

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Logistics Limited
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Adani Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, in our opinion and to the 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 Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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, 2018 in conjunction with our audit of the 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal financial 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed and conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. According to the information and explanations given to us, the Company does not have any immovable properties of acquired leasehold land and building.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) The Company has not granted any 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) The Company has not granted any loans and provided guarantees under Section 185 of the Companies Act, 2013. Further, based on the information and explanations given to us, the Company has complied with the provision of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for road related services. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Customs Duty, cess, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in Lacs)	Amount Unpaid (Rs. in Lacs)
Income Tax Act, 1961	Income Tax	CIT(A), Ahmedabad	AY 2012-13 & 2015-16	12.26	12.26
		Income Tax Appellate Tribunal, Ahmedabad	AY 2012-13 to AY 2014-15	7.96	7.96

There are no dues of Service Tax, Custom Duty, Sales Tax, Excise Duty, Value Added Tax and Goods and Service Tax as on 31st March, 2018 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, as at the reporting date, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and has not taken any loans or borrowings from the government or financial institutions.

(ix) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet, money raised by way of term loans has been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment, if any, pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in excess of the limits prescribed under section 197 read with Schedule V to the Companies Act, 2013 to the following managerial personnel.

Managerial Position	Excess amount of remuneration paid/provided (Rs. in lacs)	Period to which the remuneration relates	Treatment of the excess remuneration in the financial statements	Steps taken by the Company for securing refund
Chief Executive Officer & Director (Upto May 20, 2017)	21.26	FY 2017-18	Shown as Advances to Employees	1. Special Resolution will be passed at the ensuing Annual General Meeting for waiver of recovery of excess managerial remuneration paid;
Chief Executive Officer & Director	171.31	FY 2016-17	Shown as Advances to Employees	1. The Company has passed a Special Resolution at its 12 th Annual General Meeting held on August 5, 2017 for waiver of recovery of excess managerial remuneration paid. 2. The Company has made an application to the Central Government for waiver of excess remuneration paid. However such approval is awaited.
Chief Executive Officer & Director and Manager	79.13	FY 2015-16	Shown as Advances to Employees	1. The Company has passed a Special Resolution at its 11 th Annual General Meeting held on August 8, 2016 for waiver of recovery of excess managerial remuneration paid. 2. The Company has made an application to the Central Government for waiver of excess remuneration paid. However such approval is awaited.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of

related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: May 02, 2018

Adani Logistics Limited
Balance Sheet as at March 31, 2018

₹ in Lacs

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	52,167.82	52,792.58
Capital work-in-progress	3(b)	4,421.06	5,368.77
Intangible assets	3(a)	2,673.84	2,752.77
Financial assets			
(i) Investments	4	546.54	26.54
(ii) Loans	5	280.00	-
(iii) Other financial assets	6	85.89	84.58
Deferred tax assets (net)	7	-	173.11
Other non-current assets	8	6,807.46	3,345.32
		66,982.61	64,543.67
Current assets			
Inventories	9	569.20	514.58
Financial assets			
(i) Trade receivables	10	23,672.31	17,763.73
(ii) Cash and cash equivalents	11	725.90	1,184.32
(iii) Bank balance other than (ii) above	12	95.12	89.23
(iv) Loans	5	6,487.57	6,050.97
(v) Other financial assets	6	712.84	421.91
Other current assets	8	1,020.40	2,948.20
		33,283.34	28,972.94
Total assets		1,00,265.95	93,516.61
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	32,500.00	32,500.00
Other equity	14	13,361.20	7,575.73
Total equity		45,861.20	40,075.73
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	16,389.05	534.20
Provisions	17	-	186.81
Deferred tax liabilities (net)	7	4,056.63	-
Other non-current liabilities	18	124.16	159.43
		20,569.84	880.44
Current liabilities			
Financial liabilities			
(i) Borrowings	15	-	23,040.00
(ii) Trade payables	19	9,278.97	9,847.09
(iii) Other financial liabilities	16	23,199.28	18,002.37
Provisions	17	218.46	34.95
Other current liabilities	18	1,138.20	1,636.03
		33,834.91	52,560.44
Total liabilities		54,404.75	53,440.88
Total equity and liabilities		1,00,265.95	93,516.61

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Capt. Sandeep Mehta
Managing Director
DIN: 00897409

Capt. Unmesh Abhyankar
Director
DIN: 03040812

Yogesh Dalal
Company Secretary

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Logistics Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	₹ in Lacs	
		For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	20	82,669.93	74,686.92
Other income	21	1,545.47	15,221.47
Total income		84,215.40	89,908.39
EXPENSES			
Operating expenses	22	71,134.77	62,515.44
Employee benefits expense	23	2,049.99	2,024.71
Depreciation and amortization expense	3	3,139.35	2,946.93
Foreign Exchange (Gain) / Loss (net)		-	106.05
Finance costs	24		
-Interest and bank charges		3,038.04	18,867.72
-Derivative ((gain)/loss)		10.66	(6.44)
Other expenses	25	1,934.90	2,110.09
Total expense		81,307.71	88,564.50
Profit before tax		2,907.69	1,343.89
Tax expense:	26		
Current tax		1,572.14	342.24
Deferred tax		(147.91)	412.44
Less: MAT credit entitlement		1.04	(342.24)
Income tax expense		1,425.27	412.44
Profit for the year		1,482.42	931.45
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains on defined benefit plans		9.98	15.29
Income tax effect (charge)		(3.49)	(5.29)
Total other comprehensive income for the year		6.49	10.00
Total comprehensive income for the year (net of tax)		1,488.91	941.45
Earning per share - (face value of ₹ 10 each)			
Basic and diluted (in ₹)	31	0.46	0.29

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Capt.Sandeep Mehta
Managing Director
DIN: 00897409

Capt.Unmesh Abhyankar
Director
DIN: 03040812

Yogesh Dalal
Company Secretary

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Logistics Limited
Statement of Changes in Equity for the year ended March 31, 2018

Particulars	Equity share capital	Deemed equity contribution (refer note-14)	Other equity				Total
			Reserves and surplus				
			Retained earnings	Foreign currency monetary item translation difference reserve	Capital reserve	Other comprehensive income	
As on April 01, 2016	32,500.00	2,593.29	4,039.53	(106.10)	3.88	(2.42)	39,028.18
Profit for the year	-	-	931.45	-	-	-	931.45
Re-measurement gains on defined benefit plans (net of tax)	-	-	-	-	-	10.00	10.00
Total comprehensive income for the year	-	-	931.45	-	-	10.00	941.45
Increase/(decrease) during the year	-	-	-	106.10	-	-	106.10
As on March 31, 2017	32,500.00	2,593.29	4,970.98	-	3.88	7.58	40,075.73
Profit for the year	-	-	1,482.42	-	-	-	1,482.42
Re-measurement gains on defined benefit plans (net of tax)	-	-	-	-	-	6.49	6.49
Total comprehensive income for the year	-	-	1,482.42	-	-	6.49	1,488.91
Increase/(decrease) during the year	-	4,296.56	-	-	-	-	4,296.56
As on March 31, 2018	32,500.00	6,889.85	6,453.40	-	3.88	14.07	45,861.20

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Capt. Sandeep Mehta
Managing Director
DIN: 00897409

Capt. Unmesh Abhyankar
Director
DIN: 03040812

Yogesh Dalal
Company Secretary

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

₹ in Lacs

Adani Logistics Limited
Statement of Cash Flows for the year ended March 31, 2018

₹ in Lacs

Particulars	March 31,2018	March 31, 2017
Cash flows from operating activities		
Profit before tax	2,907.69	1,343.89
Adjustments for:		
(Profit)/loss on sale / discard of fixed assets (net)	(995.48)	(0.15)
Excess provision written back	(18.83)	(111.57)
Depreciation and amortisation expense	3,139.35	2,946.93
Interest income	(370.33)	(14,426.63)
Amortisation of government grant	(35.27)	(35.27)
(Gain) on sale of Mutual fund	(53.57)	(47.50)
Interest expense	3,038.04	18,867.72
Loss on redemption of non-convertible redeemable debenture	-	363.52
(Gain)/loss on derivative swap contracts (net)	10.66	(6.44)
Allowance for doubtful debts (refer note 25)	(93.73)	(381.66)
Diminution in value of capital inventory	29.67	24.48
Amortization of foreign currency monetary item translation difference reserve	-	106.10
Bad debt	70.42	333.08
Operating profit before working capital changes	7,628.62	8,976.50
Adjustments for:		
(Increase) in trade receivables	(5,885.27)	(2,882.58)
(Increase)/decrease in inventories	(54.62)	1.80
(Increase)/decrease in financial assets	(266.19)	(92.62)
(Increase)/decrease in other assets	1,927.80	(1,793.81)
Increase/(decrease) in trade payables	(568.12)	223.71
Increase/(decrease) in other liabilities	(472.32)	1,061.82
Increase/(decrease) in financial liabilities	25.59	91.12
Cash generated from operations	2,335.49	5,585.94
Direct taxes (paid) (net of refunds of ₹ 1,385.73 lacs (previous year ₹488.45 lacs))	(160.08)	(813.88)
Net cash generated from operating activities (A)	2,175.41	4,772.06
Cash flows from investing activities		
Purchase of property, plant and equipments (Including capital work in progress,capital advances and capital	(5,848.34)	(5,455.95)
Purchase of non-convertible redeemable debentures	-	(86,130.98)
Proceeds from sale of non-convertible redeemable debentures	-	85,767.46
Proceeds from sale of property, plant and equipments	1,079.94	0.36
Interest received	345.59	33,253.82
Inter corporate deposit/loan given	(749.10)	(46,885.60)
Inter corporate deposit/loan received back	32.50	1,63,079.94
Purchase/sale of investment in mutual fund (net) (refer note 2 below)	53.57	47.50
(Deposit in) margin money	(7.20)	(25.45)
Payment made towards acquisition of equity (refer note 4)	(520.00)	-
Net cash generated from/(used in) investing activities (B)	(5,613.04)	1,43,651.10
Cash flows from financing activities		
(Repayment) of borrowing	(2,654.30)	(6,544.18)
Proceeds from inter corporate deposits	16,438.43	1,57,724.53
(Repayment) of inter corporate deposits	(2,740.00)	(2,87,168.53)
(Gain)/loss on derivative swap contracts (net)	(50.35)	6.44
Interest paid	(8,014.57)	(11,880.48)
Net cash generated from/(used in) financing activities (C)	2,979.21	(1,47,862.22)
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(458.42)	560.94
Cash and cash equivalents at the beginning of the year	1,184.32	623.38
Cash and cash equivalents at the end of the year (Refer note-11)	725.90	1,184.32
Component of cash and cash equivalents		
Balances with scheduled banks		
In current accounts	725.90	1,184.32
Cash and cash equivalents at end of the year	725.90	1,184.32

(1) The statement of cash flow 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.

(2) During the year,Company has made investment in Mutual Fund of ₹ 54,065.00 lacs (previous year ₹ 43,065.00 lacs) and redeemed Mutual Fund of ₹ 54,118.57 lacs (previous year ₹ 43,112.50 lacs).

(3) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended) is presented in note -40

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of Board of Directors

Kartikeya Raval
Partner

Capt.Sandeep Mehta
Managing Director
DIN: 00897409

Capt.Unmesh Abhyankar
Director
DIN: 03040812

Yogesh Dalal
Company Secretary

Place: Ahmedabad
Date: May 02, 2018

Place: Ahmedabad
Date: May 02, 2018

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

1 Corporate information

Adani Logistics Limited ("ALL", "the Company"), a 100% subsidiary of Adani Ports and Special Economic Zone Limited ("APSEZ"), 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. The registered office of the company is located at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009. The financial statements were authorised for issue in accordance with a resolution of the directors on May 2, 2018.

2 Basis of preparation

2.1 These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Effective April 1, 2016, 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, with April 1, 2015 as the transition date. 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 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended March 31, 2017 were audited by predecessor auditor.

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 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)

Property, plant and equipment 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 statement of 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.

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Notes to Financial statements for the year ended March 31, 2018

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 finite.

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.

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	Method of amortisation	Estimated Useful Life
Software	on straight line basis	5 Years or useful life whichever is less
Railway licence fees	on straight line basis	20 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) Functional currency, foreign currency transactions and balances

The functional currency of the Company (i.e. the currency of the primary economic environment in which the Company operates) is Indian Rupee. All financial information is presented in Indian Rupee and is rounded off to the nearest lakh.

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are carried at historical cost in foreign currency are translated at the exchange rates at the dates of initial transaction. Forward exchange contracts to manage exchange currency exposures are marked to market and resulting gain or loss is recorded in the Statement of Profit and loss. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense in the period in which such cancellation or renewal is made.

h) Retirement and other Employee Benefits

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.

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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.

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

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve month after the reporting date.

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 other 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.

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 share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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Notes to Financial statements for the year ended March 31, 2018

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.

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 (other than employee benefits), Contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of the money is material). The increase in the provisions due to passage of time is recognised as interest expense. Provisions are reviewed as at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

q) Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants and subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance sheet and transferred to profit or loss on systematic and rational basis over the useful lives of the related asset. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs which they are intended to compensate on a systematic basis.

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.

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.

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 since 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.

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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 recognised 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 and options 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.

2.3 Significant accounting judgments, 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 (refer note 26).

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 (refer note 34).

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.

Investment in entity which has not been considered as associates

The Company has investment of ₹ 520.00 lacs in Ambily Technologies Private Limited ("ATPL"), the investee, to the tune of 20% of the paid up capital of the said Company. However, the Company is currently not involved in the operational and financial matters ATPL and accordingly, the Company does not consider that it has significant influence over ATPL. Accordingly, the investment in ATPL has not been accounted under Ind AS 28.

Adani Logistics Ltd.
Notes to Financial statements for the year ended March 31, 2018
Note 3 (a) - Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment										Intangible assets	
	Free hold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer hardware	Vehicles	Railway wagons and Sidings	Railway Tracks and Sidings	Software	Railway licence fee	Total
Cost:												
As at April 1, 2016	22,965.33	12,743.32	6,851.51	381.93	164.84	272.66	45.72	11,660.43	2,502.34	184.63	3,124.66	3,309.29
Additions	-	-	194.28	5.39	9.48	61.30	0.58	-	-	28.64	-	28.64
Deductions/Adjustment	-	(2.44)	-	-	-	(1.67)	-	(54.44)	-	-	-	-
Exchange difference	-	25.48	5.55	-	-	1.17	-	25.28	5.75	0.94	-	0.94
As at April 1, 2017	22,965.33	12,766.36	7,051.34	387.32	174.32	333.46	46.30	11,651.27	2,508.09	214.21	3,124.66	3,338.87
Additions	-	406.03	543.78	3.14	31.73	217.06	0.08	-	1,062.13	252.42	-	252.42
Deductions/Adjustment	(84.46)	-	-	-	-	-	-	-	(84.46)	-	-	-
Exchange difference	-	(1.01)	6.11	-	-	(0.05)	-	(1.03)	(0.23)	(0.04)	-	(0.04)
As at March 31, 2018	22,880.87	13,171.38	7,601.23	390.46	206.05	550.47	46.38	11,650.24	3,569.99	466.59	3,124.66	3,591.25
Depreciation/amortisation												
As at April 1, 2016	-	462.67	664.51	42.07	34.88	115.86	8.47	870.23	239.01	44.14	250.00	294.14
Depreciation for the year	-	508.86	686.56	43.07	36.82	91.03	6.98	1,042.23	239.42	41.96	250.00	291.96
Deductions/Adjustment	-	-	-	-	-	(1.46)	-	-	-	-	-	-
As at April 1, 2017	-	971.53	1,351.07	85.14	71.70	205.43	15.45	1,912.46	478.43	86.10	500.00	586.10
Depreciation for the year	-	535.78	778.42	43.23	38.45	77.59	7.01	1,020.89	306.67	81.31	250.00	331.31
Deductions/Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	1,507.31	2,129.49	128.37	110.15	283.02	22.46	2,933.35	785.10	167.41	750.00	917.41
Net Block												
As at March 31, 2018	22,880.87	11,664.07	5,471.74	262.09	95.90	267.45	23.92	8,716.89	2,784.89	299.18	2,374.66	2,673.84
As at March 31, 2017	22,965.33	11,794.83	5,700.27	302.18	102.62	128.03	30.85	9,738.81	2,029.66	128.11	2,624.66	2,752.77

Particulars	₹ in Lacs	
	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	4,421.06	5,368.77

Note:
Refer Footnote to note 15 for security / charges created on property, plant and equipment.

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

4 Investments

Non current

Investments at fair value through other comprehensive income (FVTOCI)
Unquoted equity shares

14,001 (Previous Year - NIL) fully paid Equity Shares of ₹ 10 each of Ambily Technologies Private Limited

520.00

-

Investment in equity shares of fellow subsidiary at amortised cost

2,65,400 (Previous Year - 2,65,400) fully paid Equity Shares
of ₹ 10 each of Mundra SEZ Textile & Apparel Park Private Limited

26.54

26.54

546.54

26.54

5 Loans (Unsecured & considered good)

Non current

Loans to others

280.00

-

280.00

-

Current

Loan to others

6,487.57

6,050.97

6,487.57

6,050.97

6 Other financial assets

Non-current

Margin money deposits having maturity over 12 months

85.89

84.58

85.89

84.58

Note : Margin money deposits are lien against bank guarantees.

Current

Security and other deposits

386.68

391.62

Interest accrued on deposits and loans

28.82

4.08

Advances to employees (refer note 1 below)

297.34

26.21

712.84

421.91

Note: 1

Advances to employees, include amounts due from Mr. Vivek Sharma, Manager, designated as Chief Operating Officer (resigned as Manager w.e.f. March 1, 2016) and Mr. Anil Radhakrishnan Chief Executive Officer & Director (Re-appointed w.e.f. May 21, 2017 and Resigned as Chief Executive Officer & Director w.e.f. March 1, 2018) of the Company amounting to Rs. 271.70 lacs (Excess remuneration of FY 2015-16 ₹ 79.13 lacs, FY 2016-17 ₹ 171.31 lacs and FY 2017-18 upto May 20, 2017 ₹ 21.26 lacs), being excess of remuneration paid in terms of Schedule V of the Companies Act, 2013 and held in trust for the Company in terms of Section 197(9) of the Companies Act, 2013. The company has already made application to Central Government for waiver of excess remuneration paid during FY 2015-16 and FY 2016-17. The Company is due to seek the approval of the shareholders at the ensuing Annual General Meeting of the Company and of the Central Government to waive the recovery of amount of ₹ 21.26 lacs paid to Chief Executive Officer & Director as remuneration in excess over prescribed limit for the financial year 2017-2018 upto May 20, 2017. Consequently, till the approval of the Central Government, the balance of ₹ 271.70 lacs (₹ 18.13 lacs from Mr. Vivek Sharma and ₹ 253.57 lacs from Mr. Anil Radhakrishnan), is considered as recoverable and is held in trust for the Company by them as at the year end.

7 Deferred tax liabilities/Assets (net)

Deferred tax liability (refer note 26(e))

4,056.63

-

4,056.63

-

Deferred tax assets (refer note 26(e))

-

173.11

-

173.11

8 Other Assets

Non current

Capital advances

Unsecured, considered good (refer note 1)

4,437.31

427.83

(A)

4,437.31

427.83

Others (Unsecured)

Taxes recoverable (Net of provision for taxation)

2,370.15

2,917.49

(B)

2,370.15

2,917.49

Total (A+B)

6,807.46

3,345.32

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

Current

Advances to suppliers

Unsecured, considered good

(A)

427.69 1,317.56

427.69 1,317.56

Others (Unsecured)

Prepaid expenses

26.75 19.41

Accrued revenue

416.11 1,020.89

Balances with government authorities

149.85 590.34

(B)

592.71 1,630.64

Total (A+B)

1,020.40 2,948.20

Notes:

1. Out of the total capital advances, ₹ 2106.56 Lacs (Previous Year ₹ 323.01 lacs) have been given by the Company as land advances. Out of these land advances, advances of ₹ 108.01 Lacs (Previous Year ₹ 108.01 lacs) 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.

2. For due to related parties refer note 39

9 Inventories (At lower of cost or realisable value)

Stores and spares

March 31, 2018 March 31, 2017

₹ In Lacs ₹ In Lacs

569.20 514.58

569.20 514.58

10 Trade receivables

Current

Unsecured considered good unless stated otherwise

Considered good

23,672.31 17,763.73

Considered doubtful

421.01 514.75

Less: Allowance for doubtful debts

(421.01) (514.75)

23,672.31 17,763.73

Note: Trade receivable includes receivable of ₹ 3,778.88 (previous year: ₹ 3,412.57) from related parties and considered good.

11 Cash and cash equivalents

Balances with banks:

Balance in current account

March 31, 2018 March 31, 2017

₹ In Lacs ₹ In Lacs

725.90 1,184.32

725.90 1,184.32

12 Bank balances other than cash and cash equivalents

Margin money deposits

March 31, 2018 March 31, 2017

₹ In Lacs ₹ In Lacs

95.12 89.23

95.12 89.23

Note : Margin money deposits are lien against bank guarantees.

13 Equity share capital

Authorised

32,50,00,000 Equity Shares of ₹ 10 each (previous year 32,50,00,000 Equity Shares of ₹ 10 each)

March 31, 2018 March 31, 2017

₹ In Lacs ₹ In Lacs

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 (previous year 32,50,00,000 Equity Shares of ₹ 10 each)

32,500.00 32,500.00

32,500.00 32,500.00

Notes:

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

	March 31, 2018		March 31, 2017	
	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.

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

(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, 2018 ₹ In Lacs	March 31, 2017 ₹ 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, 2018	March 31, 2017
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%

14 Other equity

Retained Earnings

	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
Opening Balance	4,978.56	4,037.11
Add : Profit for the year	1,488.91	941.45
Closing Balance	6,467.47	4,978.56

Note:- The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

Deemed equity contribution (refer note 14.1)

	6,889.85	2,593.29
	6,889.85	2,593.29

Note: Deemed equity contribution represents fair valuation adjustment (net of deferred tax of ₹ 3,508.40 lacs) of interest free loan from Holding Company.

Other reserves

Capital reserve	3.88	3.88
	3.88	3.88

Note: - Capital reserve represents excess of carrying value of assets over the consideration paid for acquisition of the assets under the scheme of arrangement . The same cannot be utilised for payment of dividend.

Other equity

	13,361.20	7,575.73
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14.1 Deemed equity contribution

	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
Balance at the beginning of the year	2,593.29	2,593.29
Fair valuation of interest free loan (refer note - (a) below)	4,296.56	-
Balance at the end of the year	6,889.85	2,593.29

a) The Company has renewed its interest free corporate loan amounting to ₹ 32,921.43 lacs from the holding company Adani Ports and SEZ Ltd (hereinafter referred to as "APSEZL"). Further Company has taken interest free loan of ₹ 13,698.43. The same has been fair valued using prevailing market interest rate for an equivalent loan and the consequential surplus (net of deferred tax of ₹ 3,508.40 lacs) has been transferred to the deemed equity contribution.

15 Borrowings

	March 31, 2018 ₹ In Lacs	March 31, 2017 ₹ In Lacs
Non current		
Term loans		
Foreign currency term loans from banks (refer note a,c) (secured)	-	2,544.12
Inter corporate deposit (refer note d) (Unsecured)	39,166.11	7,238.44
Bills under foreign currency letter of credits from banks (refer note b) (unsecured)	-	110.18
	39,166.11	9,892.74
Less:		
Current maturity of		
Inter corporate deposit (refer note d) (Unsecured)	22,777.06	7,238.44
Foreign currency term loans from banks (refer note a,c) (secured)	-	2,120.10
Amount disclosed under the head " other current financial liabilities" (refer note 16)	22,777.06	9,358.54
Non-Current Borrowing	16,389.05	534.20
Current		
Inter corporate deposit (Unsecured)	-	23,040.00
	-	23,040.00
The above amount includes		
Secured borrowings	-	2,544.12
Unsecured borrowings	39,166.11	30,388.62
Total borrowings	39,166.11	32,932.74

Notes:

(a) Secured foreign currency loans carries interest @ 6M LIBOR plus 325 basis point i.e. 4.48778% p.a.. The loans were repayable in 36 quarterly installments and the same have been repaid in current year.

(b) Letter of Credit carries interest of EURIBOR plus 45 basis points and the same have been repaid in current year.

(c) Term Loan from banks were 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 in various installment from Adani Ports and Special Economic Zone Limited are interest free. Out of total borrowings, ₹ 22,777.06 lacs are repayable on 31st March 2019 and ₹ 16,389.05 lacs are repayable on 31st March 2020.

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

16 Other financial liabilities

Current

Current maturities of long term borrowings (refer note 15)	
Interest accrued but not due on borrowings	
Deposits from customers	
Capital creditors, retention money and other payable	
Provision for derivatives	

i) For dues to/advances from related parties refer note 39

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
22,777.06	9,358.54
-	7,970.73
175.98	150.39
246.24	483.02
-	39.69
23,199.28	18,002.37

17 Provisions

Non-current

Provision for gratuity (refer note 34)	
Provision for compensated absences	

Current

Provision for gratuity (refer note 34)	
Provision for compensated absences	

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
-	103.17
-	83.64
-	186.81
110.57	1.38
107.89	33.57
218.46	34.95

18 Other Liabilities

Non-current

Deferred government grant (refer note (ii) below)	
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Current

Unearned revenue	
Statutory liabilities	
Deferred government grant (refer note (ii) below)	
Advance from customers	

Notes:

- i) For dues to/advances from related parties refer note 39
ii) Movement in deferred government grant

Opening Balance

Amortisation during the year

Closing Balance

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
124.16	159.43
124.16	159.43
79.10	107.70
598.73	1,224.50
35.27	35.27
425.10	268.56
1,138.20	1,636.03

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
194.70	229.97
(35.27)	(35.27)
159.43	194.70

19 Trade payables

Payables to micro, small and medium enterprises (refer note 35)	
Other trade payables	

Due to related parties included in above trade payables (refer note 39)

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
-	-
9,278.97	9,847.09
9,278.97	9,847.09
2,435.30	4,767.30

20 Revenue from operations

Income from logistics services	
--------------------------------	--

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
82,669.93	74,686.92
82,669.93	74,686.92

21 Other income

Interest income from

Bank deposits	
Customers and others	
Unclaimed liabilities / excess provision written back	
Profit on sale / disposal of assets (net)	
Profit on sale of mutual fund	
Amortisation of government grant	
Fair Value adjustment on financial instrument	
Miscellaneous income	

March 31, 2018	March 31, 2017
₹ In Lacs	₹ In Lacs
34.39	30.57
335.94	14,396.06
18.83	111.57
995.48	0.15
53.57	47.50
35.27	35.27
-	378.33
71.99	222.02
1,545.47	15,221.47

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

	March 31, 2018	March 31, 2017
	₹ In Lacs	₹ In Lacs
22 Operating expenses		
Cargo handling /Other charges to sub-contractors	17,798.33	19,424.19
Railway operating expenses	37,556.21	29,717.53
Cargo freight and transportation expenses	14,088.16	10,890.60
Repairs to plant & machinery	625.18	718.34
Power & fuel	559.88	466.36
Waterfront charges	507.01	1,298.42
	71,134.77	62,515.44
23 Employee benefit expense		
Salaries and wages	1,820.95	1,794.81
Contribution to provident and other funds	102.52	92.10
Gratuity (refer note 34)	31.71	40.22
Staff welfare expenses	94.81	97.58
	2,049.99	2,024.71
24 Finance costs		
Interest on		
(i) Fixed loans, buyer's credit, short term etc.	26.54	16,353.91
(ii) Inter corporate deposit	2,994.90	2,495.09
Bank and other finance charges	16.60	18.72
	3,038.04	18,867.72
(Gain) /loss on derivatives / swap contracts (net)	10.66	(6.44)
	3,048.70	18,861.28
25 Other expenses		
Rent (refer note 3 below)	34.91	34.08
Rates and taxes	1.50	4.72
Insurance (net of reimbursement)	61.61	93.33
Advertisement and publicity	540.24	471.26
Other repairs and maintenance (net of reimbursement)	176.57	154.00
Legal and professional expenses	384.29	337.67
Payment to auditors (refer note 1 below)	16.19	15.48
Security expenses	16.13	162.62
Communication expenses	74.75	98.76
Office expenses	68.27	76.40
Travelling and conveyance	251.42	167.00
Directors sitting fee	1.66	1.59
Charity & donations (refer note 2 below and note 38)	46.79	73.00
Loss on sale of investments	-	363.52
Bad debt	70.42	333.08
Allowance for doubtful debts	(93.73)	(381.66)
Diminution in value of capital inventory	29.67	24.48
Miscellaneous expenses	254.21	80.76
	1,934.90	2,110.09
Note: 1		
Payment to auditor		
As auditor:		
Audit fee	12.10	10.05
Limited review	3.90	3.92
In other capacity		
Tax audit fees	-	1.51
Certification Fees	0.19	-
	16.19	15.48
Note: 2		
The company has paid ₹ 46.79 lacs (previous year ₹ 73.00 lacs) towards corporate social responsibilities to Adani Foundation.		
Note:3		
Assets taken under operating leases - Land have been taken on operating lease. The lease rent terms are for the period of 20 years. The lease agreement entered is non-cancellable for the period of first 15 years of the lease agreement. There is no contingent rent, no sub-lease and no restrictions imposed by the lease arrangements. Expenses of ₹ 2.74 lacs (previous year Nil) incurred under such lease have been expensed in the statement of profit and loss.		
Future minimum rental payable under non-cancellable operating leases are as follow:		
		₹ in Lacs
Particulars	March 31,2018	March 31,2017
i) Not later than one year	7.21	-
ii) Later than one year and not later than five years	28.82	-
iii) Later than five year	105.33	-

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

26 Income Tax

The major component of income tax expenses for the year ended March 31, 2018 and March 31, 2017 are as under

a) Tax expense reported in the statement of profit and loss

	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs
Current income tax		
Current income tax charge	1,572.14	342.24
Deferred tax		
Relating to origination and reversal of temporary differences	(147.91)	412.44
MAT credit entitlement	1.04	(342.24)
Tax expense reported in statement of profit and loss	1,425.27	412.44
Tax on other comprehensive income ('OCI')		
Deferred tax related to items recognised in OCI during the year		
Tax impact on re-measurement gains on defined benefit plans	3.49	5.29
Tax expense reported in OCI	3.49	5.29

b) Balance Sheet section

	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs
Taxes recoverable (net) (refer note 8)	2,370.15	2,917.49
	2,370.15	2,917.49

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

	March 31, 2018		March 31, 2017	
	%	₹ in Lacs	%	₹ in Lacs
Accounting profit before taxation		2,907.69		1,343.89
Tax using the Company's domestic rate	34.61%	1,006.29	34.61%	465.09
Tax effect of:				
Non deductible expenses	0.60%	17.32	-	-
Income not chargeable to tax included in P&L	-14.09%	(409.82)	-	-
Income tax rate change for deferred tax	0.98%	28.36	-	-
IndAS impact of fair valuation of inter corporate debt	3.89%	113.01	-	-
Capital gain set off against earlier year capital losses	-0.64%	(18.54)	-	-
Chapter-VIA Benefit	-0.28%	(8.05)	-	-
Impact of adjustments to deferred tax assets created in previous years	23.67%	688.20	-	-
Other differences	0.29%	8.50	-3.92%	(52.65)
Effective tax rate	49.02%	1,425.27	30.69%	412.44
Tax expenses as per statement of profit and loss	49.02%	1,425.27		412.44

d) Deferred tax liability (net)

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs
Accelerated depreciation for tax purpose	4,193.15	4,326.15	133.00	503.53
Employee benefits	(103.70)	(100.86)	2.84	18.98
Other provisions	(193.98)	(331.04)	(137.06)	(422.31)
Fair valuation of Inter corporate deposit	(1,709.73)	(781.03)	928.70	-
unabsorbed tax losses	-	(569.28)	(569.28)	-
Unrealised forex	-	(213.78)	(213.78)	(517.93)
Liability/(assets) recognised in other equity (refer note 14.1)	3,508.40	-	-	-
Deferred tax liabilities/(assets)	5,694.14	2,330.16	144.42	(417.73)

e) Deferred tax liabilities/(assets) reflected in the Balance Sheet as follows

	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs
Deferred tax liabilities (net)	5,694.14	2,330.16
Less: Tax credit entitlement under MAT	(1,637.51)	(2,503.27)
	4,056.63	(173.11)

f) Reconciliation of deferred tax liabilities/(assets)

	March 31, 2018 ₹ in Lacs	March 31, 2017 ₹ in Lacs
Tax expense during the period recognised in statement of profit and loss	(147.91)	412.44
Tax expense during the period recognised in OCI	3.49	5.29
	(144.42)	417.73

g) The Company has following unutilised MAT credit under the Income Tax Act,1961 for which deferred tax assets has been recognised in the Balance Sheet at

Financial year	Amount ₹ in Lacs	Expiry Date
2014-15	734.62	2029-30
2015-16	589.97	2030-31
2016-17	312.92	2031-32
Total	1,637.51	

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Notes to Financial statements for the year ended March 31, 2018

27 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Particulars	₹ In Lacs			
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer note -1)	Total
Financial asset				
Investments	520.00	-	26.54	546.54
Trade receivables	-	-	23,672.31	23,672.31
Cash and cash equivalents	-	-	725.90	725.90
Other bank balance	-	-	95.12	95.12
Loans	-	-	6,767.57	6,767.57
Others financial assets	-	-	798.73	798.73
	520.00	-	32,086.17	32,606.17
Financial liabilities				
Borrowings	-	-	39,166.11	39,166.11
Trade payables	-	-	9,278.97	9,278.97
Other financial liabilities	-	-	422.22	422.22
	-	-	48,867.30	48,867.30

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

Particulars	₹ In Lacs			
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer note -1)	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
Financial liabilities				
Borrowings	-	-	32,932.74	32,932.74
Trade payables	-	-	9,847.09	9,847.09
Other financial liabilities	-	-	8,604.14	8,604.14
Derivative instruments	-	39.69	-	39.69
	-	39.69	51,383.97	51,423.66

note:1

Carrying amounts of cash and cash equivalents, trade receivables, investments, unbilled revenues, loans, trade payables and other payables as at March 31, 2018 and March 31, 2017 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.

28 Fair Value hierarchy :

a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities:

Particulars	As at March 31, 2018			Total
	Quoted market prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Investment in unquoted Equity investments measured at FVTOCI (refer note 4 and note (1) below)	-	-	520.00	520.00
Total	-	-	520.00	520.00
Liabilities				
Derivative instruments	-	-	-	-
Total	-	-	-	-

1) During the year, the Company has made strategic investment in Ambily Technologies Private Limited (ATPL) for a consideration of ₹ 520 lacs based on the fair valuation done. As at the year end, the Company believes that there is no material change in fair value of ATPL and hence, the investment value as at the year-end represents the fair value.

Particulars	As at March 31, 2017			Total
	Quoted market prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Investment in unquoted Equity investments measured at FVTOCI (refer note 4)	-	-	-	-
Total	-	-	-	-
Liabilities				
Derivative instruments	-	39.69	-	39.69
Total	-	39.69	-	39.69

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018 and March 31, 2017 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Weighted average	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital (WACC)	March 31, 2018: 15.80% March 31, 2017 : 0%	1% increase would result in decrease in fair value by ₹ 16.04 lacs as of March 31, 2018 (₹ NIL as of March 31, 2017)
		Perpetual Growth Rate for Subsequent years	March 31, 2018 : 3.00% March 31, 2017 : 0%	1% decrease would result in decrease in fair value by ₹ 8.83 lacs as of March 31, 2018 (₹ NIL as of March 31, 2017)

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Notes to Financial statements for the year ended March 31, 2018

29 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 ₹ NIL (for the year ended 31st March, 2017: decrease / increase by ₹ 13.27 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.

Sr. No.	Particulars	Impact on profit before tax	
		For the year ended March 31, 2018	For the year ended March 31, 2017
		₹ in Lacs	
1	USD Sensitivity		
	RUPEES / USD – Increase by 1%	-	-
	RUPEES / USD – Decrease by 1%	-	-
2	EURO Sensitivity		
	RUPEES / EURO – Increase by 1%	-	*
	RUPEES / EURO – Decrease by 1%	-	*

Note: * represents amount less than ₹ 0.01 lacs.

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.

Concentrations of credit risk form part of credit risk

Considering that the Company operates the logistic services, the Company is significantly dependent on logistic related customers. Out of total revenue, the Company earns ₹ 24,864.97 lacs of revenue during the year ended March 31, 2018 (previous year ₹ 18,118.08 lacs) from such customers which constitute 30.08% (previous year 24.26%). Accounts receivable from such customer approximated ₹ 9,507.31 lacs as at March 31, 2018.(previous year ₹ 7,868.55 lacs). A loss of this customer could adversely affect the operating result or cash flow of the Company.

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 31,2018						₹ in Lacs
Particulars	On demand	within 1 year	Over 1 year Within 3 years	Over 3 years	Total	
Borrowings	-	22,777.06	16,389.05	-	39,166.11	
Other financial liabilities	-	422.22	-	-	422.22	
Trade and other payables	-	9,278.97	-	-	9,278.97	

As on March 31,2017						₹ in Lacs
Particulars	On demand	within 1 year	Over 1 year Within 3 years	Over 3 years	Total	
Borrowings	-	32,398.54	-	-	32,398.54	
Other financial liabilities	-	8,643.83	-	-	8,643.83	
Trade and other payables	-	9,847.09	-	-	9,847.09	

30 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.

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Notes to Financial statements for the year ended March 31, 2018

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.

Particulars	Refer note	₹ In Lacs	
		March 31, 2018	March 31, 2017
Total Borrowings	15	39,166.11	32,398.54
Less: Cash and bank balance	11,12	821.02	1,273.55
Net Debt (A)		38,345.09	31,124.99
Total Equity (B)	13,14	45,861.20	40,075.73
Total Equity and Net Debt (C = A + B)		84,206.29	71,200.72
Gearing ratio (A/C)		45.54%	43.71%

31 Earnings per share

	March 31, 2018	March 31, 2017
	₹ In Lacs	₹ In Lacs
Profit attributable to equity shareholders of the company	1,482.42	931.45
Weighted average number of equity shares (No. in lacs)	3,250.00	3,250.00
Basic and Diluted earning per share (in ₹)	0.46	0.29

32 Capital commitments & other commitment

Particulars	₹ In Lacs	
	March 31, 2018	March 31, 2017
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	11,188.31	1,074.89

33 Contingent liabilities not provided for

Sr.No	Particulars	₹ In Lacs	
		March 31, 2018	March 31, 2017
1	The Company has acquired land of 25.62 Acre at Kathuwat 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 ₹ 80.45 lacs on the Company. The Company has filed an appeal against the said demand. The management is confident that no liability will devolve on the Company in this regard. The Company has paid ₹ 40.22 lacs under protest. Company has received favourable order in FY 2016-17 for liability of ₹ 80.19 lacs.	0.26	0.26
2	Various matters pending at Income Tax authorities for FY 2011-12 to 2014-15	20.22	-

34 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 Corporation 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, 2018	March 31, 2017
Present value of the defined benefit obligation at the beginning of the year	123.47	104.51
Current service cost	23.77	33.39
Past service cost	-	-
Interest cost	9.38	8.25
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(3.37)	(31.26)
- experience variance	(6.60)	15.44
Benefits paid	(15.21)	(18.81)
Acquisition Adjustment	(0.51)	11.95
Present value of the defined benefit obligation at the end of the year	130.93	123.47

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

Particulars	₹ In Lacs	
	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the year	18.92	18.03
Investment income	1.44	1.42
Contributions by employer	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	(0.53)
Fair value of plan assets at the end of the year	20.36	18.92

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

Contribution to	₹ In Lacs	
	March 31, 2018	March 31, 2017
Present value of the defined benefit obligation at the end of the year	130.93	123.47
Fair value of plan assets at the end of the year	20.36	18.92
Amount recognised in the balance sheet	(110.57)	(104.55)
Net (liability)/asset - Current	(110.57)	(1.38)
Net (liability)/asset - Non-current	-	(103.17)

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

Particulars	₹ In Lacs	
	March 31, 2018	March 31, 2017
Current service cost	23.77	33.39
Interest cost on benefit obligation	7.94	6.83
Total Expense included in employee benefits expense	31.71	40.22

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Notes to Financial statements for the year ended March 31, 2018

e) Recognised in the other comprehensive income for the year

Particulars	₹ in Lacs	
	March 31, 2018	March 31, 2017
Actuarial (gain)/losses arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(3.37)	(31.26)
- experience variance	(6.60)	15.44
Return on plan assets, excluding amount recognised in net interest expense	-	0.53
Recognised in comprehensive income	(9.97)	(15.29)

f) Maturity profile of Defined Benefit Obligation

Particulars	₹ in Lacs	
	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cashflows)	13 years	13 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, 2018		March 31, 2017	
	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(15.26)	18.08	(14.69)	17.48

Particulars	March 31, 2018		March 31, 2017	
	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	18.05	(15.50)	17.41	(14.89)

Particulars	March 31, 2018		March 31, 2017	
	Attrition rate			
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.42)	0.42	(1.94)	1.99

Particulars	March 31, 2018		March 31, 2017	
	Mortality rate			
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	0.04	(0.05)	0.04	(0.03)

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, 2018	March 31, 2017
Investments with insurer	100%	100%

The company expects to contribute ₹ 142.91 lacs to gratuity fund in the next year. (Previous year ₹ 134.33 lacs)

* As the gratuity fund is managed by 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, 2018	March 31, 2017
Discount rate	7.80%	7.60%
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	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

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.

Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

35 As per the company there are no supplier being covered under the Micro, Small and Medium Enterprises Development Act 2006. Accordingly no information is required to be reported in the financial statements.

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Notes to Financial statements for the year ended March 31, 2018

36 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, 2018	March 31, 2017	
	USD in Million ₹ in Lacs	USD in Million ₹ in Lacs	
Foreign currency option contract	-	1.31	Hedging of foreign currency borrowing and interest liability of ₹ NIL (Previous year ₹ 1300.60 lacs)
Foreign currency Forward contract	-	0.70	

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

Nature	As at March 31, 2018		As at March 31, 2017	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Foreign currency loan	-	-	1,272.06	USD 1.96
Bills under letter of credit	-	-	110.18	EURO 0.16
Accrued Interest on bills under letter of credit	-	-	0.14	EURO 0.0001

Closing rates as at March 31, 2018:

INR / USD = ₹ 65.1750

INR / EURO = ₹ 80.8075

Closing rates as at March 31, 2017:

INR / USD = ₹ 64.85

INR / EURO = ₹ 69.2925

37 Exposure Drafts and Accounting Standards not yet notified

On March 28, 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying amendments to the following Ind AS's. These amendments will be applicable from April 1, 2018.

Appendix B to Ind AS 21, foreign currency transactions and advance consideration

The Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the amendments and the effects on the financial statements, which is not expected to be material.

Ind AS 115 - Revenue from Contract with Customers

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach), the effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the new accounting standard and the possible transition adjustments for disclosure of comparatives for the year ended March 31, 2018.

Ind AS 112 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

These amendments are unlikely to affect the Company's financial statements.

Ind AS 12 Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018.

These amendments are unlikely to affect the Company's financial statements.

Ind AS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

These amendments are unlikely to affect the Company's financial statements.

Ind AS 28 Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

These amendments are unlikely to affect the Company's financial statements.

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Notes to Financial statements for the year ended March 31, 2018

38 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 ₹ 46.79 lacs (Includes ₹ 0.29 lacs shortfall of previous year).

b) Amount spent during the year ended

₹ in Lacs

March 31, 2018

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
1	Construction/acquisition of any asset	-	-	-
2	On purposes other than (i) above	46.79	-	46.79
		46.79	-	46.79

March 31, 2017

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
1	Construction/acquisition of any asset	-	-	-
2	On purposes other than (i) above	73.00	-	73.00
		73.00	-	73.00

39 Related Parties transactions

Particulars	Name of Company
Parent Company	Adani Ports and Special Economic Zone Limited
	Adani Hazira Port Private Limited
	Adani Petronet (Dahej) Port Private Limited
	Mundra SEZ Textile and Apparel Park Private Limited
Fellow Subsidiary Company	Adani Murmugao Port Terminal Private Limited
	Adani Vizag Coal Terminal Private Limited
	Adani Kandla Bulk Terminal Private Limited
	The Dhamra Port Company Limited
	Adani Kattupalli Port Pvt Ltd
	Mpsez Utilities Pvt. Ltd.
	Adani Enterprises Limited
	Adani Infra (India) Limited
	Adani Wilmar Limited
	Adani Infrastructure and Developers Private Limited
Parampujya Solar Energy Private Limited	
Entities over which KMP and their relative are able to exercise significant influence	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 Green Energy (UP) Limited
	Adani Foundation
	Mr Anil Radhakrishnan (Chief Executive Officer & Director) (Resigned as Chief Executive Officer & Director w.e.f. March 1, 2018)
	Capt. Sandeep Mehta- Managing Director (w.e.f. March 20, 2018)
Capt. Unmesh Abhyankar- Director	
Key Management Personnel and their relatives	Mr Anand Vijay (Chief Financial Officer) (Resigned w.e.f. March 12, 2018)
	Mr Yogesh Dalal (Company Secretary)

Details of Related Party Transactions			₹ in Lacs	
Category	Name of Related Party	March 31, 2018	March 31, 2017	
Sales/ Services rendered	Adani Ports and Special Economic Zone Limited	6.02	246.04	
	Adani Enterprises Limited	5,135.36	5,787.38	
	Adani Hazira Port Private Limited	135.90	255.77	
	Adani Power Maharashtra Ltd	-	77.34	
	Adani Power Ltd	1.57	134.29	
	Adani Bunkering Private Limited	2.23	2.12	
	Mundra Solar PV Ltd	255.11	45.23	
	Adani Green Energy (UP) Limited	11.32	-	
	Prayatna Developers Pvt Ltd	35.93	31.71	
	Parampujya Solar Energy Private Limited	800.43	-	
	Wardha Solar (Maharashtra) Pvt Ltd	1.33	-	
	Adani Wilmar Limited	2,124.17	1,770.96	
	Adani Ports and Special Economic Zone Limited	1,529.15	2,070.18	
	Adani Enterprises Limited	160.45	488.02	
Purchases/ Services Availed	Adani Kandla Bulk Terminal Private Limited	4,504.49	5,620.62	
	The Dhamra Port Company Limited	1,445.59	1,622.19	
	Adani Hazira Port Private Limited	1,552.49	2,206.60	
	Adani Petronet (Dahej) Port Private Limited	1,459.88	3,481.20	
	Adani Murmugao Port Terminal Private Limited	35.29	61.90	
	Adani Kattupalli Port Pvt Ltd	0.69	-	
	Adani Ports and Special Economic Zone Limited	-	16,177.75	
Interest Paid	Adani Ports and Special Economic Zone Limited	-	11,692.79	
Interest received	Adani Infra (India) Limited	-	521.55	
	Adani Enterprises Limited	-	70.90	
Donation	Adani Foundation	46.79	3.93	
Rent expense	Adani Ports and Special Economic Zone Limited	1.95	24.42	
	Adani Infrastructure and Developers Private	28.12	130.27	
Other income	Adani Enterprises Limited	14.09	157,724.53	
Loan taken	Adani Ports and Special Economic Zone Limited	16,438.43	2,87,168.53	
Loan repaid	Adani Ports and Special Economic Zone Limited	2,740.00	34,000.00	
Loan given	Adani Enterprises Limited	-	34,000.00	
Loan received back	Adani Enterprises Limited	-	1,16,885.00	
	Adani Infra (India) Limited	-	266.64	
Remuneration of key managerial persons	Mr Anil Radhakrishnan	232.50	22.89	
	Mr Anand Vijay	23.99	24.77	
	Mr Yogesh Dalal	27.92		

Adani Logistics Limited

Notes to Financial statements for the year ended March 31, 2018

Outstanding balance as at the end of the year		₹ in Lacs	
Category	Name of Related Party	March 31,2018	March 31,2017
Trade receivable	Adani Ports and Special Economic Zone Limited	7.29	0.80
	Adani Enterprises Limited	2,366.26	3,118.61
	Adani Hazira Port Private Limited	34.67	33.49
	Adani Wilmar Limited	240.06	162.71
	Mundra Solar PV Ltd	272.16	44.73
	Prayatna Developers Pvt Ltd	54.26	38.94
	Adani Green Energy (UP) Limited	15.32	-
	Parampujya Solar Energy Private Limited	786.33	-
	Adani Bunkering Pvt Ltd	0.71	-
	Adani Power Mundra Limited	1.82	-
	Adani Power Maharashtra Ltd	-	13.28
Trade payable	Adani Ports and Special Economic Zone Limited	299.56	676.96
	Adani Enterprises Limited	131.21	485.93
	Adani Kandla Bulk Terminal Private Limited	1,079.05	2,020.16
	The Dhamra Port Company Limited	852.24	278.94
	Adani Hazira Port Private Limited	38.66	376.93
	Adani Petronet (Dahej) Port Private Limited	0.54	919.83
	Adani Murmugao Port Terminal Private Limited	14.22	-
	Mpsez Utilities Pvt. Ltd.	-	0.60
	Adani Wilmar Limited	0.81	0.81
	Adani Infrastructure And Developers Private Limited	18.99	7.16
Borrowings	Adani Ports and Special Economic Zone Limited	44,303.43	30,605.00
Interest accrued but not due	Adani Ports and Special Economic Zone Limited	-	7,942.69
Advances to Employees	Mr Anil Radhakrishnan	253.57	-
Advances to suppliers	Adani Murmugao Port Terminal Private Limited	-	15.06
	Adani Infra (India) Limited	-	7.16
	Adani Wilmar Limited	0.41	0.41
	The Dhamra Port Company Limited	39.97	-
	Adani Ports and Special Economic Zone Limited	0.60	-
Advances from customers	Parampujya Solar Energy Private Limited	-	34.69
	Wardha Solar (Maharashtra) Pvt Ltd	0.32	4.00
	Adani Green Energy (UP) Limited	2.60	-
	Adani Kandla Bulk Terminal Private Limited	9.23	-
	Adani Enterprises Limited	35.74	-
	Mpsez Utilities Pvt. Ltd.	0.60	-
	Adani Power Ltd	-	11.72

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

40 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

₹ in Lacs						
Particulars of liabilities arising from financing activity	Note No.	As at March 31, 2017	Net cash flows	Other changes *	Fair value adjustment on interest free inter corporate deposits	As at March 31, 2018
Long term borrowings	15	9,892.74	11,044.13	23,040.00	(4,810.76)	39,166.11
Short term borrowings	15	23,040.00	-	(23,040.00)	-	-
Loss on derivative swap contracts	16	39.69	(50.35)	10.66	-	-
Interest accrued on borrowings	16	7,970.73	(8,014.57)	3,038.04	(2,994.20)	-
Total		40,943.16	2,979.21	3,048.70	(7,804.96)	39,166.11

* The same relates to amount charged in statement of profit and loss accounts and reclassification of borrowings from short term to long term on accounts of change in borrowing terms.

41 Event occurred after the balance sheet date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 02,2018, the Company has entered into share purchase agreement on April 26, 2018 with Microgate Trading Company Private Limited for acquisition of 100% equity stake (69,10,880 equity shares of ₹ 10 each) of Blue Star Realtors Private Limited at a consideration of ₹ 2,414.00 lacs. Accordingly, Blue Star Realtors Private Limited has become wholly owned subsidiary of the Company w.e.f April 26, 2018.

For and on behalf of Board of Directors

Capt. Sandeep Mehta **Capt. Unmesh Abhyankar**
 Managing Director Director
 DIN: 00897409 DIN: 03040812

Yogesh Dalal
 Company Secretary

Place: Ahmedabad
Date: May 02, 2018