RETAILRESEARCH

IPO Note

May 10, 2022

Delhivery Limited

Issue Snapshot:

Issue Open: May 11 – May 13, 2022

Price Band: Rs. 462 – 487 (A discount of Rs.25 for all eligible employee)

*Issue Size: Rs 5235.0 cr (Fresh issue 4000 cr + offer for sale of 1235 cr)

Reservation for:

QIB	atleast	75% eq sh
Non Institutional	upto	15% eq sh
((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))		
Retail	upto	10% eq sh
Employee Reservation:	aggregating upto Rs. 20 Cr	

Face Value: Rs 1

Book value: Rs 93.19 (Dec 31, 2021)

Bid size: - 30 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs.	64.24 cr
*Post issue Equity:	Rs.	72.45 cr

Listing: BSE & NSE

Book Running Lead Managers: Kotak Mahindra Capital Company Ltd, Morgan Stanley India Company Private Ltd, BofA Securities India Ltd, Citigroup Global Markets India Private Ltd

Registrar to issue: Link Intime India Private Ltd

Shareholding Pattern

Shareholding Pattern	**Pre issue %**	**Post issue %**
Promoter and Promoter Group	0.0	0.0
Public	100.0	100.0
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

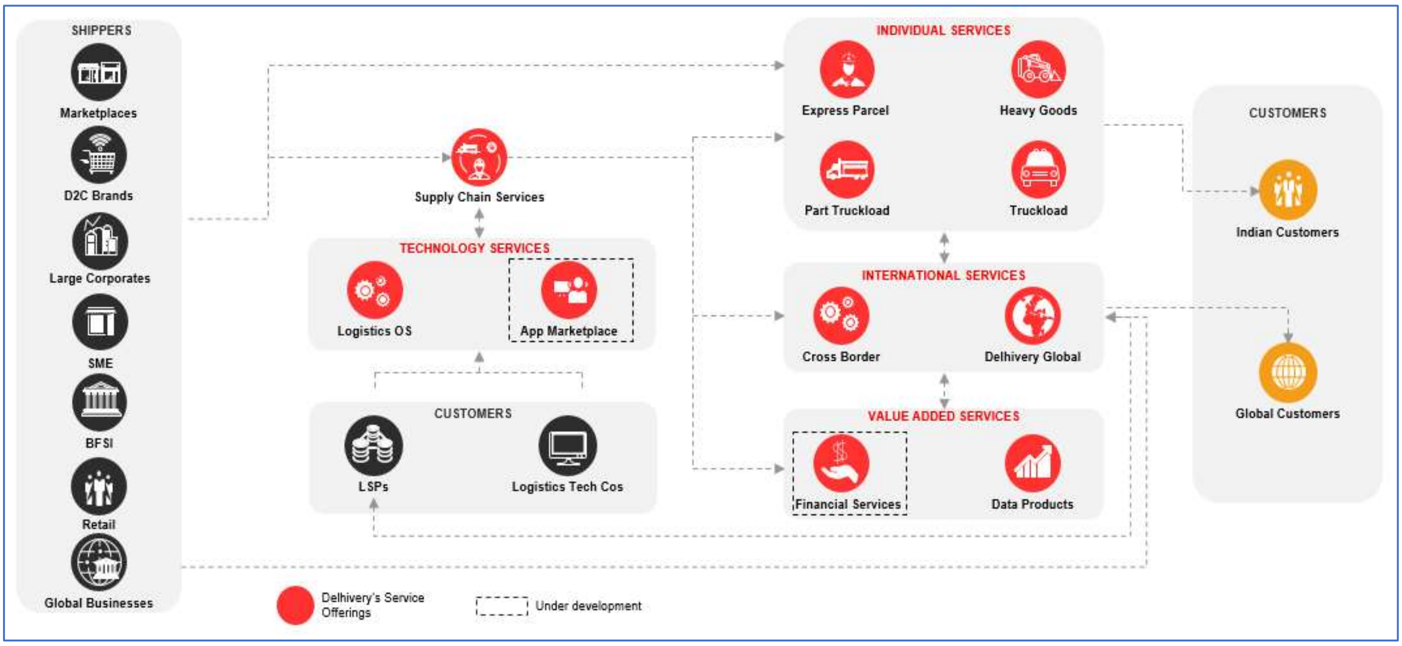
Delhivery Limited is the largest and fastest growing fully-integrated logistics player in India by revenue as of Fiscal 2021, which has been exclusively commissioned and paid for by it in connection with the Offer. It provides a full-range of logistics services, including express parcel and heavy goods delivery, part truckload freight ("PTL"), truckload freight ("TL"), warehousing, supply chain solutions, cross border express and freight services and supply chain software, along with value added services, such as e-commerce return services, payment collection and processing, installation and assembly services and fraud detection. It provided supply chain solutions to a diverse base of 23,113 Active Customers (excluding those serviced by Spoton) such as e-commerce marketplaces, direct-to-consumer e-tailers and enterprises and SMEs across several verticals such as FMCG, consumer durables, consumer electronics, lifestyle, retail, automotive and manufacturing, for the nine months' period ended December 31, 2021. This is achieved through high quality logistics infrastructure and network engineering, a vast network of domestic and global partners and significant investments in automation, all of which are orchestrated by its self-developed logistics operating system that is guided in real-time by deep sources of proprietary network and environmental data. Together, these create powerful, intersecting flywheels that drive strong network synergies within and across its services and enhance its value proposition to customers.

Delhivery's team of 505 engineering, data and product professionals (excluding Spoton), as of December 31, 2021, has built proprietary technology systems that enables it to offer integrated logistics services to a wide variety of customers while remaining asset-light and ensuring service quality and efficiency. Its technology stack orchestrates its network infrastructure and consists of more than 80 applications that encompass all supply chain processes including order management, warehouse management, transportation management, financial transactions such as billing and remittance, tracking and supply chain analytics.

Delhivery has built a nation-wide network with presence in every state, servicing 17,488 PIN codes during the nine months period ended December 31, 2021, covering 90.61% of the 19,300 PIN codes in India as of December 31, 2021 (per India Post). Its network infrastructure includes 122 gateways, 21 automated sort centres, 93 fulfilment centers, 35 collection points, 31 returns processing centers, 244 service centres, 132 intermediate processing centers and 2,521 direct delivery centres as of December 31, 2021, including Spoton's 40 gateways and 138 service centres. Together with Spoton, it operated 4,179 delivery points, as of December 31, 2021. Its self-delivery network is augmented by 1,209 partner locations that expand its reach, provide critical flexible capacity and redundancy and Spoton's service centres are augmented by 205 additional locations operated by business associates.

The Company has an asset light business model wherein it extends its logistics ecosystem by enabling network partners, such as franchisees, retail partners and delivery agents, to onboard their physical assets and resources and participate in its platform. It has also expanded internationally by establishing a reciprocal partnership with Aramex and a strategic alliance with FedEx, both global express leaders, for customs clearance, pickup and delivery services. Delhivery has entered into an alliance with Aramex in March 2019, expanding its coverage in the Middle East and North Africa, and providing reciprocal access to Aramex customers to its India network. In August 2021, it acquired Spoton Logistics Private Ltd ("Spoton"), an express PTL freight service provider in India, to further build scale in its PTL freight services business. Spoton delivered 758,730 tonnes and 683,999 tonnes of freight in Fiscal 2021 and the nine months period ended December 31, 2021, respectively, and has a network presence across 13,087 PIN codes with 2.85 million sq. ft. of infrastructure as of December 31, 2021.

The integration of Delhivery's technology platform with its physical network and its operations enables it to provide comprehensive supply chain solutions to a wide range of customers. The following schematic depicts its overall service map:



Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs.40,000 million by Delhivery (the "Fresh Issue") and an Offer for Sale aggregating up to Rs.12,350 million by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

Delhivery proposes to utilise the Net Proceeds towards the following objects:

- Funding organic growth initiatives
- Funding inorganic growth through acquisitions and other strategic initiatives; and
- General corporate purposes

The Company proposes to utilize the Net Proceeds in the manner set forth in the table below:

Particulars (Rs in million)	Total estimated amount / expenditure
Funding organic growth initiatives	20000.0
Building scale in existing business lines and developing new adjacent business lines	*1,600.0*
Expanding network infrastructure	*13,600.0*
Upgrading and improving proprietary logistics operating system	*4,800.0*
Funding inorganic growth through acquisitions and other strategic initiatives	10,000
General corporate purposes	*
Total Net Proceeds	*

In addition, Delhivery expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancement of its brand name among existing and potential customers, retaining existing and attracting potential employees, and creation of a public market for the Equity Shares in India.

Competitive Strengths

Rapid growth, extensive scale and improvement in unit economics*:* Delhivery was the largest and fastest growing fully-integrated logistics services player in India by revenue as of Fiscal 2021, which has been exclusively commissioned and paid for by it in connection with the Offer. Its revenue from contracts with customers has grown from Rs.16,538.97 million in Fiscal 2019 to Rs.36,465.27 million in Fiscal 2021, or a CAGR of 48.49%. Further its revenue from contracts with customers has improved from Rs.26,438.66 million for the nine months period ended December 31, 2020 to Rs.48,105.30 million for the nine months period ended December 31, 2021, or an increase of 81.95%.

Delhivery's network structure, quality of engineering and technology and data intelligence capabilities has helped it to establish scale in all of its business lines and ensure synergies across them. This has driven higher network utilization, resulting in cost efficiencies, while maintaining service speed and reliability. Its ability to build monoline scale and exploit cross-line synergies allows it to pass efficiency gains to its customers, reducing their supply chain costs and also allowing customers to benefit from each other through its platform. This has improved its customer retention and profitability.

Proprietary logistics operating system*:* Delhivery team of 505 engineering, data sciences and product professionals (excluding Spoton), as of December 31, 2021, has built proprietary technology systems that enables it to offer integrated logistics services to a wide variety of customers. Its technology stack consists of more than 80 applications that encompass all supply chain processes including order management, warehouse management, transportation management, financial transactions such as billing and remittance, tracking and supply chain analytics, and that integrate with its customers' systems.

The Company's robust, scalable and service-agnostic architecture enables it to:

- Configure new workflows, define rules and business logic in applications, facilitating rapid launch of new service offerings (e.g., repurposing e-commerce parcel applications to support BFSI).
- Support interoperability with any physical or software services in a plug-and-play manner (e.g., easily onboard any sortation systems, handheld devices or new hardware, independent of underlying firmware).
- Enable partners like franchisees, retail partners and delivery agents to onboard their physical assets and resources on its platform, allowing it to seamlessly scale network capacity up or down.
- Drive cross-utilisation of resources and assets across business lines to improve service quality and reduce costs (e.g., sharing mid-mile operations between its parcel and PTL freight operations).
- Launch and scale complex, integrated products like Fulfilled by Delhivery (FBD) - an E2E fast- fulfilment offering targeted at D2C e-commerce companies and brands.
- Collect and analyse data from all its applications, allowing it to build visibility tools and provide near realtime data decision support systems to its operational teams.
- Make operations precise with real time tracking, and more efficient with data insights on operations.

Vast data intelligence capabilities: Delhivery collect, store, process, structure and analyze vast quantities of transaction data such as location data, product information, shipper and consignee information, data from operational facilities, activities and devices, performance data for its field teams, data on traffic and weather from several internal and environmental sources. As it has expanded operations and business lines, it has grown access to new sources of data and, simultaneously, its ability to draw insights from these data. This is one of its most valuable assets. The Company use machine learning, artificial intelligence and operations research to build institutional intelligence, automation and dynamic optimization capabilities that enables it to solve several complex operational problems, some of which are described below.

- Expected path algorithms dynamically modify shipment routes to maximize trip utilization while simultaneously ensuring prioritized loading of shipments vulnerable to service breaches.
- Network simulation tools enable forecasting of service and cost impact of changes due to new network routes or changes in capacities of existing routes.
- Delhivery's automated network planner constantly alerts its network and operations teams to alter the network structure in response to changing demand patterns.
- It is able to forecast delays and expected loads across its network, allowing its control tower teams to deploy service recovery interventions.
- Location intelligence has allowed it to bypass unstructured addresses and unpredictable travel/service times.
- The Company identify potential fraud and high-risk orders based on shipper and consignee information collected on over a billion delivered orders.
- Product intelligence tools enables it to identify items like air-restricted or HAZMAT goods, select appropriate delivery vehicles and reduce revenue loss through weight and volume predictions.

- It uses machine-vision to provide inputs to its gateway teams to improve the quality of loading of trucks and overall truck utilization levels.

In 2020, these capabilities enabled Delhivery to activate over 8,300 PIN codes within 10 days of the nation-wide COVID- 19 lockdown and re-establish operations across its network by enabling it to identify essential goods and containment zones from unstructured lists published by local, state and national authorities.

Network design and engineering: Delhivery's network operates as a dense, dynamic mesh, making it efficient, fast and agile in responding to changes in volumes, shipment profiles and environmental conditions. The mesh structure allows it to reduce overall touchpoints in the journey of shipments through the network, reducing handling and improving precision, while also allowing it to utilize multiple feasible trans-shipment paths in periods of volatility. In addition, its facilities, systems and processes are engineered for high throughput operations. A high degree of in-facility automation and shorter trunk routes in the last mile, due to the Company's dense mesh network, also creates a work environment wherein its operational staff is placed under reduced physical and decision-making stress while improving productivity and earnings. This significantly contributes to the health, safety and wellness of its employees.

Integrated portfolio of logistics services: Delhivery was the largest and fastest growing fully-integrated logistics services player in India by revenue as of Fiscal 2021. Its aim is to meet its customers' requirements for overall, rather than mono-line, supply chain reliability and efficiency. It provides a full-range of logistics services, including express parcel delivery, heavy goods delivery, PTL freight, TL freight, warehousing, supply chain solutions, cross border express and freight services and supply chain software, along with value added services such as e-commerce return services, payment collection and processing, installation and assembly services and fraud detection. This will lead to a higher share of wallet and customer retention. In addition, the integrated approach allows the Company to exploit network and infrastructure synergies, reduces its dependence on any single business line and also reduces the effect of cyclicality in its customers' businesses on its operations.

Strong relationships with a diverse customer base: Delhivery served a diverse base of 23,113 Active Customers (excluding those serviced by Spoton) across e-commerce, consumer durables, electronics, lifestyle, FMCG, industrial goods, automotives, healthcare and retail, for the nine months' period ended December 31, 2021. As of December 31, 2021, this customer base included most of the key e-commerce players in India and over 750 D2C brands. In addition, Spoton offers PTL freight services to 5,533 Active Customers across industry verticals. Several of its customers use more than one of its service offerings, with 58.13% of its revenue for the nine months' period ended December 31, 2021 coming from customers who had used at least two of its services. Its service quality, reach and efficiency, coupled with deep integration with customers' ERP systems and business processes has led to customer stickiness. In the first half of Fiscal 2022, 64.97% of its revenues were from customers who have been transacting with it for over three years. Its customers have also steadily increased the volume of business they undertake with it over time.

Extensive ecosystem of partners, enabling an asset-light business model and extended reach: Delhivery has built an asset-light business model that has enabled it to scale up volumes rapidly, with lower fixed costs and greater flexibility. While it designs, operate and control its most critical network nodes (fulfilment centers and gateways), partners play a significant role in all its other operations - pickup, mid-mile (trucking and air) and last-mile delivery. This enables it to maintain control over operational quality metrics and improve overall network performance. It leases a majority of its network infrastructure and a majority of the vehicles operating in its network. As of December 31, 2021, excluding Spoton, Delhivery operated 14.27 million square ft. of leased infrastructure and partnered with over 11,000 vendors and network partners who provide pickup, delivery services and truckload capacity. Its network partners are supported by its technology systems, empowering them to grow their business by offering multiple Delhivery services in their catchment areas. Its ability to develop mutually beneficial partnerships and strategic alliances with large international players such as Aramex and FedEx has enabled it to further expand its reach outside India by leveraging their global networks without having to incur additional fixed costs.

Highly qualified, professional team: Delhivery's biggest competitive advantage is, ultimately, its experienced and entrepreneurial team. Its teams are composed of people from diverse backgrounds who bring perspective from industries like global logistics, technology services, financial services, management consulting, e-commerce, FMCG, telecommunications and armed forces. It has also invested significantly in training and upskilling front-line operations personnel via the Delhivery Academy, with the aim of building its next generation of operational leadership from within the line organization. These teams have introduced and delivered a continuous stream of technology and operational innovations since its inception and built the "Delhivery" culture of first-principles thinking, innovation, ownership, customer centricity and community responsibility. It also aims to foster a culture of ownership through its ESOP program.

Business Strategy:

Expand investments in infrastructure and network: Delhivery will continue to expand its operational capabilities and expand network infrastructure and capacity across business lines. It has commissioned mega-gateways that will go live in Tauru (Haryana), Bhiwandi (Maharashtra) and Bengaluru (Karnataka). It expects to build new integrated facilities and mega-gateways in major cities, further expand capacity at existing automated sort centers, commission new sorters at strategic locations and invest in portable automation to enhance capacity at collection and return centers and intermediate processing centers. It will also continue to expand its network of fulfilment centers and in-city micro-fulfilment centers to expand its "Fulfilled by Delhivery" and "Delhivery Flash" offerings to vertical e-commerce, D2C and brand customers.

Continue to build scale in existing business lines: Delhivery intends to continue to invest to gain scale and increase market share across business lines. It is in the process of integrating the Spoton and Delhivery infrastructure and technology systems, in order to enable it to deepen synergies between its part truckload and express parcel businesses, while also creating larger base volumes for its truckload freight exchange. This will allow it to further expand critical infrastructure nodes and further expand tractor-trailer operations and truck utilization across its network. It also expects to continue to improve operational productivity through automation and technology systems. As these initiatives deliver cost savings, in keeping with its overall aim of reducing its customers' total supply chain spending, The Company will continue to pass on efficiency gains to its partners and customers, which in turn will help it increase share of wallet and volumes, leading to further cost savings.

Deepen customer relationships: Delhivery will continue to expand wallet share with existing customers by designing customized and integrated supply chain solutions for their specific needs and industries and introducing practices from its experiences with other customers. In addition, it intends to increase its penetration of new industries like healthcare, distribution and agriculture, among others. Acquisition of Spoton has further expanded its customer base. It will also intend to launch new services and capabilities such as traditional non-express PTL freight, domestic air-freight, intra-city distribution, and temperature-controlled logistics to expand its value proposition to existing and new customers.

Enhance technology (software and hardware) capabilities*:* Delhivery will continue to reinforce its innovation capabilities by building innovative technology and data systems and investing in the best engineering talent. It will also continue to develop and deploy future-ready hardware solutions in its operations. It is in the process of deploying automatic guided vehicles, automatic storage and retrieval systems and unmanned aerial vehicles for parcel sortation, material conveyance or last mile delivery, and customized "soft robotics" or "exoskeleton" products to reduce fatigue for workers engaged in repetitive, labour-intensive tasks such as loading and unloading.

The Company will also continue to expand its collaboration with renowned research institutions to develop new hardware and systems, and also invest in growing its team of experienced professionals including software and hardware engineers, data scientists, machine learning engineers, machine vision domain experts, product managers and product designers.

Externalise logistics operating system: Delhivery's logistics OS has enabled it to set up an interoperable and flexible network by establishing common standards for data governance and information exchange, and allowing multiple product teams to create generic, as well as custom/ purpose-built applications across various business lines. It has also facilitated machine learning and artificial intelligence driven real-time business decision making in its day-to-day operations.

To this end, the Company intends to externalize its logistics operating system as a platform and as a SaaS offering by enabling other players to build their own web or mobile based applications on top of its logistics operating system. Such players may comprise other logistics service providers, logistics technology companies, enterprises, developer partners and its customers, in India and globally. The applications that they develop may serve a variety of supply chain use cases. In order to facilitate discovery and monetisation of such applications, Delhivery is in the process of developing an app market place wherein third party developers can list applications, market them and set pricing and relevant customers can purchase such applications for deployment in their supply chain. The application market place is currently under development.

Its ability to collect, structure and analyse transaction data generated in its core logistics can also enable it to assess the financial profile of various parties in the supply chain, such as customers, vendors and network partners. By leveraging its data analytics capabilities, it plans to offer financial services such as working capital financing, insurance and personal loans in the future, either on its own or in association with partners.

Create new adjacent growth vectors: Delhivery will continue to develop large, new growth adjacencies that enhance its interlocking flywheel strategy, leveraging on its operational scale, rapid growth, large ecosystem of engaged partners, network design, sophisticated technology systems and access to vast amounts of data. By leveraging its data analytics capabilities, the Company plans to offer financial services such as working capital financing, insurance and personal loans in the future, either independently or in association with its partners. Additionally, it plans to offer value added services, such as highway assistance and routing and tracking software for fleet owners and suppliers of truckload capacity. Similarly, it has the ability to combine its fulfilment, logistics and payments processing expertise to simplify distribution for its customers in the FMCG and retail verticals.

Expand into high-growth international markets similar to India: Several emerging markets share operational and structural market challenges that are similar enough to India to benefit from Delhivery's set of technology and network optimization tools. In Fiscal 2021, it successfully introduced part of its fulfilment and transportation technology stack in Bangladesh and Sri Lanka, in collaboration with local partners. It will continue to expand its presence in other such international markets selectively and through capital-efficient, partnership-driven models.

Pursue strategic alliances and select acquisition and investment opportunities: Delhivery will seek strategic alliances with global and domestic leaders in various segments of the logistics industry that bring synergies to its business. It will also continue to look for high-quality acquisition and investment opportunities within and outside India that are complementary to its business or that enable it to build new, valuable capabilities for its customers, strengthen or establish its presence in its target markets in India and globally, enable it to gain access to software and hardware technology, expand its customer base or gain excess to a skilled team.

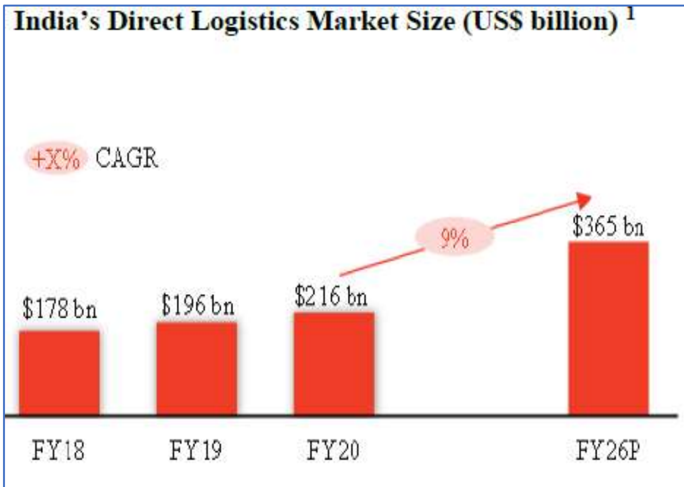
Industry:

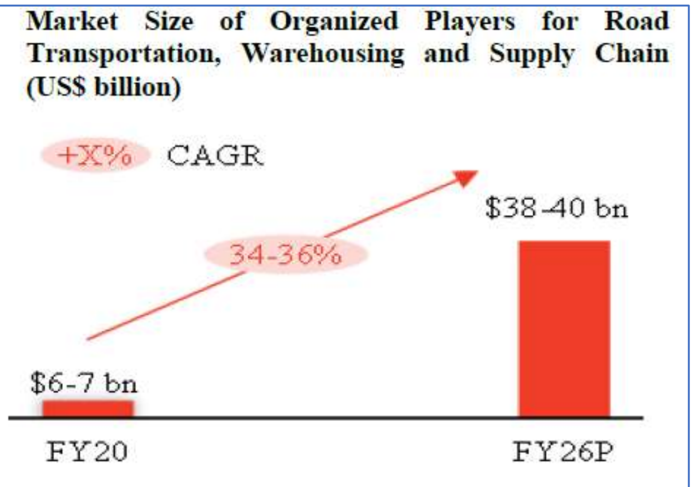
Indian Logistics Sector Overview

Large and growing sector underpinned by strong, sustainable growth drivers

The Indian logistics sector is one of the largest in the world and presents a large addressable opportunity, with a direct spend of US$216 billion in Fiscal 2020. The sector is expected to grow to US$365 billion by Fiscal 2026 at a CAGR of 9%, driven by:

- Strong underlying economic growth
- Favorable regulatory environment in logistics, resulting in evolution of efficient supply chain formats
- Improvement in India's transportation infrastructure, especially highway connectivity
- Growth of the domestic manufacturing sector, driven by favourable policy support and increased domestic and foreign investments
- Rapid growth of the digital economy, which has led to creation of digital-native business models such as ecommerce,
- direct-to-consumer and social commerce
- Growth in offline commerce driven by increased offline consumption, industrial activity and cross border trade





The logistics market is primarily comprised of transportation and warehousing, of which transportation accounted for 70%, or US$151 billion in Fiscal 2020. Organized players accounted for only ~3.5% of the logistics market (road transportation, warehousing & supply chain services only) in Fiscal 2020. Organized players are expected to grow at a CAGR of 35% between Fiscal 2020 and Fiscal 2026, taking their share to 12.5-15% by Fiscal 2026 of the logistics market (road transportation, warehousing & supply-chain services only). This shift is expected to be driven by the ability of organized players to offer integrated services, network and scale-driven efficiencies and larger investments in technology and engineering, resulting in higher share of wallet with customers.

Further, the Indian logistics industry is characterized by high indirect spends on account of high inventory carrying costs, pilferage, damage and wastage. Indirect spends were estimated at US$174 billion in Fiscal 2020 and are expected to marginally decline to US$166 billion by Fiscal 2026. This reduction will be led by organized players through superior logistics infrastructure that reduces pilferage and damages, efficient operations that reduce turnaround time and better utilize the logistics network capacity and through scale which drives consolidation and eliminates redundancies.

Indian Logistics Market is Ripe for Disruption
Total logistics spending in India was ~14% of GDP in Fiscal 2020, which is significantly higher than developed countries like Germany and the US, where logistics spend is ~8% of GDP.

Fragmented and unorganized supply: The Indian logistics market is highly fragmented compared to other markets. The road transportation market in India was estimated to be US$124 billion in Fiscal 2020, but is highly fragmented and unorganized. Over 85% of fleet-owners operate fleets of less than 20 trucks, many of which are typically older 2-axle rigid-body vehicles, comparatively smaller in size than the trucks in developed markets and poorly utilized (driving less than 325 kms/day on an average). Indian warehousing is similarly fragmented and unorganized. The sector is characterized by a large number of small warehouses (less than 10,000 square feet) that account for nearly 90% of the warehousing space in India.

The top 10 organized players account for ~1.5% of the logistics market in India, versus ~15% in the US and ~7- 10% in China. The largest logistics companies in the US and China are 20-30x and 10x+ the size of India's largest logistics companies, while GDPs are 8x and 5x of India. Also, large US and China logistics players offer integrated services across the supply chain while Indian players have historically been regional or vertical-focused and typically provide mono-line services only.

Key Factors Causing Inefficiency and Fragmentation

Historically complex indirect taxation structure*:* Prior to rollout of GST, India's complex indirect tax regime impeded smooth inter-state movement of goods. As a result, traditional players remained regional and sub-scale, resulting in significant inefficiencies. Pre-GST, ~60% of travel time was lost due to onerous paperwork and tax compliance procedures at inter-state checkpoints. Similarly, companies focused on tax savings, instead of cost efficiencies resulting in building of multiple localized sub-scale warehouses.

Poor road infrastructure: India's road connectivity has historically been underdeveloped in terms of quality and connectivity. As a result, Indian trucks travel significantly lower distances (approximately 325 kms per day) compared to the global average of 500 to 800 kms. This has resulted in longer turnaround times, higher fuel and maintenance costs and opportunity costs of lost business.

Prolonged under-investment by Incumbents in capability building:

Technology, infrastructure, design and engineering capabilities: Sub-scale and mono-line players have historically been reluctant to upgrade their networks through investments in critical technology, infrastructure and automation capabilities.

Data capabilities: Lack of investment in technology has led to lack of collection, structuring and analysis of data. As a result, traditional players have relied mainly on rules-of-thumb and manual operations rather than sophisticated data-driven decision making.

Skilled labour and automation: Logistics operations have traditionally been run by unskilled labour, who have been equipped to handle manual operations, and are not up-skilled or trained enough to operate on new-age automated systems or take data-driven decisions.

High quality talent: Several traditional logistics businesses in India have been family-owned and managed with limited ability to attract and retain high-quality professional talent. As a consequence, these organizations have often been unable to introduce new practices and innovate as required by changing the industry landscape.

Growth Drivers in Organized Logistics
Evolving B2C demand and consumption trends
India's GDP per capita is expected to cross US$2,000 in 2021. The middle-income segment with an income range of US$7,500 to US$15,000 per annum currently forms ~27% of the working age population and is expected to expand to ~40% in the next 5 years. India is also one of the youngest nations in the world. Millennials (those born in the 1980s and early 1990s) and Generation Z (those born after the mid-1990s) are driving digital adoption and consumption growth.

In addition, factors such as availability of low-cost smartphones and low-cost, reliable internet are expected to drive continued growth. India had a base of over 500 million smartphone users in 2020, which is expected to cross 800 million users in 2025. Internet adoption has more than doubled from ~300 million unique users in 2015 to 650-700 million unique users in 2020 and is expected to touch close to 1 billion users by 2025. In 2020, India had data consumption of 15.7 GB per month per smartphone, significantly higher than the global average of 9.4 GB and even the China average of 11 GB.

As a result, online shoppers are expected to double to 330-350 million by Fiscal 2026 from 160 million in Fiscal 2021. Over 50% of shoppers were from Tier 2+ towns as of Fiscal 2021. Demand from Tier-2+ towns is expected to drive growth of e-commerce, with ~38% growth for Tier 2+ e-commerce market versus ~31% growth for overall market between Fiscal 2021 and Fiscal 2026. In addition to e-commerce marketplaces, growth in new models such as direct-to-consumer, omni-channel and social commerce are expected to disrupt retail models. The D2C category is projected to grow from approximately 100 million shipments in Fiscal 2021 to approximately 600 million shipments in Fiscal 2026, at a CAGR of 45%. Similarly, social commerce volumes are expected to grow 10x from 130 million shipments in Fiscal 2021 to 1,300-1,400 million shipments in Fiscal 2026. Along with new models, category expansion is also expected to drive growth with emerging segments like large appliances, white goods, home and furniture transitioning online, and are among the fastest growing in e-commerce. These structural changes in the consumption economy will require reliable logistics as a key enabler.

Evolving B2B demand and consumption patterns

Evolving business models: The emergence of new digital-native segments, new distribution channels and go-to market strategies such as direct-to-retail (D2R) and direct-to-consumer (D2C) are driving the need for innovation in the traditional B2B supply chain, with greater demand for supply-chain visibility, precision and value-added services.

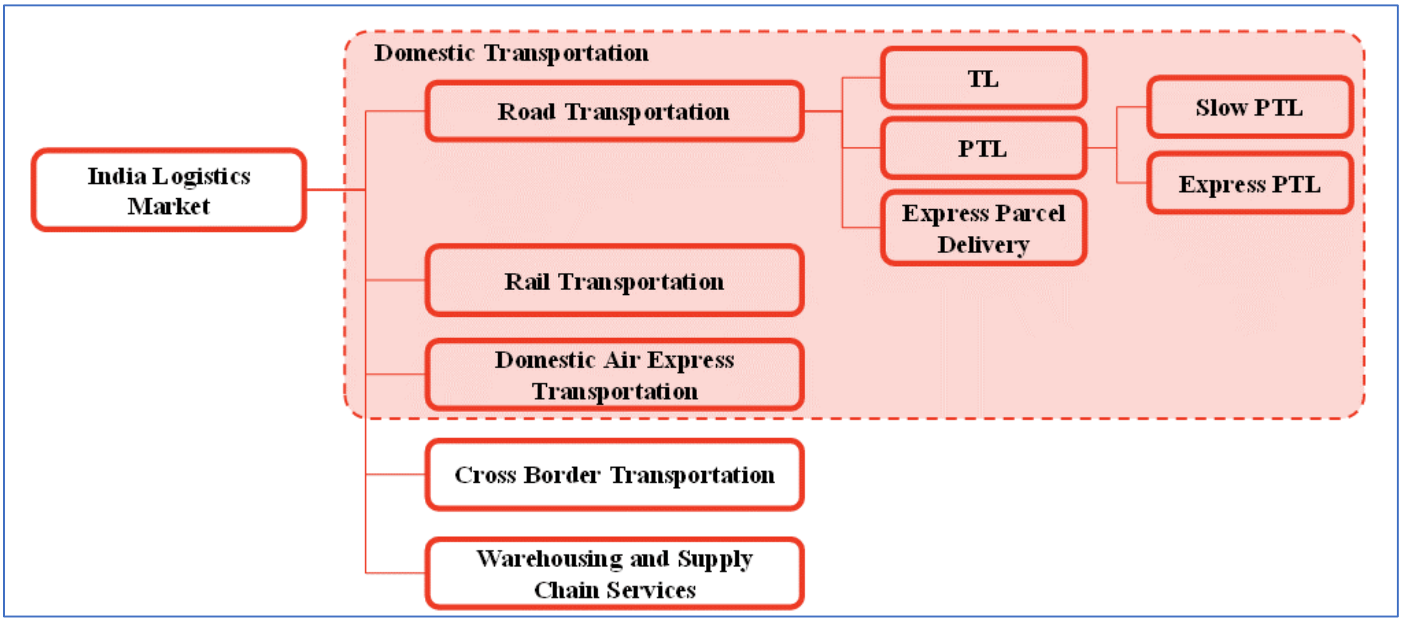
Changing production trends: Manufacturing accounts for 17% of India's GDP and has emerged as a high-growth sector on the back of strong push by the Indian government through initiatives like Make in India, production linked incentives (PLI), government tenders for domestically manufactured goods etc. As a result, Indian manufacturing has been transitioning from bulk commodities to non-commodity consumption-focused products which need faster go-to-market and more reliable and efficient logistics operations.

Demand for integrated services: With the rollout of GST, enterprise customers are increasingly looking to optimize their supply chains for speed and efficiency. This shift towards a "total-cost" approach is driving the demand for reliable, national, integrated supply chain service providers instead of traditional, mono-line partners.

Emergence of new markets: Economic growth of Tier-2+ towns is increasing demand for reliable turn-around times and efficiency comparable to larger urban centres, further driving the need for integrated, national logistics players.

Indian Logistics Sector: Overview of Key Segments

Structure of the Indian logistics market



Indian logistics players have evolved differently compared to global counterparts in other large economies. Chinese operators, for instance, employ large franchise partner networks for pick-up and delivery along with owned mid-mile assets resulting in varying degrees of asset intensity. Large US providers, though, typically own the entire warehousing, mid-mile and pick-up and delivery infrastructure, including even fleets, making them significantly more asset-heavy.

New-age, tech-enabled players in India have built asset-light models with full control over operational decisions while network partners provide the assets. These players have grown rapidly over the past few years and consistently reduced operating losses as they have scaled operations. Delhivery was the largest and fastest growing fully-integrated logistics services player in India by revenue as of Fiscal 2021. Due to its fully integrated stack of services, asset-light model and technology-led control of network assets and partners, Delhivery has developed the ability to address all aspects of the supply chain, thereby catering to a large part of the overall logistics market in India.

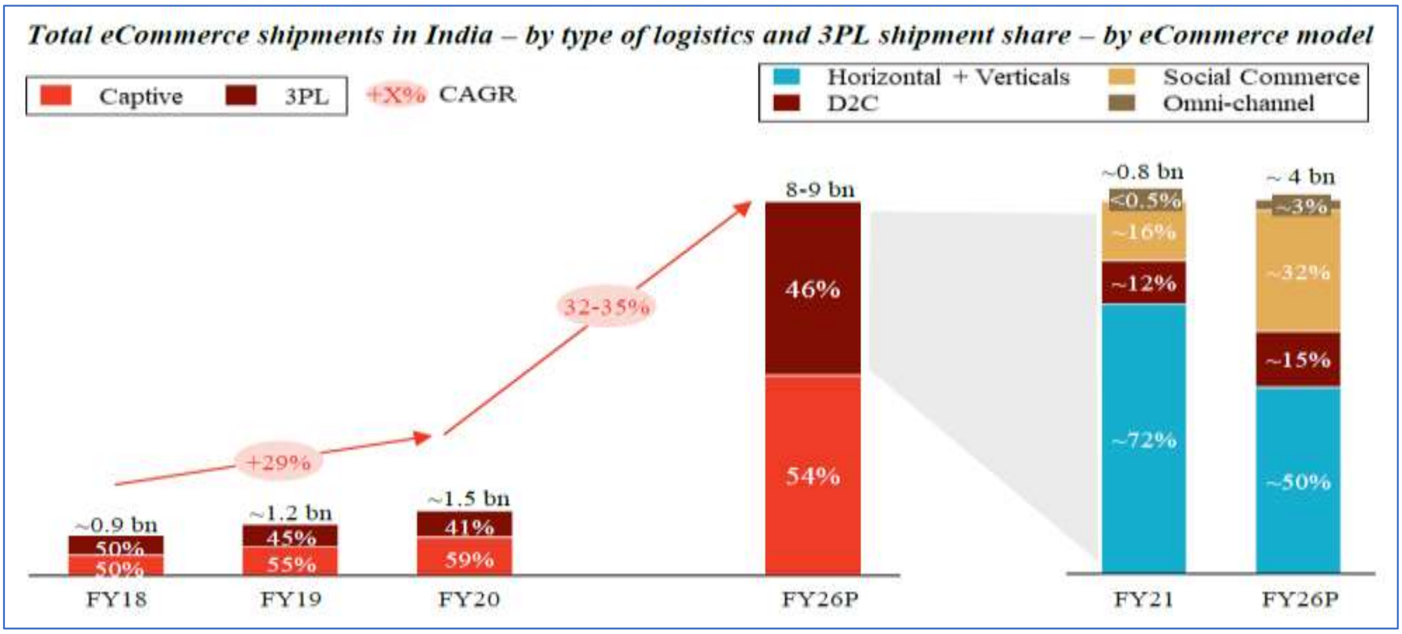
Road Transportation: Largest Segment of Indian Logistics

With a national highway network of 150,000 kms, India has the second largest road network in the world. 70-80% of freight movements in India are short-to-medium haulage, where road transportation is the quickest and cheapest alternative. The total road transportation market was estimated at US$124 billion in Fiscal 2020 and is expected to grow at a CAGR of ~8% to reach US$200 billion in Fiscal 2026.

Express Parcel: Fastest growing segment of Road Transportation

Express delivery refers to delivery of parcels weighing less than 40 kilograms. These are typically e-commerce orders or business documents, with standard turnaround times of less than 3-4 days. The express parcel delivery market was estimated to be ~US$2.3 billion in size in Fiscal 2020 and is expected to reach ~US$10-12 billion by Fiscal 2026 at a CAGR of 28-32%.

This segment has been driven by growth of e-commerce and rising customer expectations for delivery speed. The e-commerce industry in India grew by 31% from Fiscal 2018 to Fiscal 2020 and is estimated to further grow by 30-33% from Fiscal 2020 to Fiscal 2026. Total e-commerce volume was estimated to be 1.5 billion shipments in Fiscal 2020, which is expected to reach 8-9 billion by Fiscal 2026, at a CAGR of 32-35%.



Top players in the express parcel delivery market (based on shipment volume)

The express parcel delivery market is mostly catered to by organized players, who are expected to maintain their share of the market. Major e-commerce marketplaces fulfilled 75%+ of their parcel deliveries through their inhouse captive logistics arms. Further, ~59% of the total e-commerce shipments in the country in Fiscal 2021 were handled by captive logistics arms of various e-commerce companies.3PL players handled 41% of e-commerce shipments in Fiscal 2021, which is expected to rise to ~46% by Fiscal 2026, as e-Commerce companies focus increasingly on core business operations and new-age logistics companies continue to build scale, expand reach and improve delivery timelines. New-age, technology enabled 3PL providers have scaled-up and flexible networks that can better handle multiple models, product types and volume fluctuations, compared to networks which are designed for relatively limited internal use cases.

In addition, barriers to entry in this segment have become high, since express parcel delivery requires large reach, scale operations, flexibility, deep technology integration and the ability to provide bespoke value added services. Delhivery was the largest and fastest growing 3PL express parcel (and heavy parcel) delivery player in India by volume and revenue as of Fiscal 2021 and the nine months ended December 31, 2021. Delhivery had 16% and 20% share of the overall e-commerce volumes (including captive players) and approximately 40% and 42% share of the e-commerce volumes handled by 3PL players for the fiscal year ended 2021 and first quarter of Fiscal 2022 respectively. As of Q2 and Q3 of Fiscal 2022, Delhivery had ~22% and 24-25% share of the overall e-commerce volume (including captive players) respectively. Delhivery operates the largest network for heavy parcel (large appliances or white goods, appliances, home & furniture and sports equipment) delivery in India.

Part Truckload (PTL) Freight: Rapidly shifting towards Organized Players

PTL freight refers to delivery of consignments with weights of between 10-2,000 kgs. PTL providers operate a network of pick-up and delivery points and terminals where freight from different customers that is traveling in similar directions is consolidated. This consolidation leads to lower transportation costs for individual customers, while providing faster delivery times and greater flexibility. The PTL market, which was estimated to be US$13 billion in Fiscal 2020 is expected to double to US$26 billion in Fiscal 2026. There are two key segments in this market:

Express PTL: Turnaround times of 3-5 days, typically focused on smaller consignment sizes

Traditional PTL: Turnaround times slower than Express PTL. Used by relatively time-insensitive shippers who are comfortable with waiting for carriers to consolidate freight loads. Typically focused on heavier consignments.

Truckload Freight: Largest segment of Road Transportation, Ripe for Disruption

Truckload Freight (TL) refers to delivery of a full truck/trailer load of freight, moving directly from shipper or origin point to consignee or point of destination. This is the largest segment of road transportation, with a market size of US$109 billion in Fiscal 2020 that is expected to reach U$163 billion by Fiscal 2026. Some of the largest end users of TL freight include the FMCG, agriculture, raw materials, automotive and spare parts, manufacturing, retail and pharmaceuticals industries.

The TL market has been historically fragmented and plagued with information asymmetries and intermediary costs. Over 85% of fleet owners operate fleets of less than 20 trucks, and therefore depend on a network of brokers and transporters (broker-cum-fleet-owners) who match demand and supply of truckload freight locally. Small fleet sizes coupled with absence of national load-boards and low adoption of technology has led to industry-wide problems like:

- Inefficient matching of supply and demand, especially on backhaul lanes
- Significant price volatility for customers and earnings volatility for fleet-owners due to seasonality and other supply shocks
- High cost of working capital financing
- Inconsistent service quality and long wait times

TL markets globally are witnessing disruption from new-age, technology-enabled logistics providers. The drivers for this disruption include:

Digitization of Supply Chain Operations: New-age players provide Transportation management systems (TMS) to customers and mobile applications to suppliers of fleet capacity (including self-owned fleets), thereby creating real-time visibility and more efficient matching of demand and supply and reducing overhead costs through digitization of previous offline processes

Real-time visibility and control: Telemetry data from GPS systems, SIM-based tracking and smart-tag data enable new-age players to ensure service quality and maintain continuous visibility of supply

Data-led efficiencies: Analysis of current and historical performance data of fleet-owners, more accurate demand forecasting and real-time supply visibility enable new-age players to provide better pricing estimates and also provide working capital financing to fleet-owners at lower costs.

Large internal demand: Integrated players are able to provide captive internal demand from their other business lines and thereby better lock-in suppliers of truckload freight capacity to their platforms

These drivers are expected to increase share of organized players from ~US$1 billion in Fiscal 2020 to US$7 billion in Fiscal 2026 at a CAGR of 40% vs. 7% in India as well.

Domestic Rail Transportation

India has the 4th largest railway network globally and is also the 4th largest rail freight market in the world. The domestic rail transportation market stood at a size of ~US$21 billion in Fiscal 2020, which is expected to reach US$47 billion by Fiscal 2026 at a CAGR of 17%. However, rail's share in freight has been continuously declining, standing at 18% in 2020 (versus 71% for road transportation). This has been driven by historical under-investment in capacity expansion and a lack of upgradation of existing capabilities and high-density routes.

Domestic Air Express Transportation: Niche Segment with Limited Growth

The domestic air-express transportation market was estimated to be US$0.8 billion in Fiscal 2020 and is expected to touch US$1.2 billion Fiscal 2026. Air-express is a relatively niche service suitable for highly time-sensitive shipments requiring reliable, mid to long-distance transportation. Air cargo in India is moved through dedicated cargo aircraft as well as belly capacity available on passenger planes. The market is serviced mainly by Air India and a few charter cargo operators and domestic passenger airlines. A large and fragmented base of domestic freight forwarders also function as booking and fulfilment agents for air-express capacity. The sector faces increasing competition from infrastructure and speed improvements in road transportation, which is significantly more cost-efficient. As a consequence, this segment is expected to grow at a slower rate than the overall logistics market.

Cross-Border Logistics: Nascent Segment with Large Growth Potential

Cross-border transportation is done primarily through air and ocean shipping. The cross-border air transport market stood at ~US$5.4 billion in Fiscal 2020 and is expected to reach US$8.2 billion by Fiscal 2026. Airports Authority of India handled ~2 million MT of international freight movements (import + export) in Fiscal 2021. The international air freight market is driven by growth in trade, especially cross border e-commerce (import as well as Indian sellers selling in global markets). Ocean freight is significantly more cost-efficient than air-freight, and suited for larger, less time-sensitive freight movements. Ocean freight forms 25-30% of the total cross-border transportation market.

Capacity in the cross-border transportation market is quite consolidated in both air and ocean segments. Air freight is dominated by international integrators such as FedEx and DHL and domestic and international passenger airlines, while ocean freight is primarily serviced by large liner companies such as AP Moeller Maersk. However, as with domestic air express, a large network of domestic booking agents and freight forwarders function as resellers of this capacity to enterprise and SME customers across the country.

Supply chain services: key enabler for rapidly changing commerce Landscape

Supply chain services refers to integrated warehousing, transportation and technology solutions created for industry-specific and customer-specific requirements. The Indian supply chain services market (including warehousing) was estimated to be US$65 billion in Fiscal 2020 and is expected to reach US$109 billion by Fiscal 2026. The share of organized players is expected to increase from US$1.6 billion in Fiscal 2020 to US$13-15 billion in Fiscal 2026 at a CAGR of 42-45%.

Within the overall supply chain services market, the integrated supply chain services segment is an evolving segment requiring bespoke supply chain solutions. These bespoke solutions are designed to solve structural challenges such as:

- Improving real-time visibility and control of key supply chain metrics
- Managing operations across multiple demand channels, especially combining online and offline

- Increased need to share infrastructure and operational capacity to reduce overall supply chain costs
- Need to reduce cost of inventory through optimal sourcing or manufacturing and placement
- Expansion into new markets (Tier 2+, rural) while maintaining service quality
- Ability to create new operational processes in response to changing customer and market needs

Demand for these complex integrated solutions is driving enterprises to increasingly seek a single or smaller set of service providers. The overall integrated supply chain services market size is pegged at ~US$6 billion in Fiscal 2020 and expected to reach ~US$17 billion in Fiscal 2026 growing at a CAGR of 20%.

Future Trends and Opportunities in The Sector

Supply Chain Technology Systems: Global logistics, despite decades of development, continues to be plagued with inefficiencies due to unavailability or lack of inter-operability of systems used by shippers, operators and other entities across the supply chain. Offering standardized supply chain technology in the form of flexible, configurable transportation and warehouse management systems (TMS/WMS) and creating unified information standards would address many of these inefficiencies. The total logistics Software as a Service (SaaS) opportunity, including operations technology and associated products, is estimated to be ~US$18 – 25 billion as of Fiscal 2020.

Supply Chain Financing: Scaled-up, organized players have gained proprietary access to large sets of customer, product and geographic data which are valuable to lenders or to these organized players themselves to provide financing to various participants in the supply chain. This could include working capital or asset financing to partners in the logistics value chain or even to counterparties trading with each other via the supply chain platform.

Greening of the Industry: The Indian government is increasingly encouraging adoption of electric vehicles in logistics operations to reduce emissions. Organized players are well-positioned to lead the transition to electric vehicles in cargo as well as pick-up and delivery operations.

In Summary

In summary, with the evolution of the Indian logistics and supply chain market, driven by changing needs of enterprises and customers, favourable regulatory changes, availability and penetration of technology systems and availability of capital, technology-enabled and integrated logistics players are best positioned to disrupt the market.

As businesses and their customers evolve the need for flexible and scalable logistics services becomes increasingly important. Technology and data analytics capabilities are becoming key to enable a holistic view of the entire supply chain. Traditional players in the Indian market have been built with a manpower and infrastructure-first mindset with insufficient investment in developing technology and data analytics capabilities. As a result, traditional players who have remained focused on a single segment or geography and are operating with time consuming, manual processes lack the technical capability, organization design and management expertise to keep up with the changing market.

New-age players have built sophisticated proprietary technology systems and are investing in data sciences (AI & ML), cutting edge engineering and automation and new age technologies – Vision ML, drones and robotics with APIs that can integrate with a universe of customer systems, business applications and partners, along with advanced data analytics capabilities. These systems also contain feedback loops built over long periods of time and serve large number of customers that enable them to become more intelligent with time and react faster to changing customer needs.

As a result, organized, new-age and technology-enabled logistics players in India are positioning themselves for growth in digital consumption in India across eCommerce, D2C, omni channel and other digital commerce as well as in the offline commerce. Among such players, Delhivery is well positioned at the cross-section of the various logistics sector growth drivers including infrastructure, offline commerce, digital consumption and adoption of technology & data sciences.

Amongst independent e-commerce focused logistics players, Delhivery has made the highest investments in technology and automation (in warehouse and sortation centres) and has built the largest technology team of engineers, developers and data scientists and is well positioned to gain share across business lines.

Key Concerns

- Delhivery has a history of losses and negative cash flows from operating, investing and financing activities and it may continue to experience losses and negative cash flows in the future as it anticipates increased expenses in the future.

- Relies on a scaled, automated and unified network infrastructure, largely comprising its logistics and transportation facilities, for its business operations.

- Any disruptions to logistics and transportation facilities could have a material adverse effect on the business, financial condition, cash flows and results of operations.

- Funding requirements and the proposed deployment of net proceeds have not been appraised by any bank or financial institution or any other independent agency and its management will deploy the Net Proceeds as per its operational and business requirements.

- Delhivery employs a large workforce, and any failure to attract and retain suitably qualified and skilled employees, labour unrest, labour union activities, increases in the cost of labour or failure to comply with applicable labour laws could negatively affect the business.

- Relies on network partners and other third parties for certain aspects of its business, which poses additional risks.

- Delhivery's long-term growth and competitiveness are highly dependent on its ability to control costs and pass on any increase in operating expenses to customers, while continuing to offer competitive pricing.

- Although Delhivery continues to diversify its customer base, e-commerce customers contribute a majority of its shipment volume. Accordingly, its business and growth are highly correlated with the growth of the ecommerce industry and more generally, commerce, in India.

- Delhivery has entered into, and will continue to enter into, related party transactions which may potentially involve conflicts of interest.

- Delhivery's technology infrastructure is critical to its business operations and growth prospects, and failure to improve or effectively utilise its technology infrastructure or prevent disruptions to its technology infrastructure could harm its business operations, reputation and growth prospects.

- Operates in a highly fragmented industry and face intense competition, which could adversely affect the results of operations and market share.

- A significant portion of Delhivery's business is attributable to certain large customers. Their future actions may have an adverse impact on its business. If it fails to expand the size of its business with its existing customers, its business, revenue, profitability and growth may be harmed.

- Business is subject to various laws and regulations which are constantly evolving. If the Company or its third party network partners are deemed to be not in compliance with any of these laws and regulations, its business, reputation, financial condition, cash flows and results of operations may be materially and adversely impacted.

- Delhivery faces risks associated with shipments handled and transported through its network and risks associated with transportation and cash-on-delivery, which may not be fully covered by its insurance policies.

- The ongoing COVID-19 pandemic and measures intended to prevent its spread have had, and may continue to have, a material and adverse effect on Delhivery's business and results of operations.

- The Company's past growth rates may not be indicative of its future growth, and if it is unable to maintain culture of innovation, adapt to evolving customer demands and market trends, manage its growth or execute its strategies effectively, its business, financial conditions, cash flows and prospects may be materially and adversely affected.

- Business depends on the continuing efforts of management team.

- Delays or defaults in payment by customers or the tightening of payment periods to Delhivery's suppliers could affect its cash flows and may adversely affect its financial condition and operations.

- The Company have made, and may need to continue to make, substantial capital expenditures to fund its business operations and expansion, and it will face risks that are inherent to such investments, including the ability to obtain additional capital when needed, on satisfactory terms or at all.

- All of Delhivery's logistics facilities are leased and some of its lease agreements may have certain irregularities. Failure to renew its leases or to locate desirable alternatives for its facilities could materially and adversely affect its business.

- Business generates and processes a large quantity of confidential customer data. Failure to protect its customers' or end consumers' data through improper handling or unauthorised access could damage the reputation and substantially harm the business and results of operations.

- Delhivery may fail to successfully enter necessary or desirable strategic alliances or make acquisitions or investments, and it may not be able to successfully integrate acquisitions or achieve the anticipated benefits from these alliances, acquisitions or investments it makes.

- Delhivery's Pro Forma Financial Statements may not be indicative of its actual results of operations and financial position for such periods or as of such dates, or of expected results of operations in future periods or its future financial position.

- Delhivery's insurance may be insufficient to cover all losses associated with the Company's business operations.

- An inability to comply with repayment and other covenants in Delhivery's financing agreements may lead to, among others, accelerated repayment schedules and enforcement of security, which may adversely affect its business, results of operations, financial condition, cash flows and credit rating.

- Delhivery's international operations involve risks that could increase its expenses, adversely affect its results of operations and require increased time and attention from its management.

- May not be able to prevent others from unauthorised use of its intellectual property, which could harm the business and competitive position.

- Economic sanctions, anti-corruption laws and anti-money laundering laws imposed by the United States and other jurisdictions may expose Delhivery to potential compliance risks.

- If there is any damage to Delhivery's brand image or reputation, its business, revenue, profitability and growth may be harmed.

- Any deficiencies in India's road network and telecommunication, internet, air cargo and airport infrastructures could impair the functioning of Delhivery's business operations and technology systems.

- Changes in the taxation system in India could adversely affect the business.

- The ability of foreign investors to invest in the Company may be constrained by Indian law.

- Financial instability in other countries may cause increased volatility in Indian financial markets.

- Ability to raise foreign capital may be constrained by Indian law.

- Delhivery is, and after the Offer will remain, a "foreign owned and controlled" company in accordance with the Consolidated FDI Policy and FEMA Rules and accordingly, it shall be subject to Indian foreign investment laws.

Profit & Loss

Particulars (Rs in million)	9MFY22	FY21	FY20	FY19
Revenue from operations				
Revenue from contract with customers	48105.3	36465.3	27805.8	16539.0
Interest Income				
Net gain on fair value changes				
Other Income	1008.8	1917.6	2080.5	409.8
Total Income	**49114.1**	**38382.9**	**29886.3**	**16948.7**
Total Expenditure	**53457.5**	**37694.6**	**29526.2**	**32723.6**
Freight, handling and servicing cost	34786.4	27780.8	21838.0	12506.8
Purchase of traded goods	1750.2	102.1	57.7	0.0
Change in inventory of traded goods	-28.8	0.0	0.0	0.0
Fair value loss on financial liabilities at fair value through profit or loss	2997.4	92.0	0.0	14806.6
Employee Benefits Expenses	9726.3	6109.2	4908.9	3446.4
Other expenses	4226.0	3610.5	2721.6	1963.7
PBIDT	**-4343.4**	**688.3**	**360.1**	**-15774.9**
Interest	762.3	886.3	492.2	358.1
PBDT	**-5105.7**	**-197.9**	**-132.1**	**-16133.0**
Depreciation and amortization	3881.8	3546.2	2555.9	1700.1
Exceptional Item	0.0	-413.3	0.0	0.0
PBT	**-8987.5**	**-4157.4**	**-2688.0**	**-17833.0**
Share of restated profit / (loss) of associates / joint ventures				
Profit on sale/redemption of investments in Joint Venture and Associate				
Exceptional items				
Tax (incl. DT & FBT)	**-76.1**	**0.0**	**1.2**	**0.0**
Current tax	100.5	0.0	1.2	0.0
Adjustment of tax relating to earlier years				
Deferred Tax	-176.6	0.0	0.0	0.0
PAT	**-8911.4**	**-4157.4**	**-2689.3**	**-17833.0**
EPS (Rs.)	-15.4	-8.1	-5.2	-47.2
Face Value	1	1	1	1
OPM (%)	-11.1	-3.4	-6.2	-97.9
PATM (%)	-18.1	-10.8	-9.0	-105.2

Balance Sheet

Particulars (Rs in million) As at	9MFY22	FY21	FY20	FY19
Assets				
Non-current assets				
Property, plant and equipment	5,516.6	2,379.7	2,358.9	1,610.1
Right of use asset	8,487.3	7,828.0	4,781.1	2,975.1
Capital work in progress	647.7	767.6	267.2	8.8
Goodwill	13,861.5	186.5	186.4	163.8
Other intangible assets	4,074.1	139.6	113.8	130.6
Intangible assets under development	20.7	0.0	48.1	0.0
Financial assets				
Investments	4,073.6	4,205.9	3,772.4	247.0
Loans	0.0	0.0	0.0	27.3
Other financial assets	2,626.8	886.6	5,253.8	2,036.0
Non-current tax assets (net)	1,388.6	1,231.7	1,050.2	596.5
Other non-current assets	237.1	47.5	13.6	134.3
Total non- current assets				
Current assets	**40,934.0**	**17,673.0**	**17,845.5**	**7,929.5**
Inventories	317.8	259.5	178.3	226.3
Financial assets				
Investments	17,374.7	7,075.6	8,104.4	11,304.3
Trade receivables	8,917.9	5,945.8	6,013.3	2,146.5
Cash and cash equivalents	3,609.8	2,758.6	1,200.4	16,626.4
Other bank balances	0.0	15.8	2,886.6	7.9
Loans	90.0	264.2	26.8	2.3
Other financial assets	10,310.0	10,815.3	6,444.1	1,951.2

Other current assets	2,740.6	1,170.2	873.6	431.0
Total current assets	**43,360.8**	**28,305.0**	**25,727.6**	**32,695.9**
Total assets	**84,294.8**	**45,978.0**	**43,573.1**	**40,625.5**
Equity and liabilities				
Equity				
Equity share capital	216.7	16.3	9.8	9.6
Instruments entirely equity in nature	425.0	354.0	391.7	391.7
Other equity	59,156.8	27,997.7	31,302.6	33,481.5
Total equity	**59,798.5**	**28,368.0**	**31,704.1**	**33,882.8**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	1,005.3	1,316.1	998.0	356.2
Lease liabilities	6,913.0	6,538.4	3,870.7	2,425.2
Trade payables				
total outstanding dues of micro enterprises and small enterprises	0.0	0.0	0.0	0.0
total outstanding dues of creditors other than micro enterprises and small enterprises	0.0	0.0	1.1	24.8
Provisions	406.6	219.2	166.1	108.9
Deferred tax liabilities (net)	735.0	0.0	0.0	0.0
Total non- current liabilities	**9,059.8**	**8,073.7**	**5,035.9**	**2,915.1**
Current liabilities				
Financial liabilities				
Borrowings	2,702.5	1,697.3	1,570.1	580.0
Lease liabilities	2,211.2	1,617.2	1,107.7	744.4
Trade payables				
total outstanding dues of micro enterprises and small enterprises	38.4	20.5	8.0	0.6
total outstanding dues of creditors other than micro enterprises and small enterprises	7,799.5	4,401.8	2,725.5	1,581.8
Other financial liabilities	1,450.0	1,305.8	1,096.9	683.9
Provisions	192.5	121.7	103.6	67.5
Other current liabilities	1,042.5	370.9	220.1	169.4
Current tax liabilities (net)	0.0	1.2	1.2	0.0
Total current liabilities	**15,436.6**	**9,536.3**	**6,833.1**	**3,827.6**
Total liabilities	**24,496.4**	**17,610.0**	**11,869.0**	**6,742.6**
Total equity and liabilities	**84,294.8**	**45,978.0**	**43,573.1**	**40,625.5**

(Source: RHP)

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