As at March 31, 2019
Fixed deposit with original maturity greater than 3 months and less than 12 months	772
	772
12 Other financial assets (Carried at amortised cost)	(₹ in Million) As at March 31, 2019
Unsecured, considered good	
Interest receivable	180
	180
13 Income tax assets (net)	(₹ in Million) As at March 31, 2019
Non-current	
Tax deducted at source	147
	147
14 Other assets	(₹ in Million) As at March 31, 2019
Non-current	
Prepaid expense	236
	236
Current	
Prepaid expense	264
Advance to suppliers	2,158
Employee advances	24
Balance with delivery partners	261
Balance with statutory and government authorities	124
Others	86
	2,917



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Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

15 Share capital

	(₹ in Million)
	As at March 31, 2019
Authorised share capital	
500,000 equity shares of ₹ 1 each.	1
837,856 - 0.01% compulsorily convertible cumulative preference shares ('CCCPS) of ₹ 10 each.	8
	<u>9</u>
Issued, subscribed and fully paid-up share capital	
Equity share capital*	-
0.01% compulsorily convertible cumulative preference shares	
Series A	1
Series B	1
Series C	1
Series D**	-
Series E	1
Series F	1
Series G	2
Series H	2
	<u>9</u>
Total issued, subscribed and fully paid-up share capital	<u>9</u>

* Consists of equity share capital of ₹ 102,130.

** Consists CCCPS of ₹ 297,930.

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

(i) Equity share capital

	No of shares	Amount in ₹
As at April 01, 2018	102,070	102,070
Issued during the year	60	60
As at March 31, 2019	<u>102,130</u>	<u>102,130</u>

(ii) 0.01% compulsorily convertible cumulative preference shares

	As at March 31, 2019	
	No of shares	Amount in ₹
Series A		
At the beginning of the year	61,340	613,400
Issued during the year	-	-
At the end of the year	<u>61,340</u>	<u>613,400</u>
Series B		
At the beginning of the year	84,345	843,450
Issued during the year	-	-
At the end of the year	<u>84,345</u>	<u>843,450</u>
Series C		
At the beginning of the year	111,766	1,117,660
Issued during the year	-	-
At the end of the year	<u>111,766</u>	<u>1,117,660</u>
Series D		
At the beginning of the year	29,793	297,930
Issued during the year	-	-
At the end of the year	<u>29,793</u>	<u>297,930</u>
Series E		
At the beginning of the year	102,956	1,029,560
Issued during the year	-	-
At the end of the year	<u>102,956</u>	<u>1,029,560</u>



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

	As at March 31, 2019	
	No of shares	Amount In ₹
Series F		
At the beginning of the year	80,280	802,800
Issued during the year	-	-
At the end of the year	80,280	802,800
Series G		
At the beginning of the year	-	-
Issued during the year	118,843	1,188,430
At the end of the year	118,843	1,188,430
Series H		
At the beginning of the year	-	-
Issued during the year	247,714	2,477,140
At the end of the year	247,714	2,477,140
Total	837,037	8,370,370

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders, further, the equity share holders other than promoters shall have priority over other equity share holders and will have the same rights as the preference shareholders.

(c) Terms/ rights attached to CCCPS

The Company has eight classes of 0.01% CCCPS having a par value of ₹ 10 per share. Preference shares of all the eight classes carry a preferential right as to dividend at 0.01% over equity shareholders. Where dividend on CCCPS is not declared for a financial year, the entitlement thereto is carried forward to the subsequent years. Any dividend proposed by the Board of Directors is subject to shareholders' approval at the ensuing Annual General Meeting. The voting rights of a preference shareholder are in proportion to their share of the paid-up capital of the Company on any resolution directly affecting their rights.

The preference shares are compulsorily convertible in whole or part into equity shares before the expiry of nineteen years from the date of issuance of these shares in accordance with the terms of the Share Holders Agreement (SHA). Equity shares issued upon conversion shall be fully-paid up and free of all liens, charges and encumbrances.

On winding up of the Company, the holders of preference shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in priority to the equity share holders.

(d) Details of shareholders holding more than 5% shares of a class of shares

	March 31, 2019	
	No.	% of total
Equity shares		
Sriharsha Majety	54,690	54%
Lakshmi Nandan Reddy Obul	24,690	24%
Rahul Jaimini	19,690	19%
Others	3,060	3%
	102,130	100%
0.01% compulsorily convertible cumulative preference shares		
Series A		
Accel India IV (Mauritius) Ltd.	22,928	37%
MIH India Food Holdings B.V	18,688	30%
SAIF Partners India V Ltd.	8,415	14%
Tencent Cloud Europe B.V.	4,402	7%
Others	6,907	11%
	61,340	100%



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

	March 31, 2019	
	No.	% of total
Series B		
SAIF Partners India V Ltd.	22,021	26%
Norwest Venture Partners VII-A-Mauritius	19,669	23%
Accel India IV (Mauritius) Ltd.	16,840	20%
MIH India Food Holdings B.V	12,180	14%
Apoletto Asia Ltd	6,633	8%
Others	7,002	8%
	84,345	100%
Series C		
Norwest Venture Partners VII-A-Mauritius	30,815	28%
SAIF Partners India V Ltd.	26,572	24%
Accel India IV (Mauritius) Ltd.	25,955	23%
Apoletto Asia Ltd	8,515	8%
MIH India Food Holdings B.V	7,477	7%
RB Investments Pte. Ltd.	4,351	4%
Harmony Partners (Mauritius) Ltd.	4,120	4%
Others	3,961	4%
	111,766	100%
Series D		
MIH India Food Holdings B.V	9,504	32%
Bessemer India Capital Holdings II Ltd	9,291	31%
Tencent Cloud Europe B.V.	2,366	8%
SAIF Partners India V Ltd.	1,997	7%
Accel India IV (Mauritius) Ltd.	1,853	6%
Norwest Venture Partners VII-A-Mauritius	1,734	6%
Others	3,048	10%
	29,793	100%
Series E		
MIH India Food Holdings B.V	77,215	75%
SAIF Partners India V Ltd.	7,723	8%
Accel India IV (Mauritius) Ltd.	6,435	6%
Norwest Venture Partners VII-A (Mauritius)	6,435	6%
Others	5,148	5%
	102,956	100%
Series F		
MIH India Food Holdings B.V.	48,174	60%
Inspired Elite Investment Limited	32,106	40%
	80,280	100%
Series G		
MIH India Food Holdings B.V	40,464	34%
DST EuroAsia V B.V.	40,454	34%
Coatue PE Asia XI LLC	25,280	21%
Inspired Elite Investments Limited	12,645	11%
	118,843	100%
Series H		
MIH India Food Holdings B.V.	150,179	61%
Tencent Cloud Europe B.V.	40,342	16%
HH BTPL Holdings II Pte. Ltd.	14,384	6%
Inspired Elite Investment Limited	11,923	5%
Others	30,886	12%
	247,714	100%

(e) Shares reserved for issue under options :

The company has reserved 35,881 number of equity shares for issue on exercise of employee stock options refer note 30 for details.



Bundi Technologies Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2019

- (f) As per the shareholders agreement with CCCPS holders, the CCCPS carry buy back rights. As per the requirements under Ind AS 32 Financial Instruments: Presentation, the CCCPS (including premium) have to be presented as a financial liability as at the balance sheet date i.e March 31, 2019 in its entirety given that it contains a buy back right available to the majority holders, as against the current treatment of equity classification. Subsequent to the balance sheet date, the majority preference shareholders having the ability to trigger the put option have irrevocably waived these rights of buy back. The Group has obtained the legal opinion which confirms that, based on the above waiver obtained from the majority shareholders, the buyback clause is neither enforceable nor exercisable. Accordingly, the management continued to carry the aforesaid preference shares as equity classification at the balance sheet date, consequently, the relevant fair value disclosures required under Ind AS 107 Financial Instruments: Disclosures for these preference shares not been disclosed.

16 Other equity

	(₹ in Million)
	As at
	March 31, 2019
Securities premium	
Equity share premium	
At the beginning of the year	6
Addition during the year, on issue of shares	12
	<u>18</u>
Preference share premium	
At the beginning of the year	16,295
Addition during the year, on issue of shares	71,458
Share issue expense incurred during the year	(433)
	<u>87,320</u>
	<u>87,338</u>
Employee stock options reserve	
At the beginning of the year	100
Employee compensation expense for the year	787
Compensation expenses pertaining to stock options repurchased during the year	(13)
	<u>874</u>
Deficit in the statement of profit and loss	
At the beginning of the year	(7,174)
Add/ (less): Changes during the year	(23,636)
Other comprehensive income for the year	(34)
Compensation expenses pertaining to stock options repurchased during the year	(159)
	<u>(31,003)</u>
	<u>57,209</u>

17 Trade payables

(Carried at amortised cost)

	(₹ in Million)
	As at
	March 31, 2019
Current	
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,610
	<u>4,610</u>

Terms and conditions for above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-40 day terms.
- For explanation on Group's liquidity risk management, refer note 36(b)(ii).

18 Other financial liabilities

(Carried at amortised cost)

	(₹ in Million)
	As at
	March 31, 2019
Current	
Liability towards business guarantee contracts	563
Deferred liability	232
Employee related liabilities	169
Capital creditors	69
Security deposit from delivery partners	86
Contingent consideration payable	41
Others	16
	<u>1,176</u>



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

19 Provisions

	<u>(₹ in Million)</u>
	<u>As at</u>
	<u>March 31, 2019</u>
Non-current	
Provision for employee benefits	
Gratuity (refer note 29(b))	138
	<u>138</u>
Current	
Provision for employee benefits	
Compensated absences	234
	<u>234</u>

20 Other liabilities

	<u>(₹ in Million)</u>
	<u>As at</u>
	<u>March 31, 2019</u>
Current	
Statutory liabilities	406
Contract liability	36
Unamortised interest cost	15
	<u>457</u>

21 Revenue from operations

	<u>(₹ in Million)</u>
	<u>Year ended</u>
	<u>March 31, 2019</u>
Sale of services	
Service income	8,119
Delivery income	1,977
Carousel income	385
Other operating income	127
	<u>10,608</u>
Sale of products	
Finished goods	675
	<u>675</u>
	<u>11,283</u>

Note: Disaggregation of revenue as required under Ind AS 115, has been disclosed above. Also, refer note no. 33 for segment disclosure.

22 Other income

	<u>(₹ in Million)</u>
	<u>Year ended</u>
	<u>March 31, 2019</u>
Interest on deposits	395
Fair value gain on financial instruments at fair value through profit or loss (including	1,255
Interest income on financial assets carried at amortised cost	23
Others	17
	<u>1,690</u>

23 Cost of operations

	<u>(₹ in Million)</u>
	<u>Year ended</u>
	<u>March 31, 2019</u>
Delivery cost	15,938
Payment gateway expenses	414
Consumables	460
	<u>16,812</u>



Bundl Technologies Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2019

24 Cost of materials consumed

	(₹ in Million)
	Year ended
	March 31, 2019
Inventory at the beginning of the year	5
Add: Purchases	408
Less: Inventory at the end of the year	(41)
Cost of material consumed	<u>372</u>

25 Employee benefits expense

	(₹ in Million)
	Year ended
	March 31, 2019
Salaries, wages and bonus	4,232
Contribution to provident and other fund (refer note 29)	195
Employee stock option scheme expenses (refer note 30)	787
Staff welfare expenses	224
	<u>5,438</u>

26 Finance cost

	(₹ in Million)
	Year ended
	March 31, 2019
Interest on loan	4
Interest expense on financial instruments at amortized cost	17
	<u>21</u>

27 Other expenses

	(₹ in Million)
	Year ended
	March 31, 2019
Advertising and marketing expense	7,782
Communication and technology expense	2,061
Loss on order cancellation and others (refer note 27.a)	1,134
Outsourcing expenses	217
Rent expense	576
Legal and professional fees	208
Payment to auditors	6
Travelling and conveyance	304
Recruitment expenses	127
Repairs and maintenance	
- Others	366
Power and fuel	121
Insurance	119
Loss on disposal / write off of property, plant and equipment	1
Rates and taxes	50
Printing and stationery	26
Postage and courier	12
Bank charges	31
Impairment loss recognised on money market instruments (refer note 27.b)	598
Miscellaneous expenses	8
	<u>13,747</u>

27.a These amounts primarily relate to the cost of orders cancelled by the customers after the orders have been picked up by the delivery partners from the respective restaurants, wherein the cost is born by the Group, it also includes cash loss incurred by the Group due to absconding of the delivery partners with cash.

27.b The Group, as part of its treasury operations, invested in commercial papers aggregating to ₹ 598 Million, with 'Infrastructure Leasing and Financial Services Limited and its subsidiary' (IL&FS Group), which were due for maturity on February 15, 2019 amounting to ₹ 369 Million and July 11, 2019 amounting to ₹ 229 Million, the aforesaid amount and interest there on has not been received as on date. As a result of increased credit risk in relation to outstanding balance from IL&FS Group and the uncertainty prevailing on IL&FS Group due to the proceedings pending with the NCLT, management has provided for full amount ₹ 598 Million for impairment in the value of commercial papers for the year ended March 31, 2019. The provision currently reflects the exposure that may arise given the uncertainty. The Group, however, continues to monitor development in this matter and is committed to take steps including legal actions that may be necessary to ensure the full recoverability.



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

28 Loss per share

The following reflects the income and share data used in the basic and diluted loss per share (EPS) computations:

Particulars	Year ended March 31, 2019
Nominal value per equity share (₹)	1
Loss attributable to equity shareholders (₹ in Million)	(23,636)
Weighted average number of equity shares for basic EPS (No.)	102,094
Loss per share (₹)	(231,513)

Note: CCCPS and ESOPs outstanding as at March 31, 2019 are anti-dilutive in nature and accordingly have not been considered for the purpose of Dilutive EPS.

29 Employment benefit plans

(a) Provident fund and employee state insurance

The Group makes contributions to provident fund, employee state insurance scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 103 Million for provident fund contribution and ₹ 11 Million for employee state insurance scheme contribution in the statement of profit and loss.

(b) Gratuity

The Group offers Gratuity benefit to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

Disclosure of Gratuity plan as per Ind AS 19

Particulars	(₹ in Million) As at March 31, 2019
A Change in defined benefit obligation	
Obligation at the beginning of the year	39
Addition on acquisition of subsidiary	2
Service cost	59
Interest cost	4
Actuarial loss /(gain) (accounted through OCI)	34
Obligation at the end of the year	138
B Plan assets	-
C Net liability recognised in the balance sheet	138
D Expenses recognised in the statement of profit and loss:	
Service cost	59
Interest cost	4
Net gratuity cost	63
E Remeasurement (gains)/losses in other comprehensive income	
Actuarial (gain)/ loss due to financial assumption changes	65
Actuarial (gain)/ loss due to experience adjustments	(4)
Actuarial (gain)/ loss due to demographic assumptions changes	(27)
Total expenses recognised through OCI	34
F Assumptions	
Discount rate	8%
Salary escalation rate	10% - 11%
Attrition rate	5% - 6%
Retirement age (years)	58 - 60

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, benefit obligation such as supply and demand in the employment market.



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

(₹ in Million)

Particulars	As at	
	March 31, 2019	
G Five years pay-outs		
0 - 1 year		-
2 - 5 years		17
6 - 10 years		43
> 10 years		609

H Sensitivity analysis

Particulars	Year ended March 31, 2019	
	Decrease	Increase
Effect of change in discount rate (-/+ 1%)	164	117
Impact on defined benefit obligation	19%	-15%
Effect of change in salary growth rate (-/+ 1%)	117	163
Impact on defined benefit obligation	-18%	18%
Effect of change in attrition assumption (-/+ 50%)	161	119
Impact on defined benefit obligation	17%	-12%
Effect of change in mortality rate (-/+ 10%)	138	138
Impact on defined benefit obligation	0%	0%

30 Employee Stock Option Plan (ESOP)

Pursuant to the approval by the shareholders in the AGM, the Board of Directors have been authorised to introduce, offer, issue and allot share based incentives to eligible employees of the Company under the Bundl ESOP 2015 Plan. The Maximum number of shares that under the Bundl ESOP 2015 Plan shall not exceed 52,789 equity shares.

These instruments generally vest over a period of 4 years and Group expects to grant the instruments under the Bundl ESOP 2015 Plan over the period of 1 to 4 years.

The activity of Bundl ESOP 2015 plan during the year is as follows:

	(No.)
	March 31, 2019
Outstanding at the beginning of the year	18,459
Granted	20,337
Exercised	-
Forfeited, expired and surrendered*	(2,915)
Outstanding at the end of the year	35,881
Exercisable at the end of the year	9,000

The aforesaid Bundl ESOP 2015 Plan carries a weighted average price of ₹ 1, for all the above category.

* The Group during the year, partially repurchased the ESOP grants based on the mutual agreement with the employees for settlement through cash. The cash consideration towards the partial cancellation of ESOP grants has been accounted for as repurchase of equity interest to the extent that the consideration does not exceed the fair value of the equity share on the date of repurchase.

The consideration paid to the employee in excess of the ESOP reserve related to the partially repurchased ESOP grants is adjusted through retained earnings as the consideration did not exceed the fair value of the equity shares on the date of repurchase

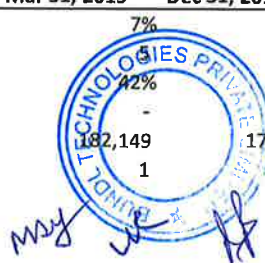
Details of weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date:

	No of options	No of shares arising out of options	Range of exercise price	Remaining life (years)*
March 31, 2019				
Bundl ESOP 2015 Plan	35,881	35,881	1	88

*Weighted average remaining contractual life in years.

The key assumptions used in fair valuation of ESOP cost by Black-Scholes model is as below:

Particulars	Year ended March 31, 2019			
	Jan 01, 2019 to Mar 31, 2019	Nov 01, 2018 to Dec 31, 2018	Jul 01, 2018 to Oct 31, 2018	Apr 01, 2018 to June 30, 2018
Risk free interest rate	7%	8%	8%	7%
Expected life of options granted	5	5	5	5
Expected volatility (weighted average)	42%	42%	41%	42%
Dividend yield (%)	-	-	-	-
Fair value of the option	182,149	173,164	168,735	105,982
Exercise price	1	1	1	1



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

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

31 Commitments and contingencies

(a) Commitments

(i) Operating leases - Group as a lessee

The Group is obligated under cancellable and non-cancellable lease for office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee. The total operating lease rental expenses charged during the year amounted to ₹ 576 Million.

Future minimum lease payments under non-cancellable operating leases as at March 31, are as follows:

	(₹ in Million)
	As at
	March 31, 2019
Within one year	623
After one year but not more than five years	70
More than five years	-

(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for:

As at March 31, 2019, the Group had commitment of ₹ 147 Million towards the leasehold improvements and kitchen equipments towards the setting up of the kitchen.

(iii) Proposed acquisition

On August 10, 2018, the Group has entered into a share purchase agreement to acquire 100% of the shareholding in Super Infotech Solutions Private Limited, a wholly owned subsidiary of Super Inc. USA. for a consideration including base purchase price of ₹ 515 Million and customary closing adjustments, subject to regulatory approval and fulfilment of closing conditions.

Subsequent to balance sheet as at July 31, 2019, the Group has obtained necessary regulatory approval for the aforesaid transaction from the appropriate authorities and the transaction would be completed in due course in the financial year 2019-20.

(b) Contingent liabilities

	(₹ in Million)
	As at
	March 31, 2019
Claims against the Group not acknowledged as debts	
Service tax demands (refer note (i) below)	14
Legal claim contingencies (refer note (ii) below)	3
	17

(i) The Group has received demand order towards the CENVAT credit input availed with respect to exempted income and others, under the provisions of the Finance Act, 1994 pertaining to the period September 2015 - June 2017. These demands are disputed by the management and the Group has filed appeals against these orders with appellate authorities. The management is of the view that the service tax is exempt on the matters discussed in the notice and there was no related CENVAT pertaining to exempted income, and is confident that the demands raised by the Assessing Officers are not tenable under law. Pending outcome of the aforesaid matter under litigation, no provision has been made in the books of account for these tax demands. No reimbursements are expected against the aforesaid claims.

(ii) Majorly consists of customer claims through consumer forum relating to quality of service etc. these demands are disputed by the Group, and matters are presently under arbitration with the consumer forum and other arbitral tribunal. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements. The trial on these cases are on-going and therefore it is not practicable to state the timing of the payment, if any. No reimbursements are expected against the aforesaid claims. Other pending cases in which the Group has been made a party are not material in the nature.

(c) Financial guarantees

The Group has provided bank guarantees to vendors, restaurant partners in the normal course of business amounting to ₹ 58 Million, these bank guarantees has been provided basis margin money deposits with the banks.

32 Related party transactions

i. Related parties where control exists:

Wholly owned subsidiary

Scootsy Logistics Private Limited ("Scootsy") - Acquired w.e.f August 03, 2018

Associate company

Maverix Platforms Private Limited ("Maverix") - w.e.f February 22, 2019



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

ii. Related parties which have significant influence

MIH India Food Holdings B.V.

iii. Related parties under Ind AS 24 and as per the Companies Act, 2013:

Key management personnel

Name	Designation	Date of appointment	Date of resignation
Sriharsha Majety	Director and Chief Executive Officer	Dec 26, 2013	-
Lakshmi Nandan Reddy Obul	Director	Dec 26, 2013	-
Rahul Jaimini	Director	Jan 30, 2015	-
Anand Daniel	Nominee Director	Jul 10, 2015	-
Mukul Arora	Nominee Director	Oct 21, 2015	-
Jayant Goel	Nominee Director	Dec 29, 2015	-
Vishal Vijay Gupta	Nominee Director	Sep 22, 2016	Jul 05, 2018
Ashutosh Sharma	Nominee Director	Jun 21, 2017	-
Lawrence Charles Illg	Nominee Director	Mar 21, 2019	-
Rahul Bothra	Chief Financial Officer	Sep 1, 2017	-
Vishal Bhatia	Chief Executive Officer - New Supply	Sep 21, 2017	-
Vivek Sunder	Chief Operating Officer	Jul 02, 2018	-
Sumesh Rahavendra	Chief Executive Officer - Scootsy	Nov 29, 2018	-

iv. Details of transactions with the related parties:

Particulars	(₹ in Million)
	Year ended March 31, 2019
a. Capital Infusion into the company:	
MIH India Food Holdings B.V.	34,740
b. Transactions with key managerial personnel:	
Salary and perquisites to:*	
Sriharsha Majety	11
Lakshmi Nandan Reddy Obul	8
Rahul Jaimini	11
Rahul Bothra	16
Vishal Bhatia	17
Vivek Sunder	49
Joseph Cherian	17
Sumesh Rahavendra	5
	134

v. Details of balance receivable from and payable to related parties are as follows:

Particulars	(₹ in Million)
	As at March 31, 2019
a. Salary and perquisites payable to:	
Sriharsha Majety	1
Lakshmi Nandan Reddy Obul	1
Rahul Jaimini	1
Rahul Bothra	1
Vishal Bhatia	2
Vivek Sunder	15
Joseph Cherian	1
Sumesh Rahavendra	1
	23

*The remuneration to the key managerial personnel does not include the provision/accruals (including provision made based on actuarial valuation for Gratuity and leave liability) made on best estimate basis as they are determined for the Group as a whole.

All the above related party transactions are carried at arm's length price.



Bundl Technologies Private Limited**Notes to the consolidated financial statements for the year ended March 31, 2019****33 Segment reporting**

The Group has identified business segments as its primary segment. Business segments are primarily i) Market place services for food ordering and delivery segment which provides a single window for ordering from a wide range of restaurants and delivers the same to the customers, ii) Private brands engaged in preparing food in its own kitchen and selling the food to the end customers.

Transfer pricing between operating segments is on arm's length basis in a manner similar to transactions with third parties.

A Segment results**Year ended March 31, 2019**

(₹ in Million)				
Particulars	Market place	Private brands	Inter segment adjustments	Total
Revenue from operations	10,741	675	(133)	11,283
Operating expenses	(16,812)	(505)	133	(17,184)
Other expenses	(17,882)	(906)	-	(18,788)
Segment operating income	(23,953)	(736)	-	(24,689)
Unallocable income				1,690
Unallocable expenses				(21)
Finance costs				(598)
Impairment loss recognised on money market instruments (refer note 27.b)				
Loss before share of loss of an associate and tax				(23,618)
Share of loss of an associate				(18)
Loss before tax				(23,636)
Tax expense				-
Net loss for the year				(23,636)

B Segment assets and liabilities***As at March 31, 2019**

(₹ in Million)			
Particulars	Market place	Private brands	Total
Segment assets	5,527	1,344	6,871
Unallocable assets			56,962
Total			63,833
Segment liabilities	6,511	104	6,615
Unallocable liabilities			-
Total			6,615

34 Capital management

For the purpose of Group's capital management, capital includes subscribed capital (equity and preference), securities premium and all other equity reserves attributable to the owners of the Group. The Primary objective of the Group's capital management is to safe guard the Group's ability to continue as a going concern in order to finance the sustained growth in the business and to protect the shareholders value.

The capital structure and key performance indicators of the Group as at year end is as follows:

		(₹ in Million)
		As at
		March 31, 2019
I	Debt to equity position:	
	Total equity attributable to the shareholders of the Group	<u>57,218</u>
II	Cash position:	
	Cash and cash equivalents	2,122
	Other balances with banks	772
	Investment in money market instruments	<u>53,774</u>
		<u>56,668</u>

The Group is predominantly equity financed, which is evident from the capital structure as above. The current capital management strategy focuses on the monitoring of generation and utilisation of cash position. Further, external financing is monitored and as at year end there was no external debts existed.



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

35 Financial Instruments - category and fair value hierarchy

The carrying value and the fair value of the financial instruments by categories is as follows:

Particulars	Note	(₹ in Million)
		As at March 31, 2019
Financial assets measured at amortised cost:		
Trade receivables	35.1	1,383
Security deposits	35.2	394
Investments in NCD/Bonds	35.4	4,222
Investments in certificate of deposits	35.4	550
Investments in commercial papers	35.4	231
Interest receivable on bank and corporate deposits	35.1	180
		<u>6,960</u>
Financial assets measured at fair value through profit and loss		
Investments in liquid mutual fund units	35.4	48,615
Investments in fixed maturity plan securities		156
		<u>48,771</u>
Cash and cash equivalents and other balances with banks		
Cash in hand	35.3	4
Balances with banks		2,118
Deposits with banks		772
		<u>2,894</u>
Financial liabilities measured at amortised cost		
Trade payables	35.1	4,610
Security deposit from delivery executive	35.1	86
Employee related liabilities	35.1	169
Capital creditors	35.1	69
Deferred liability	35.1	232
Business guarantee liability	35.1	563
Contingent consideration payable	35.1	41
Other financial liabilities	35.1	16
		<u>5,786</u>

Fair value hierarchy

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

35.1 The carrying value of these financial assets and liabilities in the financial statements are considered to be the same as their fair value, due to their short term nature.

35.2 The carrying value of these financial assets and liabilities in the financial statements are carried at amortised cost, to achieve a constant effective rate of interest over their respective lives.

35.3 These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

35.4 Fair value hierarchy of assets and liabilities carried at fair value through profit and loss:

Particulars	Balance	Fair value measurement at the end of the reporting period		
		Level 1	Level 2	Level 3
Assets				
As at March 31, 2019				
Investments in liquid mutual fund units	48,615	48,615	-	-
Investments in fixed maturity plan securities	156	156	-	-
Investments in NCD/Bonds	4,222	-	4,222	-
Investments in certificate of deposits	550	-	550	-
Investments in commercial papers	231	-	231	-
	<u>53,774</u>	<u>48,771</u>	<u>5,003</u>	<u>-</u>



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

36 Financial risk management

The Group is exposed to various financial risks majorly Credit risk, Liquidity risk and Market risk. The Group's senior management oversees the management of these risks with an objective to minimise the impact of these risks based on charters and (in)formal policies.

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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its treasury activities, including deposits with banks and financial institutions, investments in money market and other financial instruments. Credit risk has always been managed by the Group through credit approvals, established credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit in the normal course of business.

a Trade receivables

Trade receivables consists of receivables from large number of unrelated restaurant partners and online payment partners. The Group's credit risk with regard to receivables from restaurant is reduced by it's business model which allows it to offset payables to restaurants against receivables. The Group cooperates with known online payment partners, these are short term and carried very low credit risk at the reporting date. The Group's credit period generally is less than 30 days and the Group does not have significant credit risk exposure to any single counterparty. The Group does not hold collateral as security.

As per Ind AS 109, the Group uses the expected credit loss model to assess the impairment loss. The Group uses the provision matrix to compute the expected credit loss allowances for the receivable balances. Provision matrix is calculated based on the actual and credit loss experience that takes in to account the historical experience as well as the current economic conditions. Basis management assessment the expected credit losses relating to receivables is Nil. Refer note 8 for the outstanding trade receivable balance which is subject to credit risk exposure of the Group.

b Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's approved investment policy. Investments of surplus funds are made primarily in liquid mutual fund units, fixed maturity plan securities, fixed deposits, quoted bonds issued by government and quasi government organisations, certificate of deposits, commercial papers etc. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors/ Audit Committee on quarterly basis, and may be updated throughout the quarter subject to approval of the Group's Audit Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 is the carrying amounts as illustrated in note 5 except for financial guarantees. The Group's maximum exposure relating to financial guarantees instruments is noted in note 31(c) and the liquidity table below.

Basis assessment, the Group has not identified any expected credit loss on the financial instruments and cash deposits.

ii. Liquidity risk

Liquidity risk is the risk of being unable to meet the payment obligations resulting from financial liabilities, which may arise from unavailability of funds. The exposure to liquidity risk is closely monitored on Group level using daily liquidity reports and regular cash forecast reports to ensure adequate distribution. The Group believes that cash and cash equivalents and current investments are sufficient to meet its current requirements, accordingly, no liquidity risk is perceived.

The break up of cash and cash equivalents, deposits and current investments are as follows:

Particulars	(₹ in Million)	
	As at	
	March 31, 2019	
Cash and cash equivalents	2,122	
Other balance with banks	772	
Investments (Investment in money market mutual funds)	53,774	
	56,668	

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

Particulars	On Demand	0-180 days	More than 180 days	Total
As at 31 March 2019				
Trade payables	-	4,610	-	4,610
Other financial liabilities	86	559	531	1,176
	86	5,169	531	5,786



Bundl Technologies Private Limited
Notes to the consolidated financial statements for the year ended March 31, 2019

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Group's exposure to foreign currency exchange rate risk is very limited, as the Group doesn't have any significant foreign exchange transactions. Further, the Group's investments are primarily in fixed rate interest bearing investments. Accordingly, the Group is not significantly exposed to interest rate risk.

37 Acquisition of Scootsy Logistics Private Limited ("Scootsy")

On August 03, 2018, the Group acquired 100% of shareholding in Scootsy Logistics Private Limited ("Scootsy"), India, for a total consideration of ₹ 371 Million. The scootsy operates as an aggregator and perform delivery services for restaurants, grocery, gifting stores through web and mobile based technology platform. The business acquisition was conducted by entering in to a share purchase agreement, consideration payable in 4 tranches, the Group has paid tranche 1 and tranche 2 amounting to ₹ 124 Million during the year ended March 31, 2019, subsequently, tranche 3 of ₹ 124 Million has been paid during August 2019, and balance and final tranche of ₹ 123 Million is due for payment along with the working capital adjustment, if any, during February 2020.

Further, post acquisition, and during the year, the Company has carried out equity infusion through subscription of equity shares amounting to ₹ 330 Million, and subsequent to balance sheet date ₹ 200 Million.

The purchase price has been allocated based on the Management's estimates and independent appraisal of fair value as follows:

Particulars	(₹ in Million)	
	Amount	Amount
A. Total purchase consideration		371
<i>Allocation of purchase consideration:</i>		
B. Assets and liabilities acquired:		
Property, plant and equipment	3	
Trade receivables	15	
Other net assets / (liabilities)	(139)	
Cash and cash equivalents	9	
		(112)
C. Identified intangibles as part of purchase price allocation:		
Trademark	32	
Customer contracts	89	
Developed technology	13	
		134
Goodwill (balance figure, A-B-C)		349

The pro-forma effects of this acquisition on the Company's financials are not material.

38 Compliance with FDI regulation:

The Company is not owned and is not controlled by resident Indian citizens. The Company has received foreign direct investment ("FDI") up to ~85% of its paid-up share capital and resident Indian citizens do not have the ability to appoint and remove majority of the Company's board of directors. Accordingly, the Company is required to comply with regulations applicable to Foreign Direct Investments.

FDI is governed by (collectively, "Exchange Control Regulations") (a) the Foreign Exchange Management Act, 1999 (including the rules and regulations made thereunder) ("FEMA"), (b) the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (Notification No. FEMA 20(R)/ 2017-RB), dated November 07, 2017 (as amended from time to time) ("TISPRO Regulations"), and (c) the consolidated FDI policy effective from August 28, 2017 and issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry ("DIPP"), as amended and restated from time to time including through various 'Press Notes' ("FDI Policy").

The Company has evaluated the guidance above and has obtained legal opinion from an external legal counsel to conclude that the Company conducts the business under the category 'sale of services through e-commerce' and accordingly the conditions enumerated in Press Note No. 2 (2018 Series) dated December 26, 2018 ("PN2") read with Notification No. FEMA. 20(R) (6)/2019-RB dated January 31, 2019 and Press Note No. 3 (2016 Series) dated March 29, 2016 ("PN3") are not applicable to the Company. Accordingly, the Company has not determined any possible exposure on account of compliance with conditions enumerated under PN2 and PN3.



Bundl Technologies Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2019

39 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Name of the entity	Net assets		Share in profit and loss		Share in total comprehensive income	
	₹ in Millions	%	₹ in Millions	%	₹ in Millions	%
Parent						
Bundl Technologies Private Limited	56,861	99%	(23,462)	99%	(23,497)	99%
Indian subsidiary						
Scootsy Logistics Private Limited	63	0%	(156)	1%	(155)	1%
Indian associate						
Maverix Platforms Private Limited	294	1%	(18)	0%	(18)	0%
Total	57,218	100%	(23,636)	100%	(23,670)	100%

Note: As the consolidation is applicable from the current year, there were no comparative for the previous periods.

As per our report of even date
for B S R & Associates LLP
 Chartered Accountants
 Firm's Registration Number: 116231W/W-100024

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



Ashish Chadha
 Partner
 Membership No: 500160



Sriharsha Majety
 Director
 DIN: 06680073



Lakshmi Nandan Reddy Obul
 Director
 DIN: 06686145



Rahul Bothra
 Chief Financial Officer

Bengaluru
 November 14 2019

14 NOV 2019

Bengaluru
 November 14 2019

14 NOV 2019

