



Date: August 29, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001 India

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051 India

Scrip Code: 543529

Symbol: DELHIVERY

Sub: Response submitted to the voting recommendation report issued by the Institutional Investor Advisory Services ('IIAS') and the Stakeholders Empowerment Services ('SES'), Proxy Advisors.

Dear Sir/ Madam,

Please find enclosed herewith a copy of response submitted to the voting recommendation report issued by the Institutional Investor Advisory Services ('IIAS') and the Stakeholders Empowerment Services ('SES'), both Proxy Advisors, on the proposed resolutions as mentioned in notice of Annual General Meeting ("AGM") of the Company dated August 02, 2024.

Kindly note that the AGM of the Company is scheduled to be held on September 02, 2024.

The aforesaid response has been hosted on the Company's website at www.delhivery.com.

You are requested to take the above on records.

Thank you.

Yours sincerely,

For Delhivery Limited

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RAWAT

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Date: 2024.08.29
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Madhulika Rawat

Company Secretary & Compliance Officer

Membership No.: F8765

Encl: As above



Delhivery Limited

Corporate Office: Plot 5, Sector 44, Gurugram - 122 002, Haryana, India
Registered Office: N24-N34, S24-S34, Air Cargo Logistics Centre-II,
Opposite Gate 6 Cargo Terminal, IGI Airport, New Delhi – 110037
(Formerly known as Delhivery Private Limited)

CIN: L63090DL2011PLC221234
+91 124 6225600
corporate@delhivery.com
www.delhivery.com



Date: August 26, 2024

To,

The Institutional Investor Advisory Services ('IIAS')

Subject.: Response to proposed voting recommendations of IIAS on resolutions as set out in notice of Annual General Meeting ("AGM") of Delhivery Limited ("the Company") dispatched on August 8, 2024 ("AGM Notice").

Dear Sir/ Madam,

This has reference to your email dated August 25, 2024 in relation to the proxy advisory report wherein you have set out your proposed voting recommendation regarding the resolutions as set out in the AGM Notice of Delhivery Limited ("**the Company**" / "**We**"). We have noted that you have proposed to recommend to your clients to vote 'against' on the following resolutions:

- Item no. 3 To approve remuneration of Mr. Sahil Barua, Managing Director and Chief Executive Officer for his remaining tenure from October 13, 2024 to October 12, 2026
- Item no. 4 To approve remuneration of Mr. Kapil Bharati, Whole-time Director (Executive Director and Chief Technology Officer) for his remaining tenure from October 13, 2024 to October 12, 2026
- Item no. 5 To approve remuneration of Mr. Deepak Kapoor, Chairman and Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025
- Item no. 6 To approve remuneration of Mr. Romesh Sobti, Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025
- Item no. 7 To approve remuneration of Mr. Srivatsan Rajan, Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025

While we note that no non-compliance with laws has been identified by you in relation to the item no. 3 to 7 mentioned aforesaid, we also note that you have raised a governance and transparency concern in relation to the proposed remuneration of executive directors and independent directors.

In this regard, please see below our detailed response/ clarifications on the observations raised by you:



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1. Observation on item no. 3 of AGM Notice

“Sahil Barua was appointed as MD and CEO for five years from 13 October 2021 till 12 October 2026 and his remuneration (as minimum remuneration) was fixed for three years till 12 October 2024. The company is seeking shareholder approval to fix his remuneration (as minimum remuneration) for the remaining term till 12 October 2026. Sahil Barua received Rs. 34.3 mn (excluding perquisite value of stock option of Rs. 139.1 mn) as remuneration in FY24.

His proposed FY25 fixed salary, performance linked incentive and other benefits aggregate to Rs. 121.9 mn which is high compared to FY23 remuneration.

He is entitled to ESOPs and a reward multiplier/ performance award/incentive which will be determined by the board. The board must disclose the number of ESOPs to be granted and a range of his reward multiplier/ performance award/incentive to enable us to make an informed decision with respect to his total proposed remuneration.

We raise concern that his ESOPs will vest based on stock price performance alone, over which management has limited control – we believe this may result in short-term focus and distract the leadership from building a long-term sustainable business. We also expect the board to disclose performance metrics that will determine his commission.”

Our response on observation on item no. 3 of AGM Notice:

The first response by the Company, we request you to note the below:

1. Mr. Sahil Barua possesses the necessary skills, competencies, expertise, and extensive experience required for his role as Managing Director and Chief Executive Officer of the Company. Since the incorporation of the Company, Mr. Sahil has played a crucial role in shaping the long-term vision and strategy of the Company. His contributions have been invaluable in steering the Company towards its goals. Over the past more than a decade, he has been a key figure in the Company’s growth journey, consistently driving progress and innovation. His leadership has significantly impacted the Company’s success and development. Considering the revenue, the Company is the market leader in logistics industry. Under leadership of Mr. Sahil Barua, the Company significantly reduced loss after tax and turning up to a profitable company time crossed the breakeven at the Profit After Tax (PAT) level and booked profit of Rs. 529.74 mn at standalone level and Rs. 117.06 million



at consolidated level for the quarter ended December 31, 2023. The Company also booked PAT of Rs. 719.77 mn at standalone level and Rs. 543.59 mn at consolidated level for the quarter ended June 30, 2024. For more information on said financial results, please refer the results uploaded on the website of the Company.

2. The proposed remuneration of Mr. Sahil Barua as mentioned in page no. 13 of the AGM notice (comprises of Fixed salary of up to Rs. 75 mn, variable pay up to 50% of fixed remuneration, ESOPs as recommended / approved by NRC and the Board from time to time and additional benefits as per the Company's policy) is **the maximum remuneration which can be paid by the Company**. Therefore, the maximum proposed remuneration is not comparable with the actual remuneration paid to Mr. Sahil Barua for FY24.

On the recommendation and approval of the NRC and the Board, the Company will pay the actual total remuneration within the aforesaid limit considering the performance of the Company and the said Executive Director. Further, the NRC and the Board at its meeting held in May 2024, approved the estimated pay-out of remuneration (fixed salary and variable pay) of Mr. Sahil Barua as ~ Rs. 37 mn for FY25 and other benefits as per the Company's policy.

3. The Company has earlier approved a fixed salary of Mr. Sahil Barua in the range of Rs. 25 mn per annum to Rs. 100 mn per annum. Now, the Company has proposed a fixed salary up to Rs. 75 mn per annum to Mr. Sahil Barua. Hence, the higher end of the fixed salary has been reduced.

The maximum variable pay amount is capped at 50% of his fixed remuneration. It is clarified that the amount of reward multiplier/ performance award/incentive (if any) to be given to him shall be within the said capped limit of variable pay.

The variable payout will depend on the following major criteria:

- The performance rating of the individual; and
 - Overall organisation performance (Revenue and EBITDA based)
4. Performance criteria for vesting of 5,100,000 stock options is linked to value of shares. Such stock options were granted to Mr. Sahil Barua pre- IPO, with the vesting condition of achieving a certain market price of the share post-IPO. The said grant was duly approved by the Board at its meeting held on November 1, 2021.

5. In view of good corporate governance, on the basis of recommendation of the NRC and the Board, the Company will seek separate shareholders' approval for grant of options to him in future. The Company will disclose maximum no. of stock options to be granted to Mr. Barua along with the criteria for vesting in the Notice to Shareholders seeking approval for such further grant of stock options.

In view of the above, we believe that the proposed terms of remuneration of the MD & CEO are commensurate with the performance delivered thus far and the prospective impact of the strategic direction and ongoing efforts towards building capabilities and future readiness within the Company. The same is also reflected in the continued investor confidence in the Company.

2. Observation on item no. 4 of AGM Notice

"Kapil Bharati, 46, leads the Technology and Data Science divisions. He was appointed as a Whole time Director (ED and CTO) for five years from 13 October 2021 till 12 October 2026 and his remuneration (as minimum remuneration) was fixed for three years till 12 October 2024. The company is seeking shareholder approval to fix his remuneration (as minimum remuneration) for the remaining term till 12 October 2026. Kapil Bharati received Rs. 113.0 mn (excluding perquisite value of stock option of Rs. 215.6 mn and including ESOP fair value) as remuneration in FY24.

His proposed FY25 fixed salary, performance linked incentive, ESOP fair value and other benefits aggregate to Rs. 161.4 mn which is high compared to FY23 remuneration.

He is entitled to ESOPs and a reward multiplier/ performance award/incentive which will be determined by the board. The board must disclose the number of ESOPs to be granted and a range of his reward multiplier/ performance award/incentive to enable us to make an informed decision with respect to his proposed remuneration.

We raise concern that his ESOPs will vest based on stock price performance alone over which management has limited control – we believe this may result in short-term focus and distract the leadership from building a long-term sustainable business. We also expect the board to disclose performance metrics that will determine his commission.



Given the uncapped nature of his proposed remuneration, we are unable to estimate his compensation and thus unable to make an informed decision. Hence, we do not support his remuneration terms.”

Our response on observation on item no. 4 of AGM Notice:

1. Mr. Kapil Bharati possesses the necessary skills, competencies, expertise, and extensive experience required for his role as Whole-time Director (Executive Director and Chief Technology Officer) of the Company. He leads the Technology and Data Science divisions, providing overall technical direction to the organisation and building a global technology and data platform to provide real-time insights for businesses and decision support systems for logistics and supply chain players around the world. His leadership has significantly impacted the Company's success and development.
2. The proposed remuneration of Mr. Kapil Bharati as mentioned in page no. 15 of the AGM notice (comprises of Fixed salary of up to Rs. 50 mn, variable pay up to 50% of fixed remuneration, ESOPs as recommended / approved by NRC and the Board from time to time and additional benefits as per the Company's policy) is **the maximum remuneration which can be paid by the Company**. Therefore, the maximum proposed remuneration is not comparable with the actual remuneration paid to Mr. Kapil Bharati for FY24.

On the recommendation and approval of the NRC and the Board, the Company will pay the actual total remuneration within the aforesaid limit considering the performance of the Company and the said Executive Director. Further, the NRC and the Board at its meeting held in May 2024, approved the estimated pay-out of remuneration (fixed salary and variable pay) of Mr. Kapil Bharati as ~Rs. 36 mn for FY25 and other benefits as per the Company's policy.

Please note that the actual remuneration paid to Mr. Kapil Bharati for FY24 is Rs. 32.92 mn (excluding perquisite value of stock option of Rs. 215.6 mn). Whereas on page no. 2 and 14 of your report, remuneration of Rs. 113.0 mn (excluding perquisite value of stock option of Rs. 215.6 mn and including ESOP fair value) of Mr. Kapil Bharati for FY24 is mentioned. We have not come across on the basis of taking ESOP fair value mentioned as Rs. 80.1 mn at page no. 14 of your report. Please delete ESOP fair value amount as there is only perquisite value of stock option is relevant.

3. The Company has earlier approved a fixed salary of Mr. Kapil Bharati in the range of Rs. 25 mn per annum to Rs. 100 mn per annum. Now, the Company has proposed a fixed salary up to Rs.

50 mn per annum to Mr. Kapil Bharati. Hence, the higher end of the fixed salary has been reduced.

The maximum variable pay amount is capped at 50% of his fixed remuneration. It is clarified that the amount of reward multiplier/ performance award/incentive (if any) to be given to him shall be within the said capped limit of variable pay.

The variable payout will depend on the following major criteria:

- The performance rating of the individual; and
 - Overall organisation performance (Revenue and EBITDA based)
4. Performance criteria for vesting of 1,575,000 stock options is linked to value of shares. The said grant was duly approved by the Nomination and Remuneration Committee at its meeting held on November 10, 2022. Such stock options were granted to him, with the vesting condition of achieving certain market price of the share.
5. In view of good corporate governance, on the basis of recommendation of the NRC and the Board, the Company will seek separate shareholders' approval for grant of options to him in future. The Company will disclose maximum no. of stock options to be granted to Mr. Bharati along with the performance criteria for vesting in the Notice to Shareholders seeking approval for such further grant of stock options in future.

In view of the above, we believe that the proposed terms of remuneration of said Executive Director are commensurate with the performance delivered thus far and the prospective impact on the Technology and Data Science divisions of the Company.

3. Observation on item no. 5, 6 and 7 of AGM Notice

Deepak Kapoor, 65, is the former Chairperson and CEO of PricewaterhouseCoopers Private Limited. He attended all five board meetings held in FY24. His remuneration for FY24, was Rs. 7.5 mn, as approved by shareholders and excludes sitting fees of Rs. 0.9 mn. He was appointed as Chairperson and Independent Director of the company for 5 years from 1 October 2021 till 30 September 2026 and his remuneration was fixed at Rs. 7.5 mn for three years from date of appointment. The company is seeking shareholder approval to pay him remuneration on similar terms and conditions from 1 October 2024 to 30 September 2025. He is also eligible for reimbursement of expenses incurred to attend and participate in the board meetings or committee meetings or separate meetings of independent directors. While we recognize that



Delhivery has a competent set of independent directors, the proposed remuneration is high compared to the size of the business and is not in line with the peers. Hence, we do not support the resolution.

Romesh Sobti, 74, was associated with IndusInd Bank Limited as Managing Director and Chief Executive Officer. He attended all five board meetings held in FY24. His remuneration for FY24, was Rs. 6.5 mn, as approved by shareholders and excludes sitting fees of Rs. 1.5 mn. He was appointed as an Independent Director of the company for 5 years from 1 October 2021 till 30 September 2026 and his remuneration was fixed at Rs. 6.5 mn for three years from date of appointment. The company is seeking shareholder approval to pay him remuneration on similar terms and conditions from 1 October 2024 to 30 September 2025. He is also eligible for reimbursement of expenses incurred to attend and participate in the board meetings or committee meetings or separate meetings of independent directors. While we recognize that Delhivery has a competent set of independent directors, the proposed remuneration is high compared to the size of the business and is not in line with the peers. Hence, we do not support the resolution.

Srivatsan Rajan, 60, is an Advisory Partner at Bain & Company in San Francisco. Prior to this he was a Partner at Cota Capital, an early-stage venture fund in San Francisco. He attended all five board meetings held in FY24. His remuneration for FY24, was Rs. 6.5 mn, as approved by shareholders and excludes sitting fees of Rs. 1.8 mn. He was appointed as an Independent Director of the company for 5 years from 1 October 2021 till 30 September 2026 and his remuneration was fixed at Rs. 6.5 mn for three years from date of appointment. The company is seeking shareholder approval to pay him remuneration on similar terms and conditions from 1 October 2024 to 30 September 2025. He is also eligible for reimbursement of expenses incurred to attend and participate in the board meetings or committee meetings or separate meetings of independent directors. While we recognize that Delhivery has a competent set of independent directors, the proposed remuneration is high compared to the size of the business and is not in line with the peers. Hence, we do not support the resolution.

Our response on observation on item no. 5,6, and 7 of AGM Notice:

1. Mr. Deepak Kapoor, Mr. Romesh Sobti and Mr. Srivatsan Rajan, Independent Directors, have extensive experience at the top management of various companies / consultant firms. Please refer to the detailed profile of such Independent Directors as mentioned at page no. 18 and 19 of AGM Notice.



2. Please note that the proposed remuneration of such Independent Directors is same as existing remuneration which is paid / to be paid for the period from October 1, 2021 to September 30, 2024. There is no increase in the proposed remuneration of such Independent Directors in comparison with their existing remuneration.
3. There is uniformity in the proposed remuneration of such Independent Directors with the other Independent Directors. The same remuneration was approved by the shareholders in its last Annual General Meeting held on September 27, 2023 for other Independent Directors of the Company, for which IiAS had recommended "FOR" for approval of shareholders with the remark that such remuneration is reasonable for respective Independent Directors considering their experiences.

We sincerely urge you to amend your proposed recommendation on said items based on the above rationale and issue the revised report under intimation to us.

For Delhivery Limited

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Madhulika Rawat

Company Secretary and Compliance Officer



Delhivery Limited

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Date: August 26, 2024

To,
The Stakeholders Empowerment Services ('SES')

Subject.: Response to proposed voting recommendations of SES on resolutions as set out in notice of Annual General Meeting ("AGM") of Delhivery Limited ("the Company") dispatched on August 8, 2024 ("AGM Notice").

Dear Sir/ Madam,

This has reference to your email dated August 26, 2024 in relation to the proxy advisory report wherein you have set out your proposed voting recommendation regarding the resolutions as set out in the AGM Notice of Delhivery Limited ("**the Company**" / "**We**"). We have noted that you have proposed to recommend to your clients to vote 'against' on the following resolutions:

- | | |
|------------|--|
| Item no. 3 | To approve remuneration of Mr. Sahil Barua, Managing Director and Chief Executive Officer for his remaining tenure from October 13, 2024 to October 12, 2026 |
| Item no. 4 | To approve remuneration of Mr. Kapil Bharati, Whole-time Director (Executive Director and Chief Technology Officer) for his remaining tenure from October 13, 2024 to October 12, 2026 |
| Item no. 5 | To approve remuneration of Mr. Deepak Kapoor, Chairman and Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025 |
| Item no. 6 | To approve remuneration of Mr. Romesh Sobti, Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025 |
| Item no. 7 | To approve remuneration of Mr. Srivatsan Rajan, Non-Executive Independent Director for the period from October 01, 2024 to September 30, 2025 |

While we note that no non-compliance with laws has been identified by you in relation to the item no. 3 to 7 mentioned aforesaid, we also note that you have raised a governance and transparency concern in relation to the proposed remuneration of executive directors and independent directors.

In this regard, please see below our detailed response/ clarifications on the observations raised by you:



1. Observation on item no. 3 & 4 of AGM Notice

“The proposed remuneration to Mr. Sahil Barua and Mr. Kapil Bharati includes variable pay as part of salary. The Company has capped the Annual Performance Linked Incentive. However, the Company has not provided an objective performance criterion on the basis of which the amount will be determined. Further, the Company has stated that the Directors will also be eligible to options as may be granted by NRC of the Company from time to time. Hence, there is no cap on the potential benefits that may pass as a result of the said benefits.

SES acknowledges that, the reduction in losses is a positive indicator of improved management and operational efficiency, however, the basic salaries for executive directors remain high. This fixed component of their compensation is substantial compared to the overall financial situation of the company. Even after considering the peer remuneration practices and industry benchmarks (Read More), the quantum of payment appears to be high. Hence, the overall component of the remuneration benefits to the executive directors appears to be on the higher side as per SES.”

Vesting conditions of stock options

“SES is of the opinion that employees may face penalties if the company's stock price fails to meet certain targets due to market conditions rather than their performance. This can create a sense of unfairness, particularly if employees are otherwise performing well and contributing positively to the company's success.

Further, when vesting is linked to short-term stock price targets, employees may feel pressured to prioritize actions that boost the stock price quickly. This short-term focus can be detrimental to long-term strategic initiatives and might lead to decisions that are not in the best interest of the company's long-term health.”

Our response on observation on item no. 3 of AGM Notice:

The first response by the Company, we request you to note the below:

1. Mr. Sahil Barua possesses the necessary skills, competencies, expertise, and extensive experience required for his role as Managing Director and Chief Executive Officer of the Company. Since the incorporation of the Company, Mr. Sahil has played a crucial role in shaping the long-term vision and strategy of the Company. His contributions have been invaluable in steering the Company towards its goals. Over the past more than a decade, he has been a key figure in the Company's growth journey, consistently driving progress and innovation. His leadership has significantly impacted the Company's success and development. Considering the revenue, the Company is the market leader in logistics industry. Under leadership of Mr. Sahil Barua, the Company significantly reduced loss after tax and turning up to a profitable company time crossed the breakeven at the Profit After

Tax (PAT) level and booked profit of Rs. 529.74 mn at standalone level and Rs. 117.06 million at consolidated level for the quarter ended December 31, 2023. The Company also booked PAT of Rs. 719.77 mn at standalone level and Rs. 543.59 mn at consolidated level for the quarter ended June 30, 2024. For more information on said financial results, please refer the results uploaded on the website of the Company.

2. The proposed remuneration of Mr. Sahil Barua as mentioned in page no. 13 of the AGM notice (comprises of Fixed salary of up to Rs. 75 mn, variable pay up to 50% of fixed remuneration, ESOPs as recommended / approved by NRC and the Board from time to time and additional benefits as per the Company's policy) is **the maximum remuneration which can be paid by the Company.**

On the recommendation and approval of the NRC and the Board, the Company will pay the actual total remuneration within the aforesaid limit considering the performance of the Company and the said Executive Director. Further, the NRC and the Board at its meeting held in May 2024, approved the estimated pay-out of remuneration (fixed salary and variable pay) of Mr. Sahil Barua as ~ Rs. 37 mn for FY25 and other benefits as per the Company's policy.

3. The maximum variable pay amount is capped at 50% of his fixed remuneration. It is clarified that the amount of reward multiplier/ performance award/incentive (if any) to be given to him shall be within the said capped limit of variable pay.

The variable payout will depend on the following major criteria:

- The performance rating of the individual; and
 - Overall organisation performance (Revenue and EBITDA based)
4. Performance criteria for vesting of 5,100,000 stock options is linked to value of shares. Such stock options were granted to Mr. Sahil Barua pre- IPO, with the vesting condition of achieving certain market price of the share post-IPO. The said grant was duly approved by the Board at its meeting held on November 1, 2021.
 5. In view of good corporate governance, on the basis of recommendation of the NRC and the Board, the Company will seek separate shareholders' approval for grant of options to him in future. The Company will disclose maximum no. of stock options to be granted to Mr. Barua along with the criteria for vesting in the Notice to Shareholders seeking approval for such further grant of stock options.

In view of the above, we believe that the proposed terms of remuneration of the MD & CEO are commensurate with the performance delivered thus far and the prospective impact of the

strategic direction and ongoing efforts towards building capabilities and future readiness within the Company. The same is also reflected in the continued investor confidence in the Company.

Our response on observation on item no. 4 of AGM Notice:

1. Mr. Kapil Bharati possesses the necessary skills, competencies, expertise, and extensive experience required for his role as Whole-time Director (Executive Director and Chief Technology Officer) of the Company. He leads the Technology and Data Science divisions, providing overall technical direction to the organisation and building a global technology and data platform to provide real-time insights for businesses and decision support systems for logistics and supply chain players around the world. His leadership has significantly impacted the Company's success and development.
2. The proposed remuneration of Mr. Kapil Bharati as mentioned in page no. 15 of the AGM notice (comprises of Fixed salary of up to Rs. 50 mn, variable pay up to 50% of fixed remuneration, ESOPs as recommended / approved by NRC and the Board from time to time and additional benefits as per the Company's policy) is **the maximum remuneration which can be paid by the Company.**

On the recommendation and approval of the NRC and the Board, the Company will pay the actual total remuneration within the aforesaid limit considering the performance of the Company and the said Executive Director. Further, the NRC and the Board at its meeting held in May 2024, approved the estimated pay-out of remuneration (fixed salary and variable pay) of Mr. Kapil Bharati as ~Rs. 36 mn for FY25 and other benefits as per the Company's policy.

3. The maximum variable pay amount is capped at 50% of his fixed remuneration. It is clarified that the amount of reward multiplier/ performance award/incentive (if any) to be given to him shall be within the said capped limit of variable pay.

The variable payout will depend on the following major criteria:

- The performance rating of the individual; and
 - Overall organisation performance (Revenue and EBITDA based)
4. Performance criteria for vesting of 1,575,000 stock options is linked to value of shares. The said grant was duly approved by the Nomination and Remuneration Committee at its meeting held on November 10, 2022. Such stock options were granted to him, with the vesting condition of achieving certain market price of the share.
 5. In view of good corporate governance, on the basis of recommendation of the NRC and the Board, the Company will seek separate shareholders' approval for grant of options to him in

future. The Company will disclose maximum no. of stock options to be granted to Mr. Bharati along with the performance criteria for vesting in the Notice to Shareholders seeking approval for such further grant of stock options in future.

In view of the above, we believe that the proposed terms of remuneration of said Executive Director are commensurate with the performance delivered thus far and the prospective impact on the Technology and Data Science divisions of the Company.

2. Observation on item no. 5, 6 and 7 of AGM Notice

- *SES is of the opinion that fixed remuneration must not be paid to any Independent directors since such remuneration practices remove the link between directors' performance and that of the Company. Such remuneration practice may give rise to conflict of interest situation, and therefore to maintain the independence and objectivity of the IDs, the Company should pay remuneration payments linked to objective criteria which considers the performance of both the Directors and the Company.*
- *It should be noted that the Company has mentioned, "the non-executive and independent directors are expected to enhanced level of decision making ability, ensure greater time commitments with high level of oversight, raise the corporate governance standards, maintain integrity etc.". However, the Company has already fixed the amount of future payment. Hence, the amount is fixed as per expected performance rather than actual performance.*
- *While SES understands that the IDs are not directly engaged in the day-to-day affairs of the Company, therefore, it may be difficult to link the performance of the ID with the profits earned by the Company during a particular year. However, SES strongly believes that the Board is responsible for attaining the overall strategic goals of the Company and to ensure adoption of good governance practices.*

Additional Analysis:

Resolution #5 & #7:

Mr. Deepak Kapoor was appointed as a Non-Executive Director ("NED") w.e.f. 22nd November, 2017 and as per MCA, Mr. Srivatsan Rajan was appointed as additional director from 1st July, 2015 to 30th September, 2015 and further, again as an additional director w.e.f. 1st March 2016.

Mr. Deepak Kapoor & Mr. Srivatsan Rajan were re-designated as Independent Directors of the Company for 5 (Five) years with effect from 1st October, 2021 till 30th September, 2026.

SES, as a policy, classifies Independent Directors ("ID") as Non-Independent Directors ("NID") where existing NEDs are appointed as IDs without serving a cooling-off period of 3 years since cessation as a NED of the Company. Consequently, SES also raises governance concern against remuneration payments made to them.

Our response on observation on item no. 5,6, and 7 of AGM Notice:

1. Mr. Deepak Kapoor, Mr. Romesh Sobti and Mr. Srivatsan Rajan, Independent Directors, have extensive experience at the top management of various companies / consultant firms. Please refer the detailed profile of such Independent Directors as mentioned at page no. 18 and 19 of AGM Notice.
2. The contribution of such Non-Executive and Independent Directors in the business of the Company is immense in view of their indepth knowledge, independent judgement, highly developed skills, expertise and rich experience in various functional areas etc. Considering the rapid changes in the business environment, enhanced level of corporate governance, constant need of building and reviewing the business strategies etc. the duties and responsibilities of non-executive and independent directors has become onerous. In view of the aforesaid, the non-executive and independent directors are expected to enhanced level of decision making ability, ensure greater time commitments with high level of oversight, raise the corporate governance standards, maintain integrity etc. Considering the said duties and responsibilities of the Non-Executive and Independent Directors, the Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) at its meeting held on July 05, 2024 approved and recommended the remuneration (as set out in the Notice of the AGM) to the Non-Executive and Independent Directors to the shareholders.
3. Please note that the proposed remuneration of such Independent Directors is same as existing remuneration which is paid / to be paid for the period from October 1, 2021 to September 30, 2024. There is no increase in the proposed remuneration of such Independent Directors in comparison with their existing remuneration.
4. There is uniformity in the proposed remuneration of such Independent Directors with the other Independent Directors. The same remuneration was approved by the shareholders in its last Annual General Meeting held on September 27, 2023, for other Independent Directors of the Company.
5. Section 149 (11) of the Companies Act, 2013, provides "*Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.*"



Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.”

Mr. Srivatsan Rajan was initially appointed as a Non-Executive Director and was subsequently re-designated as an Independent Director. In accordance with Section 149(11) of the Companies Act, 2013, the cooling-off period will be applicable only after the completion of his two consecutive terms as an Independent Director.

Hence, he is eligible for the remuneration for the period as proposed in the Notice, in compliance with the provisions of Companies Act, 2013.

We sincerely urge you to amend your proposed recommendation on said items based on the above rational and issue the revised report under intimation to us.

For Delhivery Limited

MADHULIKA
A VIPIN
RAWAT

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MADHULIKA VIPIN
RAWAT
Date: 2024.08.26
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Madhulika Rawat

Company Secretary and Compliance Officer



Delhivery Limited

Corporate Office: Plot 5, Sector 44, Gurugram - 122 002, Haryana, India
Registered Office: N24-N34, S24-S34, Air Cargo Logistics Centre-II,
Opposite Gate 6 Cargo Terminal, IGI Airport, New Delhi – 110037
(Formerly known as Delhivery Private Limited)

CIN: L63090DL2011PLC221234
+91 124 6225600
corporate@delhivery.com
www.delhivery.com