

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Adani Logistics Limited.

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Adani Logistics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financials statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
 - e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us :
- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note 34 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 41 to the standalone Ind AS financial statements.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Place : Ahmedabad

Date : May 4, 2017

SANDIP PARIKH

Partner

Mem. No. 040727

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date to Adani Logistics Limited)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

(i) In respect of Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

b) Fixed assets have been physically verified by the management at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company

(ii) In respect of Inventories

According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.

(iii) The Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

(v) The Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company.

(vi) , The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-

tax, sales tax, value added tax, employee state insurance, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees state insurance and duty of excise and custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of custom, employee state insurance, service tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2017 other than those stated below:

Name of the Statute	Nature of Dues	Amount (Rs in lacs)	Period of Dues	Forum at which dispute is pending
Indian Stamp Act, 1899	Stamp Duty (Net of amount paid under protest)	0.1284	2011 – 12	Registrar of Rajasthan Tax Board, Ajmer

- (viii) The Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been

disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

- (xiv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of reporting under this clause is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, requirement of reporting under this clause is not applicable.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

Place : Ahmedabad
Date : May 4, 2017

SANDIP PARIKH
Partner
Mem. No. 040727

Annexure - B to the Independent Auditors' Report of even date on the Financial Statements of Adani Logistics Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Adani Logistics Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Place : Ahmedabad

Date : May 4, 2017

SANDIP PARIKH

Partner

Mem. No. 040727

Adani Logistics Limited
Balance Sheet as at March 31, 2017

Particulars	Notes	₹ in Lacs		
		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	52,792.58	55,170.38	50,749.20
Capital work-in-progress	4	5,368.77	645.73	2,686.22
Other intangible assets	4	2,752.77	3,015.15	3,290.95
Financial assets				
Investments	5	26.54	26.54	26.54
Loans	6	-	5,705.64	4,851.58
Other financial assets	7	84.58	14.01	17.21
Deferred tax assets (net)	8	173.11	248.61	-
Other non-current assets	9	3,345.32	2,388.06	1,591.92
		64,543.67	67,214.12	63,213.62
Current assets				
Inventories	10	514.58	516.38	513.36
Financial assets				
Trade receivables	11	17,763.73	14,832.57	11,597.92
Cash and cash equivalents	12	1,184.32	623.38	1,018.04
Bank balance other than cash and cash equivalents	13	89.23	146.45	2,373.50
Loans	6	6,050.97	1,16,885.00	1,06,885.00
Other financial assets	7	421.91	19,144.38	4,886.27
Other current assets	9	2,948.20	1,150.92	1,816.70
		28,972.94	1,53,299.08	1,29,090.79
Total assets		93,516.61	2,20,513.20	1,92,304.41
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	14	32,500.00	32,500.00	32,500.00
Other equity	15	7,575.73	6,528.18	3,537.86
Total equity		40,075.73	39,028.18	36,037.86
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	16	534.20	8,811.79	56,204.55
Provisions	18	186.81	142.09	159.02
Deferred tax liabilities (net)	8	-	-	122.70
Other non-current liabilities	19	159.43	194.70	229.97
		880.44	9,148.58	56,716.24
Current liabilities				
Financial liabilities				
Borrowings	16	23,040.00	-	83,408.00
Trade payables	20	9,847.09	9,623.38	4,895.43
Other financial liabilities	17	18,002.37	1,61,932.32	9,363.15
Other current liabilities	19	1,636.03	755.92	1,881.49
Provisions	18	34.95	24.82	2.24
		52,560.44	1,72,336.44	99,550.31
Total liabilities		53,440.88	1,81,485.02	1,56,266.55
Total equity and liabilities		93,516.61	2,20,513.20	1,92,304.41

Summary of significant accounting policies

The accompanying notes form an integral part of financials statements
As per our report of even date

FOR G. K. CHOKSI & CO.
ICAI Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of
Adani Logistics Limited

Sandip A Parikh
Partner
Membership No. 40727

Capt. Unmesh Abhyankar **Anil Radhakrishnan**
Director Director
DIN: 03040812 DIN: 05294517

Yogesh Dalal **Anand Vijay**
Company Secretary Chief Financial Officer

Place: Ahmedabad
Date: May 4, 2017

Place: Ahmedabad
Date: May 4, 2017

Adani Logistics Limited
Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes	₹ In Lacs	
		March 31, 2017	March 31, 2016
INCOME			
Revenue from operations	21	74,686.92	67,857.24
Other income	22	15,221.47	14,800.21
Total income		89,908.39	82,657.45
EXPENSES			
Operating expenses	23	62,515.44	57,720.04
Employee benefits expense	24	2,024.71	1,739.77
Depreciation and amortization expense	4	2,946.93	2,732.27
Foreign Exchange (Gain) / Loss (net)		106.05	212.20
Finance costs	25		
-Finance cost		18,867.72	17,652.40
-Derivative (gain)/loss)		(6.44)	89.49
Other expenses	26	2,110.09	2,126.32
Total expense		88,564.50	82,272.49
Profit before exceptional items and tax		1,343.89	384.96
Exceptional items		-	-
Profit before tax		1,343.89	384.96
Tax expense:			
Current tax		313.96	589.97
Deferred tax		412.44	197.71
Adjustment of tax relating to earlier periods		28.28	(22.23)
Less: MAT credit entitlement		(342.24)	(567.74)
Income tax expense		412.44	197.71
Profit for the year		931.45	187.25
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		15.29	(3.70)
Income tax effect		(5.29)	1.28
		10.00	(2.42)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
		-	-
Other comprehensive income for the year		10.00	(2.42)
Total comprehensive income for the year		941.45	184.83
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	32	0.29	0.06

Summary of significant accounting policies

The accompanying notes form an integral part of financials statements
As per our report of even date

FOR G. K. CHOKSI & CO.
ICAI Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of
Adani Logistics Limited

Sandip A Parikh
Partner
Membership No. 40727

Capt. Unmesh Abhyankar **Anil Radhakrishnan**
Director Director
DIN: 03040812 DIN: 05294517

Yogesh Dalal **Anand Vijay**
Company Secretary Chief Financial Officer

Place: Ahmedabad
Date: May 4, 2017

Place: Ahmedabad
Date: May 4, 2017

Adani Logistics Limited

Statement of Changes in Equity for the year ended March 31, 2016 and March 31, 2017

₹ In Lacs

Particulars	Equity share capital	Other Equity				Total
		Equity component of debt	Reserves and Surplus			
			Retained earnings	Foreign currency monetary item translation difference account	Capital reserve	
As on April 01, 2015	32,500.00	-	3,852.28	(318.30)	3.88	36,037.86
Profit for the year	-	-	187.25	-	-	187.25
Other comprehensive income	-	-	(2.42)	-	-	(2.42)
Total comprehensive income for the year	32,500.00	-	4,037.11	(318.30)	3.88	36,222.69
Increase/(decrease) during the year	-	2,593.29	-	212.20	-	2,805.49
As on March 31, 2016	32,500.00	2,593.29	4,037.11	(106.10)	3.88	39,028.18
Profit for the year	-	-	931.45	-	-	931.45
Other comprehensive income	-	-	10.00	-	-	10.00
Total comprehensive income for the year	-	-	941.45	-	-	941.45
Increase/(decrease) during the year	-	-	-	106.10	-	106.10
As on March 31, 2017	32,500.00	2,593.29	4,978.56	-	3.88	40,075.73

FOR G. K. CHOKSI & CO.
ICAI Firm Registration No.: 101895W
Chartered Accountants

For and on behalf of Board of Directors of
Adani Logistics Limited

Sandip A Parikh
Partner
Membership No. 40727

Capt. Unmesh Abhyankar
Director
DIN: 03040812

Anil Radhakrishnan
Director
DIN: 05294517

Yogesh Dalal
Company Secretary

Anand Vijay
Chief Financial Officer

Place: Ahmedabad
Date: May 4, 2017

Place: Ahmedabad
Date: May 4, 2017

Adani Logistics Limited
Statement of Cash Flows for the year ended March 31, 2017

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,343.89	384.96
Adjustments for:		
(Profit)/loss on sale / discard of fixed assets (net)	(0.15)	0.69
Excess provision written back	(111.57)	(14.60)
Depreciation and amortisation	2,946.93	2,732.27
Interest income	(14,426.63)	(14,745.18)
Amortisation of government grant	(35.27)	(35.27)
(Gain) on sale of current investments	(47.50)	-
Interest expense	18,867.72	17,652.40
Loss on redemption of non-convertible redeemable debenture	363.52	-
Unrealised (gain)/loss on derivative swap contracts (net)	(6.44)	89.49
Provision for bad and doubtful debts	(381.66)	354.59
Diminution in value of capital inventory	24.48	25.77
Amortization of foreign currency monetary translation difference account	106.10	212.20
Bad debt	333.08	3.80
Operating profit before working capital changes	8,976.50	6,661.12
Movements in working capital :		
(Increase)/decrease in trade receivables	(2,882.58)	(3,593.04)
(Increase)/ decrease in inventories	1.80	(3.02)
(Increase) in financial assets	(92.62)	(173.35)
(Increase)/decrease in other assets	(1,793.81)	665.78
Increase in trade payables	223.71	4,727.95
Increase/(decrease) in other liabilities	1,061.82	(1,109.02)
Increase in financial liabilities	91.12	64.61
Cash generated from operations	5,585.94	7,241.03
Direct taxes paid (net)	(813.88)	(1,569.21)
Net cash flow from operating activities (A)	4,772.06	5,671.82
Cash flows from investing activities		
Purchase of fixed assets (including capital work in progress and capital advances)	(5,455.95)	(4,193.70)
Investment in non-convertible redeemable debenture	(86,130.98)	-
Proceeds from non-convertible redeemable debenture	85,767.46	-
Proceeds from sale of fixed assets	0.36	0.00
Interest received	33,253.82	204.74
Inter corporate deposits	1,16,194.34	(10,445.00)
Purchase/sale of investment in mutual fund (net)	47.50	-
Deposit/realisation of margin money	(25.45)	2,225.14
Net cash inflow (used in) investing activities (B)	1,43,651.10	(12,208.82)
Cash flows from financing activities		
Proceeds/(repayment) of loan (net)	(1,35,988.18)	20,895.34
Loss on derivative swap contracts	6.44	(89.49)
Interest paid	(11,880.48)	(14,663.51)
Net cash flow (used in) financing activities (C)	(1,47,862.22)	6,142.34
Net increase / (decrease) in cash & cash equivalents (A + B + C)	560.94	(394.66)
Cash & cash equivalents at the beginning of the year	623.38	1,018.04
Cash & cash equivalents at the end of the year (Refer note-12)	1,184.32	623.38

Notes:

Component of cash and cash equivalents

Cash on hand

Balances with scheduled bank

In current accounts

Deposits with original maturity of less than three months

Total cash and cash equivalents

-	-
1,184.32	623.38
-	-
1,184.32	623.38

Margin money deposits (restricted Cash)

89.23	146.45
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Summary of significant accounting policies 2.1

The accompanying note are an integral part of the financial statements

(1) The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

As per our report of even date

FOR G. K. CHOKSI & CO.
ICAI Firm Registration No.: 101895W
Chartered Accountants

Sandip A Parikh
Partner
Membership No. 40727

For and on behalf of Board of Directors of
Adani Logistics Limited

Capt. Umesh Abhyankar **Anil Radhakrishnan**
Director Director
DIN: 03040812 DIN: 05294517

Yogesh Dalal **Anand Vijay**
Company Secretary Chief Financial Officer

Place: Ahmedabad
Date: May 4, 2017

Place: Ahmedabad
Date: May 4, 2017

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

1 Corporate information

i) Adani Logistics Limited ("ALL", "a company"), a 100% subsidiary of APSEZL, has developed multi-modal cargo storage-cum-logistics services through development of inland container depots (ICDs) and container freight stations (CFSs) at various strategic locations and operates container trains on specific railway routes as per concession agreement entered into with Ministry of Railways, Government of India.

2 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March, 31 2016, the company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the company has prepared in accordance with Ind AS. (Refer Note 3.1 for information on how the Company has adopted Ind AS.)

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (GAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 3.2 and 3.3

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lacs, except otherwise indicated.

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current

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

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost of stores and spares lying in bonded warehouse includes custom duty accounted for on an accrual basis.

- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

- Costs incurred that relate to future contract activities are recognised as "Project Work in Progress".

- Project work in progress comprise specific contract costs and other directly attributable overheads including borrowing costs which can be allocated on specific contract cost is, valued at lower of cost and net realisable value.

- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), Fixed assets (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset to its working condition for the intended use. The company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, The company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding as at March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset. The depreciation on such foreign exchange difference is recognised from first day of the financial year.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 01st April, 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

The registration fees paid to Railway Authorities is amortized over a period of 20 years.

Depreciation on additions to fixed assets on account of foreign exchange fluctuation is provided prospectively over the remaining useful lives of the respective assets.

Spares / standby equipments are depreciated prospectively over the remaining useful lives of the respective mother assets.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

e) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

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

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Estimated Useful Life
Software	5 Years or useful life whichever is less
Right of use for land	10 Years

f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Rendering of services

Revenue from rendering of service is recognised as per the terms of contract with customers based on the stage of completion when the outcome of the transactions involving rendering of service can be estimated reliably. Percentage completion method requires the company to estimate the service performed to date as a proportion of the total services to be performed.

ii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iii) Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

g) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the parent company's functional currency. The Company determines the functional currency and items included in the financial statements of are measured using that functional currency.

i) Transactions and balances

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

ii) Conversion

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

Non-monetary items which are carried at historical cost denominated in foreign currency are reported using exchange rate at the date of transaction. Non-monetary items which are measured at fair value denominated in foreign currency are translated using exchange rate at the date when fair value is determined.

iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively)

h) Employees benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

ii) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- > Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits.

Termination Benefits, if any, are recognised as an expense as and when incurred.

i) Borrowing costs

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

j) Segment reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 - "Operating segments", the company has determined its business segment as logistics services. Since there are no other business segments in which the company operates, there are no reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

k) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-As 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-As 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the date of transition the company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Assets acquired on leases where substantial risks and rewards incidental to ownership are not transferred to the company are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term after considering effects of escalation except where escalation of lease rental is in line with expected inflationary cost.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

n) Taxes

i) Current income tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that The company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement.

o) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of The company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

p) Provisions, contingent liabilities, contingent assets and commitments

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of the provisions to be reimbursed, for example, under an Insurance contract, the reimbursement is recognised as separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

q) Expenditure

Expenditures are accounted net of taxes recoverable, wherever applicable.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- > Debt instruments at amortised cost
- > Debt instruments at fair value through other comprehensive income (FVTOCI)
- > Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- > Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments at FVTOCI

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the company has elected to present value changes in " other comprehensive income". If an equity instrument is not held for trading, the company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income.

Derecognition

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

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

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

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

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

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

t) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

Adani Logistics Limited
Explanatory Notes to Financials statements for the year ended March 31, 2017

3 Explanatory Notes

These financial statements of Adani Logistics Limited ('ALL' or Company) for the year ended March 31, 2017 have been prepared in accordance with Ind AS. This is Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed under Ind AS 101- First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in the changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies in note 2.1 have been applied in preparing the financial statements for the year ended on March 31, 2017 and the comparative. An explanation of how the previous GAAP to Ind AS has affected the company's Financial statements is set below. Further, Exemption on first time adoption of Ind AS availed in accordance with Ind AS have been set out in note 3.1

3.1 Options availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. April 01, 2015 :

- (a) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.
- (b) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.
- (c) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.
- (d) Estimates :
'The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
> Impairment of financial assets based on the risk exposure and application of ECL model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

3.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Depreciation

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

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

Fair value measurement of financial instruments

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

Adani Logistics Limited
Explanatory Notes to Financials statements for the year ended March 31, 2017

3.3 Reconciliation of equity as at April 01, 2015 and March 31, 2016

₹ In Lacs

	Foot- notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	(d)	54,940.41	229.97	55,170.38	50,483.96	265.24	50,749.20
Capital work-in-progress		645.73	-	645.73	2,686.22	-	2,686.22
Other Intangible assets		3,015.15	-	3,015.15	3,290.95	-	3,290.95
Financial assets							
Investments		26.54	-	26.54	26.54	-	26.54
Loans	(a)	6,083.97	(378.33)	5,705.64	5,638.97	(787.39)	4,851.58
Other financial assets		14.01	-	14.01	17.21	-	17.21
Deferred tax assets (net)	(b)	(1,964.33)	2,212.94	248.61	-	-	-
Other non-current assets	(b)	4,549.09	(2,161.03)	2,388.06	3,185.21	(1,593.29)	1,591.92
		67,310.57	(96.45)	67,214.12	65,329.06	(2,115.44)	63,213.62
Current assets							
Inventories		516.38	-	516.38	513.36	-	513.36
Financial assets							
Trade receivables		14,832.57	-	14,832.57	11,597.92	-	11,597.92
Cash and cash equivalents		623.38	-	623.38	1,018.04	-	1,018.04
Bank balance other than cash and cash equivalents		146.45	-	146.45	2,373.50	-	2,373.50
Loans		1,16,885.00	-	1,16,885.00	1,06,885.00	-	1,06,885.00
Others current financial assets		19,144.38	-	19,144.38	4,886.27	-	4,886.27
Other current assets		1,150.92	-	1,150.92	1,816.70	-	1,816.70
		1,53,299.08	-	1,53,299.08	1,29,090.79	-	1,29,090.79
Total assets		2,20,609.65	(96.45)	2,20,513.20	1,94,419.85	(2,115.44)	1,92,304.41
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		32,500.00	-	32,500.00	32,500.00	-	32,500.00
Other equity							
Equity component of Debt	(a)	-	2,593.29	2,593.29	-	-	-
Retained earnings	(a,b)	4,134.83	(97.72)	4,037.11	2,623.62	1,228.66	3,852.28
Other reserves		(102.22)	-	(102.22)	(314.42)	-	(314.42)
Total equity		36,532.61	2,495.57	39,028.18	34,809.20	1,228.66	36,037.86
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings	(a)	9,731.03	(919.24)	8,811.79	57,250.76	(1,046.21)	56,204.55
Provisions		142.09	-	142.09	159.02	-	159.02
Deferred tax liabilities (net)	(b)	-	-	-	1,065.73	(943.03)	122.70
Other non-current liabilities	(d)	-	194.70	194.70	-	229.97	229.97
		9,873.12	(724.54)	9,148.58	58,475.51	(1,759.27)	56,716.24
Current liabilities							
Financial liabilities							
Borrowings	(a)	-	-	-	85,028.10	(1,620.10)	83,408.00
Trade payables		9,623.38	-	9,623.38	4,895.43	-	4,895.43
Other current financial liabilities	(a)	1,63,835.07	(1,902.75)	1,61,932.32	9,363.15	-	9,363.15
Other current liabilities	(d)	720.65	35.27	755.92	1,846.22	35.27	1,881.49
Provisions		24.82	-	24.82	2.24	-	2.24
		1,74,203.92	(1,867.48)	1,72,336.44	1,01,135.14	(1,584.83)	99,550.31
Total liabilities		1,84,077.04	(2,592.02)	1,81,485.02	1,59,610.65	(3,344.10)	1,56,266.55
Total Equity and Liabilities		2,20,609.65	(96.45)	2,20,513.20	1,94,419.85	(2,115.44)	1,92,304.41

3.4 Reconciliation of Statement of Profit and Loss for year ended March 31, 2016

₹ in Lacs

	Foot-note	IGAAP	Adjustments	Ind AS
INCOME				
Rendering of services		67,857.24	-	67,857.24
Other income	(a),(d)	14,304.15	496.06	14,800.21
Total Income		82,161.39	496.06	82,657.45
EXPENSES				
Operating expenses		57,720.04	-	57,720.04
Employee benefits expense	(c)	1,743.47	(3.70)	1,739.77
Depreciation and amortization expense	(d)	2,697.00	35.27	2,732.27
Foreign Exchange (Gain) / Loss (net)		212.20	-	212.20
Finance costs				
-Finance cost	(a)	15,163.06	2,489.34	17,652.40
-Derivative (gain)/loss)		89.49	-	89.49
Other expenses		2,126.32	-	2,126.32
Total Expense		79,751.58	2,520.91	82,272.49
Profit before exceptional items and tax		2,409.81	(2,024.85)	384.96
Exceptional items				
Profit before tax		2,409.81	(2,024.85)	384.96
Tax expense:				
Current tax		589.97	-	589.97
Deferred tax	(b)	898.60	(700.89)	197.71
Adjustment of tax relating to earlier periods		(22.23)	-	(22.23)
Less: MAT credit entitlement		(567.74)	-	(567.74)
Income tax expenses		898.60	(700.89)	197.71
Profit for the year		1,511.21	(1,323.96)	187.25
Other Comprehensive Income				
(a) Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement gains (losses) on defined benefit plans	(c)	-	(3.70)	(3.70)
Income Tax effect	(b)	-	1.28	1.28
		-	(2.42)	(2.42)
(b) Items that will be reclassified to profit and loss in subsequent period		-		
Other Comprehensive Income for the year		-	(2.42)	(2.42)
Total Comprehensive Income for the year		1,511.21	(1,326.38)	184.83

3.5 Reconciliation of total comprehensive income between previously reported (referred to as "Previous GAAP") and Ind AS for the year ended March 31, 2016 is presented as under :-

3.5.1 Reconciliation of total comprehensive income:-

Sr No	Nature of Adjustments	Year Ended March 31, 2016 ₹ In Lacs
	Net Profit as per previous GAAP	1,511.21
i)	Remeasurement cost of net defined benefit liability (refer note (c) below)	3.70
ii)	Net gain/(loss) on financial assets / liabilities fair valued through statement of profit and loss (refer note (a) below)	(2,028.55)
iii)	Measurement of grant as deferred income (refer note (d) below)	35.27
iiii)	Depreciation (refer note (d) below)	(35.27)
iv)	Deferred tax impact on above adjustments (refer note (b) below)	700.89
	Total	(1,323.96)
	Net profit before OCI as per Ind AS	187.25
	Other comprehensive Income (net of tax) refer note (c) below)	(2.42)
	Total comprehensive income as per Ind AS	184.83

3.5.2 Reconciliation of equity:-

Sr No	Nature of Adjustments	As at March 31, 2016	As at April 01, 2015
		₹ In Lacs	₹ In Lacs
	Equity as per Previous GAAP	36,532.61	34,809.20
i)	Fair Valuation of ICD (refer note (a) below)	2,821.99	2,666.31
ii)	Other adjustments (refer note (b) ,(c) ,(d) below)	(326.42)	(1,437.65)
	Total adjustments	2,495.57	1,228.66
	Equity as per Ind AS	39,028.18	36,037.86

Footnotes to the reconciliation of profit and loss for the year ended March 31, 2016 and equity as at April 01, 2015 and March 31, 2016 :

(a) Fair valuation for Financial Assets and Financial Liabilities : The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

(b) Deferred Tax : Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on various transitional adjustments .Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(c) Remeasurement cost of net defined liability : Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(d) Measurement of govt grant as deferred revenue : Under previous GAAP, non-monetary Govt Grant are accounted at nominal value. Under Ind AS 20, Assets and Grants should be accounted at fair value. Accordingly, fair value of export promotion capital goods (EPCG) benefit on import of capital goods are recognized in assets and deferred revenue arising from government grant has been recognized in profit and loss on a systematic basis over the useful life of the assets.

Adani Logistics Ltd.

Notes to Financials statements for the year ended March 31, 2017

Note 4 - Property, plant and equipment

₹ In Lacs

Particulars	Tangible assets										Intangible assets			Capital work-in-progress	
	Free hold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Railway wagons	Railway sidings	Electrical installation	Total	Software	Railway licence fee		Total
Cost															
As at April 1, 2015	22,473.58	12,367.63	5,841.73	353.11	127.77	241.96	44.49	6,323.00	2,436.84	539.09	50,749.20	166.29	3,124.66	3,290.95	2,686.22
Additions	491.75	375.69	448.82	28.82	38.01	31.12	1.32	5,357.43	65.50	21.91	6,860.37	18.34	-	18.34	4,838.22
Deductions/Adjustment	-	-	0.04	-	0.94	0.42	0.09	-	-	-	1.49	-	-	-	6,878.71
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	22,965.33	12,743.32	6,290.51	381.93	164.84	272.66	45.72	11,680.43	2,502.34	561.00	57,608.08	184.63	3,124.66	3,309.29	645.73
Additions	-	-	172.39	5.39	9.48	61.30	0.58	-	-	21.89	271.03	28.64	-	28.64	5,030.00
Deductions/Adjustment	-	2.44	-	-	-	1.67	-	54.44	-	-	58.55	-	-	-	306.96
Exchange difference	-	25.48	4.08	-	-	1.17	-	25.28	5.75	1.47	63.23	0.94	-	0.94	-
As at March 31, 2017	22,965.33	12,766.36	6,466.98	387.32	174.32	333.46	46.30	11,651.27	2,508.09	584.36	57,883.79	214.21	3,124.66	3,338.87	5,368.77
Depreciation/amortisation															
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	462.67	542.98	42.07	35.16	115.98	8.50	870.23	239.01	121.53	2,438.13	44.14	250.00	294.14	-
Deductions/(Adjustment)	-	-	-	-	0.28	0.12	0.03	-	-	-	0.43	-	-	-	-
As at March 31, 2016	-	462.67	542.98	42.07	34.88	115.86	8.47	870.23	239.01	121.53	2,437.70	44.14	250.00	294.14	-
Depreciation for the year	-	508.86	563.22	43.07	36.82	91.03	6.98	1,042.23	239.42	123.34	2,654.97	41.96	250.00	291.96	-
Deductions/(Adjustment)	-	-	-	-	-	1.46	-	-	-	-	1.46	-	-	-	-
As at March 31, 2017	-	971.53	1,106.20	85.14	71.70	205.43	15.45	1,912.46	478.43	244.87	5,091.21	86.10	500.00	586.10	-
Net Block															
As at March 31, 2017	22,965.33	11,794.83	5,360.78	302.18	102.62	128.03	30.85	9,738.81	2,029.66	339.49	52,792.58	128.11	2,624.66	2,752.77	5,368.77
As at March 31, 2016	22,965.33	12,280.65	5,747.53	339.86	129.96	156.80	37.25	10,810.20	2,263.33	439.47	55,170.38	140.49	2,874.66	3,015.15	645.73
As at April 1, 2015	22,473.58	12,367.63	5,841.73	353.11	127.77	241.96	44.49	6,323.00	2,436.84	539.09	50,749.20	166.29	3,124.66	3,290.95	2,686.22

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

5 Investments

Non current

Investment in equity shares

265,400 (Previous Year - 265,400) fully paid Equity Shares of ₹ 10 each of Mundra SEZ Textile & Apparel Park Private Limited

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	26.54	26.54	26.54
	26.54	26.54	26.54

6 Loans

Non current

Loans and advance to others

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	-	5,705.64	4,851.58
	-	5,705.64	4,851.58

Current

Loan to others

Loans and advance to related parties

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	6,050.97	-	-
	-	1,16,885.00	1,06,885.00
	6,050.97	1,16,885.00	1,06,885.00

7 Other financial assets

Non-current

Security and other deposits

Bank deposits having maturity over 12 months

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	-	12.10	17.21
	84.58	1.91	-
	84.58	14.01	17.21

Current

Security and other deposits

Interest accrued on deposits and loans

Loans and advances to employees

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	391.62	280.49	104.42
	4.08	18,831.27	4,751.62
	26.21	32.62	30.23
	421.91	19,144.38	4,886.27

8 Deferred tax liabilities/Assets (net)

Deferred tax liability

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	-	-	122.70
	-	-	122.70

Deferred tax assets

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	173.11	248.61	-
	173.11	248.61	-

9 Other Assets

Non current

Capital advances

Unsecured, considered good (refer note 1)

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	427.83	284.45	489.77
(A)	427.83	284.45	489.77

Others (Unsecured)

Advance income tax (Net of provision for taxation)

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	April 01, 2015 ₹ in Lacs
	2,917.49	2,103.61	1,102.15
(B)	2,917.49	2,103.61	1,102.15
	3,345.32	2,388.06	1,591.92

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

Current

Advances recoverable in cash or in kind

Unsecured, considered good

	1,317.56	272.64	385.84
(A)	1,317.56	272.64	385.84

Others (Unsecured)

Prepaid expenses

Accrued revenue

Balances with statutory/ Government authorities

	19.41	37.21	11.72
	1,020.89	360.87	1,023.75
	590.34	480.20	395.39
(B)	1,630.64	878.28	1,430.86

	2,948.20	1,150.92	1,816.70
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Note:1 Out of the total capital advances, ₹ 323.01 Lacs (Previous Year ₹ 143.01 lacs and ₹ 108.01 Lacs respectively) have been given by the Company as land advances. Out of these land advances, advances of ₹ 108.01 Lacs (Previous Year ₹ 108.01 Lacs and ₹ 108.01 Lacs respectively) are under legal dispute where the court cases are pending for registration of the lands in the name of the Company. Pending registration of lands in the name of the Company with respect to all these land advances, the amounts paid has been classified under capital advances. As per the opinion of Company management, the corresponding lands will get registered in the name of Company or all the land advances are recoverable in nature. Hence no provision has been made for such land advances.

10 Inventories

Stores and spares

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
	514.58	516.38	513.36
	514.58	516.38	513.36

11 Trade receivables

Current

Unsecured considered good unless stated otherwise

Trade receivables

Considered doubtful

Provision for doubtful debts

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
	17,763.73	14,832.57	11,597.92
	514.75	896.41	541.82
	(514.75)	(896.41)	(541.82)
	17,763.73	14,832.57	11,597.92

12 Cash and cash equivalents

Balances with banks:

Balance in current account

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
	1,184.32	623.38	1,018.04
	1,184.32	623.38	1,018.04

13 Bank balances other than cash and cash equivalents

Margin money deposits

Deposits with original maturity over 3 months but less than 12 months

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
	89.23	146.45	132.78
	-	-	2,240.72
	89.23	146.45	2,373.50

Note: Margin money deposits includes ₹ 89.23 lacs (March 31, 2016: ₹ 146.45 lacs, April 01, 2015: ₹ 132.78 lacs) being pledged/lien against bank guarantees.

14 Share capital

Authorised

32,50,00,000 Equity Shares of ₹ 10 each (32,50,00,000 and 32,50,00,000 Equity Shares of ₹ 10 each as at March 31, 2016 and April 01, 2015 respectively)

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
	32,500.00	32,500.00	32,500.00
	32,500.00	32,500.00	32,500.00

Issued, subscribed and fully paid up shares

32,50,00,000 Equity Shares of ₹ 10 each (32,50,00,000 and 32,50,00,000 Equity Shares of ₹ 10 each as at March 31, 2016 and April 01, 2015 respectively)

	32,500.00	32,500.00	32,500.00
	32,500.00	32,500.00	32,500.00

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

	March 31, 2017		March 31, 2016	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
At the beginning of the year	3,250.00	32,500.00	3,250.00	32,500.00
New Shares Issued during the year	-	-	-	-
At the end of the year	3,250.00	32,500.00	3,250.00	32,500.00

(b) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company is as below

	March 31, 2017	March 31, 2016
	₹ in Lacs	₹ in Lacs
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
32,50,00,000 equity shares (Previous year 32,50,00,000) of ₹ 10 each	32,500.00	32,500.00

(d) Details of shareholder holding more than 5% shares in the Company

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Equity shares of ₹ 10 each fully paid			
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	No in Lacs	3,250.00	3,250.00
	% Holding	100.00%	100.00%

15 Other equity

	March 31, 2017	March 31, 2016	April 01, 2015
	₹ in Lacs	₹ in Lacs	₹ in Lacs
Surplus in the statement of profit and loss			
Opening Balance	4,037.11	3,852.28	3,852.28
Add : Profit for the period	941.45	184.83	-
Closing Balance	4,978.56	4,037.11	3,852.28
Equity component of debt			
	2,593.29	2,593.29	-
	2,593.29	2,593.29	-
Reserves representing unrealised gains/ losses			
Foreign currency monetary item translation difference account	-	(106.10)	(318.30)
	-	(106.10)	(318.30)
Other reserves			
Capital Reserve	3.88	3.88	3.88
	3.88	3.88	3.88
Other equity	7,575.73	6,528.18	3,537.86

16 Borrowings

	March 31, 2017	March 31, 2016	April 01, 2015
	₹ in Lacs	₹ in Lacs	₹ in Lacs
Non current			
Term loans			
Foreign currency term loans from banks (refer note a,c) (secured)	424.02	2,166.03	8,224.76
Inter corporate deposit (refer note d) (Unsecured)	-	6,645.76	47,979.79
Bills under foreign currency letter of credits from banks (refer note b) (unsecured)	110.18	-	-
	534.20	8,811.79	56,204.55
Current			
Current maturity of			
Inter corporate deposit (refer note d) (Unsecured)	7,238.44	1,50,581.61	-
Foreign currency term loans from banks (refer note a,c) (secured)	2,120.10	6,986.08	5,293.27
Bills under foreign currency letter of credits from banks (refer note b) (unsecured)	-	119.88	106.83
Inter corporate deposit (Unsecured) (refer note d)	23,040.00	-	83,408.00
Total current borrowing	32,398.54	1,57,687.57	88,808.10
Less: amount shown under "other current financial liabilities"	(9,358.54)	(1,57,687.57)	(5,400.10)
Net current borrowing	23,040.00	-	83,408.00

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

The above amount includes

Secured borrowings	2,544.12	9,152.11	13,518.03
Unsecured borrowings	30,388.62	1,57,347.25	1,31,494.62
Total borrowings	32,932.74	1,66,499.36	1,45,012.65

Notes:

(a) Secured foreign currency loans carries interest @ 6M LIBOR plus 325 basis point i.e. 4.48778% p.a.. The loans are repayable in 36 quarterly installments and the tenure of loan is upto 21st June, 2018.

(b) Letter of Credit carries interest in the range of EURIBOR plus 45 basis points.

(c) Term Loan from banks are secured by equitable mortgage of immovable properties of the company and first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, Revenues and Receivable of the Company.

(d) The inter corporate deposits taken from Adani Ports and Special Economic Zone Limited are interest free. The amounts is borrowed in installments. ₹ 7238.44 lacs are repayable on 30th September 2017 and ₹ 23040 lacs are repayable on 31st March 2017.

17 Other financial liabilities

Current

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Current maturities of long term borrowings (refer note 16)	9,358.54	1,57,687.57	5,400.10
Interest accrued but not due on borrowings	7,970.73	3,478.55	2,979.37
Deposits from customers	150.39	70.22	34.35
Capital creditors, retention money and other payable	483.02	667.24	949.33
Provision for derivatives	39.69	28.74	-
	18,002.37	1,61,932.32	9,363.15

18 Provisions

Non-current

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Provision for gratuity (refer note 35)	103.17	85.67	70.51
Provision for compensated absences	83.64	56.42	88.51
	186.81	142.09	159.02

Current

Provision for gratuity (refer note 35)	1.38	0.81	0.55
Provision for compensated absences	33.57	24.01	1.69
	34.95	24.82	2.24

19 Other Liabilities

Non Current

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Deferred govt. grant	159.43	194.70	229.97
	159.43	194.70	229.97

Current

Unearned revenue	107.70	140.58	1,478.07
Statutory liability	1,224.50	580.00	365.98
Deferred govt. grant- current	35.27	35.27	35.27
Advance from customers	268.56	0.07	2.17
	1,636.03	755.92	1,881.49

20 Trade payables

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs	April 01, 2015 ₹ In Lacs
Payables to micro, small and medium enterprises (refer note 36)	-	-	-
Trade payables	9,847.09	9,623.38	4,895.43
	9,847.09	9,623.38	4,895.43

21 Revenue from operations

	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs
Income from operations	74,686.92	67,857.24
	74,686.92	67,857.24

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

22 Other income	March 31, 2017 ₹ In Lacs	March 31, 2016 ₹ In Lacs
Interest income from		
Bank deposits	30.57	132.39
Customers and others	14,396.06	14,612.79
Unclaimed liabilities / excess provision written back	111.57	14.60
Profit on sale / disposal of assets (net)	0.15	-
Profit on sale of mutual fund	47.50	-
Amortisation of government grant	35.27	35.27
Fair Value adjustment on financial instrument	378.33	-
Miscellaneous income	222.02	5.16
	15,221.47	14,800.21
23 Operating expenses	March 31, 2017	March 31, 2016
	₹ In Lacs	₹ In Lacs
Cargo handling /Other charges to sub-contractors (net of reimbursement)	19,424.19	27,856.97
Railway Operating Expenses	29,717.53	18,990.42
Repairs to plant & machinery	718.34	760.08
Power & fuel	466.36	408.93
Waterfront charges	1,298.42	1,613.31
Cargo freight and transportation expenses	10,890.60	8,090.33
	62,515.44	57,720.04
24 Employee benefit expense	March 31, 2017	March 31, 2016
	₹ In Lacs	₹ In Lacs
Salaries and wages	1,794.81	1,543.01
Contribution to provident and other funds	92.10	81.25
Gratuity (refer note 35)	40.22	33.77
Staff welfare expenses	97.58	81.74
	2,024.71	1,739.77
25 Finance costs	March 31, 2017	March 31, 2016
	₹ In Lacs	₹ In Lacs
Interest on		
Fixed loans, buyer's credit, short term etc.	16,353.91	15,154.62
Fair Value adjustment on financial instrument	-	334.40
Others	2,495.09	2,155.31
Bank and other finance charges	18.72	8.07
	18,867.72	17,652.40
(Gain) /loss on derivatives / swap contracts (net)	(6.44)	89.49
	18,861.28	17,741.89
26 Other expenses	March 31, 2017	March 31, 2016
	₹ In Lacs	₹ In Lacs
Rent	34.08	20.78
Rates and taxes	4.72	7.41
Insurance (net of reimbursement)	93.33	73.77
Advertisement and publicity	471.26	566.70
Other repairs and maintenance (net of reimbursement)	154.00	174.14
Legal and professional expenses	337.67	314.75
Payment to auditors (refer note 1 below)	15.48	15.93
Security expenses	162.62	160.23
Communication expenses	98.76	88.33
Office expenses	76.40	65.51
Travelling and conveyance	167.00	162.14
Directors sitting fee	1.59	1.17
Charity & donations (refer note 39)	73.00	66.63
Loss on sale of fixed assets (net)	-	0.69
Loss on sale of investments	363.52	-
Bad debt	333.08	3.80
Provision for doubtful debts	(381.66)	354.59
Diminution in value of capital inventory	24.48	25.77
Miscellaneous expenses	80.76	23.98
	2,110.09	2,126.32

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

Note: 1

Payment to auditor

As auditor:

Audit fee
Limited review

In other capacity

Tax audit fees

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
	10.05	10.31
	3.92	4.47
	1.51	1.15
	15.48	15.93

27 Income Tax

(a) The major components of income tax expenses for the years ended March 31, 2017 and March 31, 2016

Statement of profit and loss

Current income tax:

Current income tax charge
MAT credit entitlement
Adjustment in respect of current income tax of previous years

Deferred tax:

Relating to origination and reversal of temporary differences

Income tax expenses reported in statement of profit and loss

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
	313.96	589.97
	(342.24)	(567.74)
	28.28	(22.23)
	412.44	197.71
	412.44	197.71

(b) OCI section

Deferred tax related to items recognised in OCI during the year

Net loss/(gain) on remeasurements of defined benefit plans

Income tax charged to OCI

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
	5.29	(1.28)
	5.29	(1.28)

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2017 and March 31, 2016

Accounting profit before taxation

Applicable tax rate

Computed tax expenses

Tax provision due to difference in MAT rate and normal tax rate

Adjustment of tax relating to earlier periods

Other temporary differences

Income tax expenses charged to profit and loss

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
	931.45	187.25
	34.608%	34.608%
	322.36	64.80
	996.75	454.11
	28.28	(22.23)
	(934.95)	(298.97)
	412.44	197.71

(d) Deferred tax relates to following

Particulars	Balance Sheet			Profit and Loss	
	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
Accelerated depreciation for tax purpose	4,326.15	4,829.67	4,917.90	503.52	88.23
Other temporary differences	(1,919.23)	(2,859.47)	(3,157.16)	(934.95)	(298.97)
Defined benefit liability	(76.75)	(57.77)	(44.74)	18.98	13.03
MAT credit entitlement	(2,503.28)	(2,161.04)	(1,593.30)	342.24	567.74
Deferred tax liabilities/(assets)	(173.11)	(248.61)	122.70	(70.21)	370.03

(e) Reconciliation of deferred tax liabilities/(assets)

Opening balance as at 1st April

Tax expense during the period recognised in profit and loss

Tax expense during the period recognised in OCI

Closing balance as at 31st March

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
	(248.61)	122.70
	70.21	(370.03)
	5.29	(1.28)
	(173.11)	(248.61)

28 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer footnote -1)	₹ in Lacs
				Total
Financial Asset				
Investments	-	-	26.54	26.54
Trade receivables	-	-	17,763.73	17,763.73
Cash and cash equivalents	-	-	1,184.32	1,184.32
Other bank balance	-	-	89.23	89.23
Loans	-	-	6,050.97	6,050.97
Others financial assets	-	-	506.49	506.49
	-	-	25,621.28	25,621.28

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

Financial Liabilities

Borrowings	-	-	23,574.20	23,574.20
Trade payables	-	-	9,847.09	9,847.09
Other financial liabilities	-	-	17,962.68	17,962.68
Derivative instruments	-	39.69	-	39.69
	-	39.69	51,383.97	51,423.66

b) The carrying value of financial instruments by categories as of March 31, 2016 is as follows :

₹ In Lacs

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer footnote -1)	Total
Financial Asset				
Investments	-	-	26.54	26.54
Trade receivables	-	-	14,832.57	14,832.57
Cash and cash equivalents	-	-	623.38	623.38
Other bank balance	-	-	146.45	146.45
Loans	-	-	1,22,590.64	1,22,590.64
Others financial assets	-	-	19,158.39	19,158.39
	-	-	1,57,377.97	1,57,377.97
Financial Liabilities				
Borrowings	-	-	8,811.79	8,811.79
Trade payables	-	-	9,623.38	9,623.38
Other financial liabilities	-	-	1,61,903.58	1,61,903.58
Derivative instruments	-	28.74	-	28.74
	-	28.74	1,80,338.75	1,80,367.49

c) The carrying value of financial instruments by categories as of April 01, 2015 is as follows :

₹ In Lacs

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer footnote -1)	Total
Financial Asset				
Investments	-	-	26.54	26.54
Trade receivables	-	-	11,597.92	11,597.92
Cash and cash equivalents	-	-	1,018.04	1,018.04
Other bank balance	-	-	2,373.50	2,373.50
Loans	-	-	1,11,736.58	1,11,736.58
Others financial assets	-	-	4,903.48	4,903.48
	-	-	1,31,656.06	1,31,656.06
Financial Liabilities				
Borrowings	-	-	1,39,612.55	1,39,612.55
Trade payables	-	-	4,895.43	4,895.43
Other financial liabilities	-	-	9,363.15	9,363.15
	-	-	1,53,871.13	1,53,871.13

note:1

Carrying amounts of cash and cash equivalents, trade receivables, investments, unbilled revenues, loans, trade payables and other payables as at March 31,2017 , March 31,2016 and April 01,2015 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

29 Fair Value hierarchy :

₹ in Lacs

Particulars	As at March 31, 2017			Total
	Level 1	Level 2	Level 3	
Assets				
Investment (other than investment in joint venture and associates)	-	-	-	-
Derivative instrument	-	-	-	-
Financial guarantees, received	-	-	-	-
Total	-	-	-	-
Liabilities				
Derivative instruments	-	39.69	-	39.69
Financial guarantees, given	-	-	-	-
Total	-	39.69	-	39.69

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

₹ in Lacs

Particulars	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets				
Investment (other than investment in joint venture and associates)	-	-	-	-
Derivative instrument	-	-	-	-
Financial guarantees, received	-	-	-	-
Total	-	-	-	-
Liabilities				
Derivative instruments	-	28.74	-	28.74
Financial guarantees, given	-	-	-	-
Total	-	28.74	-	28.74

₹ in Lacs

Particulars	As at April 01, 2015			
	Level 1	Level 2	Level 3	Total
Assets				
Investment (other than investment in joint venture and associates)	-	-	-	-
Derivative instrument	-	-	-	-
Financial guarantees, received	-	-	-	-
Total	-	-	-	-
Liabilities				
Derivative instruments	-	-	-	-
Financial guarantees, given	-	-	-	-
Total	-	-	-	-

30 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2017 would decrease / increase by ₹ 13.27 Lacs (for the year ended 31st March, 2016: decrease / increase by ₹ 46.36 Lacs). This is mainly attributable to interest rates on variable rate long term borrowings.

Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

₹ in Lacs

Sr. No.	Particulars	Impact on profit before tax	
		For the year ended March 31, 2017	For the year ended March 31, 2016
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	-	(1.03)
	RUPEES / USD – Decrease by 1%	-	1.03
2	EURO Sensitivity		
	RUPEES / EURO – Increase by 1%	(0.00)	(0.00)
	RUPEES / EURO – Decrease by 1%	0.00	0.00

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities :

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

As on March 31,2017

₹ in Lacs

Particulars	Less than 1 year	1 to 5 years
Long term borrowings	-	534.20
Short term borrowings	23,040.00	-
Other current financial liabilities	18,002.37	-
Trade and other payables	9,847.09	-

As on March 31,2016

₹ in Lacs

Particulars	Less than 1 year	1 to 5 years
Long term borrowings	-	8,811.79
Other current financial liabilities	1,61,932.32	-
Trade and other payables	9,623.38	-

As on April 01,2015

₹ in Lacs

Particulars	Less than 1 year	1 to 5 years
Long term borrowings	-	56,204.55
Short term borrowings	83,408.00	-
Other current financial liabilities	9,363.15	-
Trade and other payables	4,895.43	-

31 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Net debt (total debt less cash and cash equivalents)	50,150.11	1,79,597.66	1,50,479.59
Total capital	40,075.73	39,028.18	36,037.86
Total capital and net debt	90,225.84	2,18,625.84	1,86,517.45
Gearing ratio	55.58%	82.15%	80.68%

32 Earnings per share

Profit attributable to equity shareholders of the company
Weighted average number of equity shares
Basic and Diluted earning per share (in ₹)

	March 31, 2017 ₹ in Lacs	March 31, 2016 ₹ in Lacs
Profit attributable to equity shareholders of the company	931.45	187.25
Weighted average number of equity shares	3,250.00	3,250.00
Basic and Diluted earning per share (in ₹)	0.29	0.06

33 Capital commitments & other commitment

Capital commitments

₹ in Lacs

Particulars	March 31, 2017	March 31, 2016
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	1,074.89	2,630.01

34 Contingent liabilities not provided for

₹ in Lacs

Sr.No	Particulars	March 31, 2017	March 31, 2016
a	During FY 2011-12, the Company has received a show cause notice from the Service Tax Department for reversal of Cenvat Credit on Construction services amounting to Rs.200.27 Lacs. Detailed reply has been filed by the company challenging the reversal of Cenvat credit on construction services. The management is reasonably confident that no liability will arise on the Company and hence no liability has been recognised in the books of accounts. Company has received favourable order in FY 2016-17.	-	200.27
b	The Company has acquired land of 25.62 Acre at Kathuwas district, Rajasthan. The Company has paid stamp duty on acquisition of such land. The Collector of stamp duty has raised a demand for additional stamp duty of Rs. 80.45 Lacs on the Company. The Company has filed an appeal against the said demand. The provision has not been made in books of account as the Company is hopeful of defending its claim before the authorities and disclosed under contingent liabilities. The Company has paid Rs. 40.22 Lacs under protest. Company has received favourable order in FY 2016-17 for liability of Rs. 80.19 Lacs.	0.26	80.45

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

35 Disclosures as required by Ind AS - 19 Employee Benefits

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to employees.

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

a) Changes in present value of the defined benefit obligation are as follows:

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the beginning of the year	104.51	71.07
Current service cost	33.39	29.43
Past service cost	-	-
Interest cost	8.25	5.69
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	(4.32)
- change in financial assumptions	(31.26)	8.47
- experience variance	15.44	(0.75)
Benefits paid	(18.81)	(5.08)
Acquisition Adjustment	11.95	-
Present value of the defined benefit obligation at the end of the year	123.47	104.51

b) Changes in fair value of plan assets are as follows:

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Fair value of plan assets at the beginning of the year	18.03	16.97
Investment income	1.42	1.36
Contributions by employer	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	(0.53)	(0.30)
Fair value of plan assets at the end of the year	18.92	18.03

c) Net asset/(liability) recognised in the balance sheet

Contribution to	₹ in Lacs	
	March 31, 2017	March 31, 2016
Present value of the defined benefit obligation at the end of the year	123.47	104.51
Fair value of plan assets at the end of the year	18.92	18.03
Amount recognised in the balance sheet	(104.55)	(86.48)
Net (liability)/asset - Current	(1.38)	(0.81)
Net (liability)/asset - Non-current	(103.17)	(85.67)

d) Expense recognised in the statement of profit and loss for the year

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Current service cost	33.39	29.43
Interest cost on benefit obligation	6.83	4.34
Total Expense included in employee benefits expense	40.22	33.77

e) Recognised in the other comprehensive income for the year

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Actuarial (gain)/losses arising from:		
- change in demographic assumptions	-	(4.32)
- change in financial assumptions	(31.26)	8.47
- experience variance	15.44	(0.74)
Return on plan assets, excluding amount recognised in net interest expense	0.53	0.29
Recognised in comprehensive income	(15.29)	3.70

f) Maturity profile of Defined Benefit Obligation

Particulars	₹ in Lacs	
	March 31, 2017	March 31, 2016
Weighted average duration (based on discounted cashflows)	13 years	17 years

g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	March 31, 2017		March 31, 2016	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Discount rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(14.69)	17.48	(14.14)	17.03

Particulars	March 31, 2017		March 31, 2016	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Assumptions	Salary Growth rate			
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	17.41	(14.89)	16.67	(14.12)

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

Particulars	March 31, 2017		March 31, 2016	
	Attrition rate			
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	(1.94)	1.99	(4.09)	4.37

Particulars	March 31, 2017		March 31, 2016	
	Mortality rate			
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Impact on defined benefit obligations	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
	0.04	(0.03)	(0.06)	0.04

Sensitivity Analysis Method

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2017	March 31, 2016
Investments with insurer	100%	100%

The company expects to contribute ₹ 134.33 lacs to gratuity fund in the next year. (Previous year ₹ 119.41 lacs)

* As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

i) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	₹ in Lacs		
	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.60%	7.90%	8.00%
Rate of escalation in salary (per annum)	7.00%	9.00%	8.50%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	10% for below 5 years and 1% thereafter	10% for below 5 years and 1% thereafter	2% for 4 years & below and 2% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

- 36 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Sr No	Particulars	₹ In Lacs	
		Year ended March 31, 2017	Year ended March 31, 2016
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	Nil	Nil
	Interest	Nil	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

37 Derivative instruments and unhedged foreign currency exposure

The company takes various types of derivative instruments to hedge its foreign currency term loan installments. The category wise outstanding position of derivative instruments is as under:

Nature	Particulars of derivatives		Purpose
	March 31, 2017 USD in Million	March 31, 2016 USD in Million	
Foreign currency option contract	1.31	7.28	Hedging of foreign currency borrowing and interest liability of ₹ 1300.60 lacs (Previous year ₹ 5253.25 lacs)
Foreign currency Forward contract	0.70	0.65	

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2017

The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise are as under:

Nature	As at March 31, 2017		As at March 31, 2016	
	Amount ₹ In Lacs	Foreign Currency In Million	Amount ₹ In Lacs	Foreign Currency In Million
Foreign currency loan	1,272.06	USD 1.96	3,898.86	USD 5.89
Bills under letter of credit	110.18	EURO 0.16	119.88	EURO 0.16
Accrued Interest on foreign currency loan	-	-	102.91	USD 0.16
Accrued Interest on bills under letter of credit	0.14	EURO 0.0001	0.04	EURO 0.00005

Closing rates as at March 31, 2017:

INR / USD = ₹ 64.85

INR / EURO = ₹ 69.2925

Closing rates as at March 31, 2016:

INR / USD = ₹ 66.255

INR / EURO = ₹ 75.395

38 Standard issued but not effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The company will incorporate the disclosure in Financial statements for the year ended 31st March 2018.

39 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹ 73.00 Lacs

b) Amount spent during the year on :-

₹ in Lacs

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total
(a)	Contribution made to Adani Foundation	70.90	-	70.90
(b)	Contribution made to Vyakti Vikas Kendra India	2.10	-	2.10
		73.00	-	73.00

40 Related Parties transactions

Particulars	Name of Company
Holding Company	Adani Ports and Special Economic Zone Limited
Fellow Subsidiary Company	Adani Hazira Port Private Limited Adani Petronet (Dahej) Port Private Limited Mundra SEZ Textile and Apparel Park Private Limited Adani Murmugao Port Terminal Private Limited Adani Vizag Coal Terminal Private Limited Adani Kandla Bulk Terminal Private Limited The Dhamra Port Company Limited Mpsez Utilities Pvt. Ltd.
Entities where Management has significant influence	Adani Enterprises Limited Adani Infra (India) Limited Adani Wilmar Limited Adani Infrastructure and Developers Private Limited Parampujya Solar Energy Private Limited Wardha Solar (Maharashtra) Pvt Ltd Adani Power Maharashtra Ltd Adani Power Ltd Adani Bunkering Private Limited Mundra Solar PV Ltd Prayatna Developers Pvt Ltd Adani Foundation
Key Management Personal and their relatives	Mr Anil Radhakrishnan Mr Siddharth Nyati (Chief Financial Officer) (till July 31,2015) Mr Anand Vijay (Chief Financial Officer) (from November 1, 2015) Mr Yogesh Dalal (Company Secretary)

Details of Related Party Transactions			₹ in Lacs	
Category	Name of Related Party	March 31, 2017	March 31, 2016	
Sales/ Services rendered	Adani Ports and Special Economic Zone Limited	246.04	619.25	
	Adani Enterprises Limited	5,787.38	7,740.40	
	Adani Hazira Port Private Limited	255.77	511.01	
	Adani Power Maharashtra Ltd	77.34	-	
	Adani Power Ltd	134.29	-	
	Adani Bunkering Private Limited	2.12	-	
	Mundra Solar PV Ltd	45.23	-	
	Prayatna Developers Pvt Ltd	31.71	-	
	Adani Wilmar Limited	1,770.96	1,751.95	

Adani Logistics Limited
Notes to Financials statements for the year ended March 31, 2017

Sales /Services Availed	Adani Ports and Special Economic Zone Limited	2,070.18	1,935.85
	Adani Enterprises Limited	488.02	363.04
	Adani Kandla Bulk Terminal Private Limited	5,620.62	6,683.78
	The Dhamra Port Company Limited	1,622.19	1,993.12
	Adani Hazira Port Private Limited	2,206.60	4,189.90
	Adani Petronet (Dahej) Port Private Limited	3,481.20	2,234.60
	Adani Murmugao Port Terminal Private Limited	61.90	4,890.73
Interest Paid	Adani Ports and Special Economic Zone Limited	18,672.81	16,785.45
	Adani Infra (India) Limited	11,692.79	14,152.00
Interest received	Adani Enterprises Limited	521.55	-
	Adani Foundation	70.90	61.07
Donation	Adani Ports and Special Economic Zone Limited	-	1.63
	Adani Ports and Special Economic Zone Limited	3.93	2.16
Rent Expense	Adani Infrastructure and Developers Private Limited	24.42	-
	Adani Enterprises Limited	130.27	6.09
Other Income	Adani Ports and Special Economic Zone Limited	3,10,208.53	1,29,005.00
ICD Received	Adani Ports and Special Economic Zone Limited	2,94,733.53	(1,03,010.10)
ICD Repayment	Adani Infra (India) Limited	-	10,000.00
ICD Given	Adani Enterprises Limited	34,000.00	-
	Adani Enterprises Limited	34,000.00	-
ICD received	Adani Infra (India) Limited	1,16,885.00	-
	Mr Vivek Sharma	-	69.80
Remuneration of key managerial persons	Mr Anil Radhakrishnan	266.64	246.80
	Mr Anand Vijay	22.89	8.40
	Mr Siddharth Nyati	-	8.52
	Mr Yogesh Dalal	24.77	22.04

Detail of Related Party Transactions

₹ in Lacs

Category	Name of Related Party	March 31,2017	March 31,2016	April 01,2015
Outstanding balance as at the end of the year				
Account Receivable	Adani Ports and Special Economic Zone Limited	0.80	(134.79)	(129.71)
	Adani Enterprises Limited	3,118.61	(5,760.10)	(2,830.81)
	Adani Hazira Port Private Limited	33.49	(154.50)	(119.57)
	Adani Wilmar Limited	162.71	(136.86)	(172.30)
	Mundra Solar PV Ltd	44.73	-	-
	Prayatna Developers Pvt Ltd	38.94	-	-
	Adani Power Maharashtra Ltd	13.28	-	-
Account Payable	Adani Ports and Special Economic Zone Limited	676.96	73.14	335.07
	Adani Enterprises Limited	485.93	747.20	7.83
	Adani Kandla Bulk Terminal Private Limited	2,035.08	3,320.31	332.76
	The Dhamra Port Company Limited	278.94	283.47	575.49
	Adani Hazira Port Private Limited	376.93	241.67	635.22
	Adani Petronet (Dahej) Port Private Limited	919.83	114.61	101.61
	Adani Vizag Coal Terminal Private Limited	-	214.57	103.72
	Adani Murmugao Port Terminal Private Limited	-	1,057.68	-
	Mpsez Utilities Pvt. Ltd.	0.60	-	-
Adani Wilmar Limited	0.81	-	0.81	
Borrowing of Loan	Adani Ports and Special Economic Zone Limited	30,278.44	1,57,227.38	1,31,387.78
Other Current Liability	Adani Ports and Special Economic Zone Limited	-	3,375.60	2,825.61
	Adani Ports and Special Economic Zone Limited	-	15.11	74.32
	Adani Hazira Port Private Limited	-	89.37	334.41
	Adani Petronet (Dahej) Port Private Limited	-	65.78	348.95
Other Current Assets	Adani Murmugao Port Terminal Private Limited	15.06	-	-
	Adani Infra (India) Limited	-	(18,822.98)	(4,702.96)
Loans & Advances	Adani Infra (India) Limited	7.16	(1,16,885.00)	(1,06,885.00)
	Adani Wilmar Limited	0.41	-	(0.41)
Advances From Customer	Parampujya Solar Energy Private Limited	34.69	-	-
	Wardha Solar (Maharashtra) Pvt Ltd	4.00	-	-
	Adani Power Ltd	11.72	-	-

The particulars given above have been identified on the basis of information available with the Company.

Adani Logistics Limited

Notes to Financials statements for the year ended March 31, 2017

41 As per the amendment to Schedule III of the Companies Act, 2013 by MCA notification G.S.R 308(E) dated 30th March 2017, every company is required to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Since the company did not hold or transact in cash during the entire year, the said disclosure is not applicable.

42 Approval of financial statements

The financial statements were approved for issue by the board of directors on May 4, 2017.

**The accompanying notes form an integral part of financials statements
As per our report of even date**

FOR G. K. CHOKSI & CO.
ICAI Firm Registration No.: 101895W
Chartered Accountants

**For and on behalf of Board of Directors of
Adani Logistics Limited**

Sandip A Parikh
Partner
Membership No. 40727

Capt. Unmesh Abhyankar
Director
DIN: 03040812

Anil Radhakrishnan
Director
DIN: 05294517

Yogesh Dalal
Company Secretary

Anand Vijay
Chief Financial Officer

**Place: Ahmedabad
Date: May 4, 2017**

**Place: Ahmedabad
Date: May 4, 2017**