

**Adani Logistics Services Private
Limited**

**Financial Statements for the
FY - 2022-23**



Independent Auditor's Report

To the Members of Adani Logistics Services Private Limited Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Adani Logistics Services Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 41 of the accompanying financial statements, regarding the ongoing investigations of Securities and Exchange Board of India and the committee constituted by Hon'ble Supreme Court in respect of the matters more fully described in aforesaid note. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report
To the Members of Adani Logistics Services Private Limited

Management's Responsibility for the Standalone 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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To the Members of Adani Logistics Services Private Limited

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of 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, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';



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To the Members of Adani Logistics Services Private Limited

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- A. The Company has disclosed the impact of pending litigations as at 31st March 2023 on its financial position in its Standalone Financial Statements – Refer Note 35, 35.1 & 35.2 to the standalone financial statements;
 - B. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - C. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - D. (i) The management of the company has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management of the company has represented that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - E. The company has not declared or paid any dividend during the year.
 - F. The Ministry of Corporate Affairs (MCA) has amended the Rule 3 of Companies (Accounts) rules, 2014 by way of notification dated 31st March, 2022. Accordingly requirement to have accounting software with a feature of recording audit trail is extended till 1st April, 2023. Therefore, nothing is required to be reported under this para for the year under review.



DHARMESH PARIKH & CO LLP
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To the Members of Adani Logistics Services Private Limited

3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except for Director Sitting Fees. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad
Date : April 28, 2023

For, **DHARMESH PARIKH & CO LLP**
Chartered Accountants
Firm Reg. No: 112054W/W100725

Kanti Gothi
Partner
Membership No. 127664
UDIN - 23127664BGXOSA3517



Annexure - A to the Independent Auditor's Report
RE: Adani Logistics Services Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2023, we report that:

- i. a) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right of Use Assets.
- b) In our opinion and according to the information and explanation given to us and the records produced to us for our verification the company has maintained proper records showing full particulars of intangible assets.
- c) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the Company has a regular programme of physical verification of its Property, Plant and Equipment's by which all Property, Plant and Equipments are verified by the management in a phased manner. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Based on our verification, no material discrepancies were noticed on such verification.
- d) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) held by the company except for building constructed on ROU land for which no separate registration is required.
- e) According to the information and explanation given to us and the records produced to us for our verification, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of paragraph 3(i)(e) of the Order are not applicable.
- f) According to the information and explanation given to us and the records produced to us for our verification, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a) The Company being in the service industry carries inventory in the form of Stores and Spares only. Accordingly the provisions of paragraph 3 (ii) (a) of the Order are not applicable.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. In respect of Investments made, guarantees provided, security given, loans and advances in the nature of loans
 - a) According to the information and explanation given to us and the records produced to us for our verification, the company has granted loans to companies, firms, Limited Liability Partnerships or any other parties which is disclosed in the table below.



Annexure - A to the Independent Auditor's Report
RE: Adani Logistics Services Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

(INR in Lacs)

	Guarantees	Security	Loans
Aggregate amount granted during the year			(*)
- Subsidiaries	-	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others (Ultimate Parent Company)	-	-	31,092.00
Balance Outstanding as at the Balance Sheet date in respect of above cases			
- Subsidiaries/Fellow Subsidiary	-	-	2,992.61
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others (Ultimate Parent Company)	-	-	12,666.38

(*) Includes Perpetual Securities

- b) According to the information and explanation given to us and based on the audit procedures conducted by us, in our opinion, investments made, guarantees provided and securities given are not prejudicial to the company's interest.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, in our opinion, the schedule of repayment of principal and payment of interest has been stipulated, except for perpetual loan where the repayment is as per the discretion of the subsidiary company which has taken the loan, and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- d) According to the information and explanation given to us and on the basis of our examination of the records of the company, there is no amount overdue for more than ninety days in respect of loans given.
- e) According to the information and explanation given to us and on the basis of our examination of the records of the company, there were no loans which have fallen due during the year based on the tenure of the respective loan agreements.
- f) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. However it has provided loans in the nature of perpetual securities to its subsidiaries.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect to which Section 185 applies. According to the information and explanations given to us, the Company is engaged in the business of providing infrastructural facilities and accordingly the provisions of section 186 (except subsection (1) of Section 186) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with Section 186(1) of the Act in respect of Investments done.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.



Annexure - A to the Independent Auditor's Report
RE: Adani Logistics Services Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

- vi. As informed to us, the maintenance of cost records as prescribed by the Central Government under section 148(1) of the Act are not applicable to the company for the year under review.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, Goods and Service Tax, duty of customs, provident fund and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no statutory dues as referred in sub clause (a) as at 31st March 2023, which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*)	Amount paid under protest	Period to which the amount relates
			(INR in Lacs)		
Income Tax Act, 1961	Income Tax	Assessing Officer	4.49	-	FY 2017-18

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not surrendered or disclosed any transactions as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- ix. a) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- c) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised term loans during the year.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



Annexure - A to the Independent Auditor's Report
RE: Adani Logistics Services Private Limited

(Referred to in Paragraph 1 of our Report of even date)

- x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company
- b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review. Accordingly, the provisions of paragraph 3(x)(b) of the Order are not applicable.
- xi. a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- b) No report on any matter under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of Clauses 3 (xii) (a) to (c) of the Order are not applicable.
- xiii. As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013, wherever applicable, and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. a) According to the information and explanations given to us and on the basis of our examination of the records, we are of the opinion that the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.



Annexure - A to the Independent Auditor's Report
RE: Adani Logistics Services Private Limited

(Referred to in Paragraph 1 of our Report of even date)

- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of paragraph 3(xvi) (c) & (d) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

Place: Ahmedabad
Date : April 28, 2023

For, **DHARMESH PARIKH & CO LLP**
Chartered Accountants
Firm Reg. No: 112054W/W100725

Kanti Gothi
Partner
Membership No. 127664
UDIN - 23127664BGXOSA3517



Annexure – B to the Independent Auditor’s Report

RE: Adani Logistics Services Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Adani Logistics Services Private Limited** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

Management’s Responsibilities for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone 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.



Annexure – B to the Independent Auditor’s Report
RE: Adani Logistics Services Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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.

Place: Ahmedabad
Date : April 28, 2023

For, **DHARMESH PARIKH & CO LLP**
Chartered Accountants
Firm Reg. No: 112054W/W100725

Kanti Gothi
Partner
Membership No. 127664
UDIN - 23127664BGXOSA3517

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,337.84	12,827.86
Right-of-use assets	3(a)	250.84	267.56
Capital work-in-progress	3(b)	5,198.71	606.43
Intangible assets	3	279.36	345.61
Financial assets			
(i) Investments	4	8,301.42	9,040.12
(ii) Loans	5	12,666.38	9,880.14
(iii) Other financial assets	6	33.71	33.71
Other non-current assets	7	184.57	1,696.05
		40,252.83	34,697.48
Current assets			
Inventories	8	0.69	0.79
Financial assets			
(i) Trade receivables	9	3,230.90	3,377.54
(ii) Cash and cash equivalents	10	194.57	316.03
(iii) Bank balance other than (ii) above	11	984.64	966.50
(iv) Loans	5	5.40	6.20
(v) Other financial assets	6	650.39	168.62
Other current assets	7	1,907.79	942.85
		6,974.38	5,778.53
Total assets		47,227.21	40,476.01
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	18,301.37	18,301.37
Other equity	13	24,415.05	18,248.52
Total equity		42,716.42	36,549.89
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	14	280.14	291.29
Provisions	16	80.13	117.89
Deferred tax liabilities (net)	25	1,108.05	-
		1,468.32	409.18
Current liabilities			
Financial liabilities			
(i) Lease liabilities	14	11.15	10.37
(ii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		121.83	14.21
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,613.76	2,135.94
(iii) Other financial liabilities	15	898.63	984.10
Provisions	16	30.58	26.19
Other current liabilities	17	315.60	346.13
Liabilities for current tax (net)	25	50.92	-
		3,042.47	3,516.94
Total liabilities		4,510.79	3,926.12
Total equity and liabilities		47,227.21	40,476.01

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

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration number 112054W/W100725

For and on behalf of Board of Directors

Kanti Gothi
Partner
Membership No.: 127664

Amit Malik
Managing Director
DIN: 08397245

Vikram Jaisinghani
Director
DIN: 00286606

Mohan Khandelwal
Chief Financial Officer

Place: Ahmedabad
Date: April 28, 2023

Place: Ahmedabad
Date: April 28, 2023

ADANI LOGISTICS SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2023



₹ in Lacs

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	19	31,782.94	24,654.72
Other income	20	1,102.62	817.66
Total income		32,885.56	25,472.38
EXPENSES			
Operating expenses	21	21,061.08	15,739.96
Employee benefits expense	22	450.51	467.53
Finance costs	23	3.17	10.68
Depreciation and amortization expense	383(a)	1,967.85	2,378.28
Foreign Exchange (Gain) / Loss (net)		(0.90)	1.07
Other expenses	24	520.72	345.54
Total expense		24,002.43	18,943.06
Profit before exceptional items and tax		8,883.13	6,529.32
Exceptional items (Refer note 7 (b))		-	(283.12)
Profit before tax		8,883.13	6,246.20
Tax expense:	25		
Current tax		998.43	-
Deferred tax		1,106.68	-
Income tax expense		2,105.11	-
Profit for the year		6,778.02	6,246.20
Other comprehensive income/(Loss)			
Items that will not be reclassified to profit or loss in subsequent year			
Re-measurement Gain/(Loss) on defined benefit plans		4.70	(9.76)
Income tax effect (charge)		(1.37)	-
Total other comprehensive (Loss) for the year		3.33	(9.76)
Total comprehensive income for the year (net of tax)		6,781.35	6,236.44
Earning per share - (face value of ₹ 10 each) Basic and diluted (in ₹)	29	3.70	3.41

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

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration number 112054W/W100725

For and on behalf of Board of Directors

Kanti Gothi
Partner
Membership No.: 127664

Amit Malik
Managing Director
DIN: 08397245

Vikram Jaisinghani
Director
DIN: 00286606

Mohan Khandelwal
Chief Financial Officer

Place: Ahmedabad
Date: April 28, 2023

Place: Ahmedabad
Date: April 28, 2023

₹ in Lacs

Particulars	Equity share capital	Other Equity					Total
		Perpetual Debt	Reserves and Surplus				
			Retained earnings	Share Premium	General reserve	Capital reserve	
As on April 01, 2021	18,301.37	25,000.00	(27,738.70)	14,684.28	66.50	-	30,313.45
Profit for the year	-	-	6,246.20	-	-	-	6,246.20
Other comprehensive income							
Re-measurement (Loss) on defined benefit plans (net of tax)	-	-	(9.76)	-	-	-	(9.76)
Total comprehensive income for the year	-	-	6,236.44	-	-	-	6,236.44
As on March 31, 2022	18,301.37	25,000.00	(21,502.26)	14,684.28	66.50	-	36,549.89
Profit for the year	-	-	6,778.02	-	-	-	6,778.02
Other comprehensive income							
Re-measurement gain on defined benefit plans (net of tax)	-	-	3.33	-	-	-	3.33
Total comprehensive income for the year	-	-	6,781.35	-	-	-	6,781.35
Increase during the year	-	-	-	-	-	(614.82)	(614.82)
As on March 31, 2023	18,301.37	25,000.00	(14,720.91)	14,684.28	66.50	(614.82)	42,716.42

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

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration number 112054W/W100725

For and on behalf of Board of Directors

Kanti Gothi
Partner
Membership No.: 127664

Amit Malik
Managing Director
DIN: 08397245

Vikram Jaisinghani
Director
DIN: 00286606

Mohan Khandelwal
Chief Financial Officer

Place: Ahmedabad
Date: April 28, 2023

Place: Ahmedabad
Date: April 28, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash Flows from Operating Activities		
Net profit before Tax	8,883.13	6,246.20
Adjustments for:		
Depreciation and Amortisation Expense	1,967.85	2,378.28
Unclaimed Liabilities / Excess Provision Written Back	(10.73)	(0.03)
Finance Cost	3.17	10.68
Interest Income	(775.72)	(624.88)
Payment of Lease Charges	(24.75)	(33.00)
Loss on Sale / Discard of Property, Plant and Equipment (net)	(152.44)	(115.00)
Operating Profit before Working Capital Changes	9,890.51	7,862.25
Adjustments for :		
Decrease / (Increase) in Trade Receivables	146.63	(100.13)
Decrease / (Increase) in Inventories	0.10	(0.79)
(Increase) in Financial Assets	(6.91)	(3.50)
(Increase) in Other Assets	(964.93)	(282.23)
(Decrease) in Provisions	(28.67)	(7.89)
(Decrease) / Increase in Trade Payables	(403.83)	424.21
(Decrease) / Increase in Other Financial Liabilities	(71.09)	228.39
(Decrease) in Other Liabilities	(30.53)	(74.51)
Cash Generated from Operations	8,531.28	8,045.80
Direct Taxes paid (Net of Refunds)	(156.64)	(140.28)
Net Cash generated from Operating Activities	8,374.64	7,905.52
B Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	(6,291.62)	(5,310.50)
Proceeds from Sale of Property, Plant and Equipment	177.53	115.00
Loans given	(31,097.40)	(5,302.26)
Loans received back	28,311.96	1,856.64
Proceeds from Fixed Deposits (net) including Margin Money Deposits	(18.14)	123.03
Proceeds from unsecured perpetual debt instruments (refer note 4)	3.25	69.75
Proceeds from sale of investment in subsidiary	120.63	-
Interest Received	300.86	587.58
Net Cash used in Investing Activities	(8,492.93)	(7,860.76)
C Cash Flows from Financing Activities		
Interest & Finance Charges Paid	(3.17)	(4.84)
Net Cash used in Financing Activities	(3.17)	(4.84)
D Net increase in Cash and Cash Equivalents (A+B+C)	(121.46)	39.92
E Cash and Cash Equivalents at the Beginning of the year (refer note 10)	316.03	276.11
F Cash and Cash Equivalents at the End of the year (refer note 10)	194.57	316.03
Components of Cash & Cash Equivalents		
Balances with Scheduled Banks		
- In Current Accounts	194.57	316.03
Cash and Cash Equivalents at the End of the year	194.57	316.03

Notes:

- The Consolidated Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 - Statement of Cash Flows notified under Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 - Statement of Cash flows is presented under note 15(a).

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

For Dharmesh Parikh & Co. LLP

Chartered Accountants

Firm Registration number 112054W/ W100725

Kanti Gothi

Partner

Membership No.: 127664

For and on behalf of Board of Directors

Amit Malik

Managing Director

DIN: 08397245

Vikram Jaisinghani

Director

DIN: 00286606

Mohan Khandelwal

Chief Financial Officer

Place: Ahmedabad
Date: April 28, 2023

Place: Ahmedabad
Date: April 28, 2023

1 Corporate information

Adani Logistics Services Private Limited, subsidiary of Adani Logistics Limited ("ALL") 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 Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad Gujarat, 382421.

The financial statements were authorised for issue in accordance with a resolution of the directors on April 28, 2023.

2 Basis of preparation and presentation

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

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

In addition, the financial statements are presented in Indian Rupees 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 or
- Held primarily for the purpose of trading or
- 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 or
- It is held primarily for the purpose of trading or
- 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

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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.

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 property, plant and equipment 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.

Depreciation on additions to property, plant and equipment 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.

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.

The specific recognition criteria described below must also be met before revenue is recognized.

i) Rendering of services

Revenue from services are recognized in the accounting period in which the services are rendered on proportionate completion method basis based on services completed till reporting date. Revenue is recognized based on the actual service provided to the end of reporting period as a proportion of total services to be provided.

In cases, where the contracts include multiple contract obligations, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these prices are not directly observable, they are estimated based on expected cost plus margin.

The amount recognized as revenue is exclusive of goods & service tax where applicable.

ii) Dividend

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Interest Income

For all financial assets 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 with two decimal point.

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.

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) 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.

k) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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.

l) 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.

m) 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 including impairment on inventories, are recognised in the statement of profit and loss.

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.

n) 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.

o) 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.

p) 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 Management, 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.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (including those carried at amortised cost) (refer note 26)

q) 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.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets. Trade receivable that do not contain a significant financing component are initially recognised at transaction price.

Subsequent measurement

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

- > Debt instruments at amortised cost
- > 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 FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised 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.

Perpetual Debt

The Company invests in a subordinated perpetual debt, redeemable at the issuer's option, with a fixed coupon that can be deferred indefinitely if the issuer does not pay a dividend on its equity shares. The Company classifies these instruments as equity under Ind AS 32.

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 116
- 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 115

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 116

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Derecognition

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

r) 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.

s) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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 transfer 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.

t) New Standards, Interpretations and amendments adopted by the company

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended March 31, 2022, except for amendments to the existing Indian Accounting Standards (Ind AS). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Company applies, for the accounting periods beginning on or after 1 April 2022, that do not have material impact on the financial statements of the Company.

1. Accounting for proceeds before intended use (Ind AS 16, Property, Plant and Equipment)

The excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant and Equipment.

2. Determining costs to fulfil a contract (Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets)

The 2022 amendments clarify the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under:

- The incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. Reference to the Conceptual Framework for Financial Reporting (Ind AS 103, Business Combinations)

The 2022 amendments have substituted the reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards with the reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework), without changing the accounting requirements for business combinations.

4. Subsidiary as a first-time adopter of Ind AS (Ind AS 101, First-time Adoption of Indian Accounting Standards)

If a subsidiary, joint venture of associate (together termed as subsidiary) adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transitions to Ind AS.

5. Fees in the '10 per cent test' for derecognition of financial liabilities (Ind AS 109, Financial Instruments)

For the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

6. Taxation in fair value measurements (Ind AS 41, Agriculture)

The amendment removes the requirement to exclude cash flows for taxation when measuring fair value and thereby aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, Fair Value Measurement.

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 25).

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.

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ADANI LOGISTICS SERVICES PRIVATE LIMITED

Notes to the Standalone Financials Statements for the year ended March 31, 2023

Note 3 - Property, plant and equipment and intangible assets



₹ in Lacs

Particulars	Property, plant and equipment							Intangible assets		
	Building	Computer Hardware	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Total	Software	Railway licence	Total
Cost										
As at April 01, 2021	189.64	60.72	35.25	17,079.02	54.73	5.56	17,424.92	29.37	537.50	566.87
Additions	-	16.95	-	3842.88	-	-	3,859.83	40.99	0.00	40.99
Deductions/Adjustment	-	-	-	(455.09)	-	(5.56)	(460.65)	-	-	-
As at March 31, 2022	189.64	77.67	35.25	20,466.81	54.73	-	20,824.10	70.36	537.50	607.86
Additions	-	7.15	0.97	2,419.58	-	-	2,427.70	8.98	-	8.98
Deductions/Adjustment	-	-	-	(461.78)	-	-	(461.78)	-	-	-
As at March 31, 2023	189.64	84.82	36.22	22,424.61	54.73	-	22,790.02	79.34	537.50	616.84
Accumulated Depreciation										
As at April 01, 2021	15.09	48.95	31.36	6,007.86	19.86	3.59	6,126.71	10.43	182.97	193.40
Depreciation for the year	5.03	5.11	1.51	2,286.11	6.30	1.20	2,305.26	7.16	61.70	68.86
Deductions/(Adjustment)	-	-	-	(430.94)	-	(4.79)	(435.73)	-	-	-
As at March 31, 2022	20.12	54.06	32.87	7,863.03	26.16	-	7,996.24	17.59	244.67	262.26
Depreciation for the year	5.03	8.21	0.89	1,872.21	6.29	-	1,892.63	13.52	61.70	75.22
Deductions/(Adjustment)	-	-	-	(436.69)	-	-	(436.69)	-	-	-
As at March 31, 2023	25.15	62.27	33.76	9,298.55	32.45	-	9,452.18	31.11	306.37	337.48
Net Block										
As at March 31, 2022	169.52	23.61	2.38	12,603.78	28.57	-	12,827.86	52.77	292.83	345.61
As at March 31, 2023	164.49	22.55	2.46	13,126.06	22.28	-	13,337.84	48.23	231.13	279.36

Notes to the Standalone Financials statements for the year ended March 31, 2023

Note 3(a) - Right-of-use assets

₹ in Lacs

Particulars	Land
Cost	
As at April 01, 2021	336.42
Additions	-
As at March 31, 2022	336.42
Additions	-
As at March 31, 2023	336.42
Accumulated Depreciation	
As at April 1, 2021	52.14
Depreciation for the year	16.72
As at March 31, 2022	68.86
Depreciation for the year	16.72
As at March 31, 2023	85.58
Net Block	
As at March 31, 2022	267.56
As at March 31, 2023	250.84

Note:

(a) Depreciation of ₹ 16.72 lacs (previous year ₹ 4.16 lacs) on lease land has been allocated to Capitalisation / Capital Work-in-progress.

ADANI LOGISTICS SERVICES PRIVATE LIMITED

Note - 3(b) Capital work-in-progress

Notes to the Standalone Financials statements for the year ended March 31, 2023



Capital Work-in-Progress (CWIP)

₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Opening	606.43	55.64
Additions during the year	7,028.96	4,451.61
Capitalised during the year	(2,436.68)	(3,900.82)
Closing	5,198.71	606.43

Capital Work-in-Progress (CWIP) Ageing

As at March 31, 2023

₹ in Lacs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,632.31	551.55	14.85	-	5,198.71
Total	4,632.31	551.55	14.85	-	5,198.71

No Projects whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2022

₹ in Lacs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	579.48	26.95	-	-	606.43
Total	579.48	26.95	-	-	606.43

No Projects whose completion is overdue or has exceeded its cost compared to its original plan

ADANI LOGISTICS SERVICES PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2023


4 Investments
Non current
Investment in equity shares of subsidiary (valued at cost)

NIL (As at March 31,2022 - 50,000) fully paid Equity Shares of ₹ 10 each of Adani Forwarding Agent Private Limited

50,000 (As at March 31,2022 - 50,000) fully paid Equity Shares of ₹ 10 each of Adani Noble Private Limited

9,60,000 (As at March 31,2022 - 9,60,000) fully paid Equity Shares of ₹ 10 each of Adani Logistics Infrastructure Private Limited

NIL (As at March 31,2022 - 9,60,000) fully paid Equity Shares of ₹ 10 each of Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited)

Investment in Unsecured Perpetual debt instruments of subsidiary/fellow subsidiary Companies (valued at cost) (refer note - 1)

Adani Forwarding Agent Private Limited

Adani Noble Private Limited

Adani Logistics Infrastructure Private Limited

Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited)

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	-	5.00
	4,565.11	4,565.11
	743.70	743.70
	-	730.45
	-	3.25
	2,943.61	2,943.61
	24.00	24.00
	25.00	25.00
	8,301.42	9,040.12

Note: 1 These instruments are perpetual in nature with no maturity or redemption and are callable only at the option of investee Companies.

5 Loans (Unsecured & considered good)
Non current

Loans to related parties (refer note 34) (refer note (a) below)

Current

Loans to related parties (refer note 34)

Loans to Employees

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	12,666.38	9,880.14
	12,666.38	9,880.14
	-	6.20
	5.40	-
	5.40	6.20

Notes:

(a) The inter corporate deposits given in various installment to Adani Ports & Special Economic Zone Limited carries interest rate of 7.50% p.a.

6 Other financial assets
Non current

Security and other deposits

Current

Security and other deposits

Interest accrued on deposits and loans

Advance to employees

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	33.71	33.71
	33.71	33.71
	22.22	14.89
	628.10	153.24
	0.07	0.49
	650.39	168.62

7 Other Assets

Capital Advances

Taxes recoverable (Net of provision for taxation)

Balances with Government authorities

Prepaid Expenses

Contract Assets (refer note (a) below)

Advances recoverable other than in cash

	Non-current portion		Current portion	
	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	181.73	902.34	-	-
	2.84	793.71	-	-
	-	-	1,711.45	672.46
	-	-	15.57	21.36
	-	-	59.32	157.30
	-	-	121.45	91.73
	184.57	1,696.05	1,907.79	942.85

Notes:

(a) Contract assets are the right to consideration in exchange for goods and services transferred to the customer. Contract assets are initially recognised for revenue earned from logistics operation services as receipt of consideration is conditional on successful completion of services. Upon completion of services and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

(b) On September 23, 2021 DGFT issued a notification, which restricts the Company's eligibility for SEIS benefits and also restricts the benefit up to ₹ 500 Lacs per entity for FY 2019-20, pursuant to which the SEIS receivable amounting to ₹ 283.12 Lacs pertaining to Financial year 2020-21 has been written off during the year and is shown as exceptional item.

ADANI LOGISTICS SERVICES PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2023


8 Inventories (At lower of cost and net realisable value)

Stores and spares

As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
0.69	0.79
0.69	0.79

9 Trade receivables
Current
Unsecured stated otherwise

Considered good

Considered doubtful

Less: Allowance for doubtful debts

As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
3,158.07	3,167.84
698.14	835.01
3,856.21	4,002.85
(625.31)	(625.31)
3,230.90	3,377.54

(Trade receivables includes receivable from related parties and considered good) (refer note 34)

Note:

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

b) Trade receivables ageing
As at March 31, 2023

₹ in Lacs

Sr No	Particulars	No Due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	914.96	1,382.51	827.28	21.91	8.85	2.56	3,158.07
2	Disputed Trade receivables - Considered doubtful	-	-	-	-	-	698.14	698.14
	Sub Total	914.96	1,382.51	827.28	21.91	8.85	700.70	3,856.21
	Less Allowance for doubtful debts							(625.31)
	Total							3,230.90

As at March 31, 2022

₹ in Lacs

Sr No	Particulars	No Due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	1,201.24	1,707.70	102.08	153.04	3.79	-	3,167.84
2	Disputed Trade receivables - Considered doubtful	-	-	-	-	55.00	780.01	835.01
	Sub Total	1,201.24	1,707.70	102.08	153.04	58.79	780.01	4,002.85
	Less Allowance for doubtful debts							(625.31)
	Total							3,377.54

10 Cash and cash equivalents
Balances with banks:

Balance in current account

As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
194.57	316.03
194.57	316.03

11 Bank balances other than cash and cash equivalents

Margin money deposits (refer note below)

As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
984.64	966.50
984.64	966.50

Note: Pledged/lien against bank guarantees.

12 Equity share capital
Authorised

18,50,00,000 (Previous year 18,50,00,000) Equity Shares of ₹ 10 each

Issued, subscribed and fully paid up shares

18,30,13,685 (Previous year 18,30,13,685) Equity Shares of ₹ 10 each

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	18,500.00	18,500.00
	18,500.00	18,500.00
	18,301.37	18,301.37
	18,301.37	18,301.37

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

	March 31, 2023		March 31, 2022	
	No in Lacs	₹ in Lacs	No in Lacs	₹ in Lacs
At the beginning of the year	1,830.14	18,301.37	1,830.14	18,301.37
Add: Issue of equity Share during the year	-	-	-	-
At the end of the year	1,830.14	18,301.37	1,830.14	18,301.37

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Parent Company

Out of equity shares issued by the Company, shares held by its parent Company is as below

Adani Logistics Limited and its nominee

18,0085,385 (Previous year 18,0085,385) Equity Shares of ₹ 10 each

	As at March 31, 2023 No in Lacs	As at March 31, 2022 No in Lacs
	1,800.85	1,800.85

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

Particulars	As at March 31, 2023 No in Lacs	As at March 31, 2022 No in Lacs
	Equity shares of ₹ 10 each fully paid	
Adani Logistics Limited and its nominee	1,800.85	1,800.85
% holding	98.40%	98.40%

(e) Details of shareholding of Promoters as at March 31, 2023

Promoter name	No. of Shares (In Lacs)	% of total shares	% Change during the year
Adani Logistics Limited and its nominee	1,800.85	98.40%	-

Details of shareholding of Promoters as at March 31, 2022

Promoter name	No. of Shares (In Lacs)	% of total shares	% Change during the year
Adani Logistics Limited	1,800.85	98.40%	-

13 Other equity
(a) Retained Earnings

At the beginning of the year

Add : Profit for the year

Less: Re-measurement gain/(loss) on defined benefit plans (net of tax)

At the end of the year

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.

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
	(21,502.26)	(27,738.70)
	6,778.02	6,246.20
	3.33	(9.76)
	(14,720.91)	(21,502.26)

(b) Security premium

 At the beginning of the year
 At the end of the year

14,684.28	14,684.28
14,684.28	14,684.28

Note:

Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.

(c) Capital reserve

 At the beginning of the year
 Addition during the year
 At the end of the year

-	-
(614.82)	-
(614.82)	-

Note:

The Company sold their investments in equity shares of Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited) to Adani Ports and Special Economic Zone Limited, ultimate parent Company, at a consideration of ₹ 115.63 lacs on December 16, 2022. This being a transaction with entities under common control, loss of ₹ 614.82 lacs on disposal has been accounted in the statement of changes in equity, as transactions with owners as in their capacity of owners.

(d) Other reserves
General reserve

 At the beginning of the year
 At the end of the year

66.50	66.50
66.50	66.50

Note:

The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(e) Shareholder loan in the nature of perpetual debt

 At the beginning of the year
 At the end of the year

25,000.00	25,000.00
25,000.00	25,000.00

Note:

The Company has issued Unsecured Perpetual Debt to Adani Logistics Limited (Parent Entity). This debt is perpetual in nature with no maturity or redemption and is repayable only at the option of the borrower. The distribution on this debt is non-cumulative and at the discretion of the borrower at the rate of 7.50% p.a. where the borrower has an unconditional right to defer the same. As this debt is perpetual in nature and ranked senior only to the Share Capital of the borrower and the borrower does not have any redemption obligation, this is considered to be in the nature of equity instruments. This Unsecured Perpetual Debt have accordingly been presented as Instruments entirely equity in nature.

Other equity [(a)+(b)+(c)+(d)]

24,415.05	18,248.52
------------------	------------------

14 Lease liabilities

Particulars	Non-current portion		Current portion	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Lease Liabilities (refer note (a) below)	280.14	291.29	11.15	10.37
	280.14	291.29	11.15	10.37

Note:

(a) The Company has entered into long term land lease agreement for land measuring 36.13 acres at Kanech in the district of Ludhiana with Adani Noble Private Limited for setting up developing and operating a railway siding terminal and inland container depot(ICD) and other logistics related services. The lease rent terms are for the period of 25 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has paid ₹ 33.00 lacs (Previous year : ₹ 33.00 lacs) during the year towards minimum lease payment (MLP).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

Particulars	₹ in Lacs			
	As at March 31, 2023		As at March 31, 2022	
	Total minimum lease payments	Present Value of minimum lease payments	Total minimum lease payments	Present Value of minimum lease payments
Within one year	33.00	30.70	33.00	30.70
After one year but not later than five years	132.00	102.82	132.00	102.82
More than five years	330.00	157.77	363.00	168.14
Total minimum lease payments	495.00	291.29	528.00	301.66
Less: Amounts representing finance charges	(203.71)		(226.34)	
Present value of minimum lease payments	291.29	291.29	301.66	301.66

15 Other financial liabilities
Current

 Deposits from customers
 Capital creditors, retention money and other payable

	As at March 31, 2023	As at March 31, 2022
	₹ in Lacs	₹ in Lacs
Deposits from customers	0.02	5.00
Capital creditors, retention money and other payable	898.61	979.10
	898.63	984.10

ADANI LOGISTICS SERVICES PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2023


Note:

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

As at March 31, 2023

₹ in Lacs

Particulars of liabilities arising from financing activity	Note No.	As at April 01 2022	Net cash flows	Other changes	As at March 31, 2023
Interest & Finance Charges	23	-	(3.17)	3.17	-
Total		-	(3.17)	3.17	-

As at March 31, 2022

₹ in Lacs

Particulars of liabilities arising from financing activity	Note No.	As at April 01, 2021	Net cash flows	Other changes	As at March 31, 2022
Interest & Finance Charges	23	-	(4.84)	4.84	-
Total		-	(4.84)	4.84	-

16 Provisions
Particulars

Provision for gratuity (refer note 31)
Provision for compensated absences

Particulars	Non-current portion		Current portion	
	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
Provision for gratuity (refer note 31)	60.06	82.57	20.19	15.72
Provision for compensated absences	20.07	35.32	10.39	10.47
Total	80.13	117.89	30.58	26.19

17 Other Liabilities
Current

Contract Liabilities (refer note (i) below)
Statutory liabilities

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
Contract Liabilities (refer note (i) below)	132.14	139.87
Statutory liabilities	183.46	206.26
Total	315.60	346.13

Note:

(i) Contract liabilities include advances received to deliver logistic services and transaction price allocated to unsatisfied performance obligation in respect of logistic services.

18 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer Note 32)
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at March 31, 2023 ₹ in Lacs	As at March 31, 2022 ₹ in Lacs
Total outstanding dues of micro enterprises and small enterprises (refer Note 32)	121.83	14.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,613.76	2,135.94
Total	1,735.59	2,150.15

(Trade payables includes amount payable to related parties (refer Note 34))

Note:

(a) Trade Payables ageing schedule is as below

As at March 31, 2023

₹ in Lacs

Sr No	Particulars	No Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	121.83	-	-	-	-	121.83
2	Others	1,212.18	396.13	5.30	0.15	-	1,613.76
	Total	1,334.01	396.13	5.30	0.15	-	1,735.59

As at March 31, 2022

₹ in Lacs

Sr No	Particulars	No Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	14.21	-	-	-	-	14.21
2	Others	1,782.29	308.90	0.25	40.91	3.59	2,135.94
	Total	1,796.50	308.90	0.25	40.91	3.59	2,150.15

19 Revenue from operations

Income from Port Operations (including related infrastructure)
Logistics Services
Other operating income

	For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
Income from Port Operations (including related infrastructure)	7,063.29	5,734.61
Logistics Services	23,974.63	18,325.56
Other operating income	745.02	594.55
Total	31,782.94	24,654.72

Note:

a) Reconciliation of revenue recognised with contract price:

Particulars
Contract Price

Adjustment for:

Change in value of Contract assets

Change in value of Contract liabilities

Revenue from Contract with Customers

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
31,873.19	24,609.17
(97.98)	39.63
7.73	5.92
31,782.94	24,654.72

20 Other income
Interest income on

Bank deposits

Inter corporate deposits and others

Income tax refund

Unclaimed liabilities / excess provision written back

Profit on sale / disposal of assets (net)

Scrap sale

Miscellaneous income

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
30.50	32.31
687.48	571.48
57.74	21.09
10.73	0.03
152.44	115.00
40.41	11.70
123.32	66.05
1,102.62	817.66

21 Operating expenses

Railway operating expenses

Cargo freight and transportation expenses

Repairs to plant & machinery

Power & fuel

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
15,859.99	12,526.73
5,064.89	3,101.26
90.06	73.28
46.14	38.69
21,061.08	15,739.96

22 Employee benefit expense

Salaries and wages

Contribution to provident and other funds

Gratuity (refer note 31)

Staff welfare expenses

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
407.30	423.25
18.99	21.67
14.45	14.86
9.77	7.75
450.51	467.53

23 Finance costs
Interest on

Term loans

Asset taken on lease

Bank and other finance charges

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
-	0.01
-	5.84
3.17	4.83
3.17	10.68

24 Other expenses

Rent

Rates and taxes

Insurance (net of reimbursement)

Advertisement and publicity

Other repairs and maintenance

Legal and professional expenses

Payment to auditors (refer note 1 below)

Security expenses

Communication expenses

Office expenses

Travelling and conveyance

Directors sitting fee

Charity & donations (refer note 2 below)

Miscellaneous expenses

For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
14.81	13.05
13.82	-
36.76	46.44
1.98	18.05
143.79	16.83
109.26	43.44
8.55	8.50
-	2.56
12.91	12.79
2.63	3.23
11.89	15.74
3.10	3.00
83.54	27.00
77.68	134.91
520.72	345.54

Note: 1
Payment to auditor
As auditor

Audit fee

In other capacity

Certification Fees

	For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
	8.50	8.50
	0.05	-
	8.55	8.50

Note: 2
Details of Expenditure on Corporate Social Responsibilities

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 ₹ 83.54 lacs (previous year ₹ 27.00 lacs)

b) Amount spent during the year ended

March 31, 2023

- Construction/acquisition of any asset
- On purposes other than (i) above

Total

₹ in Lacs	Yet to be paid in cash	Total ₹ in Lacs
-	-	-
83.54	-	83.54
83.54	-	83.54

Nature of CSR activities

Promoting Health Care, and Education

March 31, 2022

- Construction/acquisition of any asset
- On purposes other than (i) above

Total

-	-	-
27.00	-	27.00
27.00	-	27.00

Nature of CSR activities

COVID support- PM CARES Fund, COVID support – CM Relief Fund, Promoting Health Care, Eradicating hunger, poverty and malnutrition, promoting health care, COVID 19 expense, Ensuring environmental sustainability, Education and Social development

Details of Related party transactions

Contribution / Donation to related party (Refer note 34)

The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
	83.54	27.00
	-	-

25 Income Tax

The major component of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are as under

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

Current income tax charge

Deferred tax

Relating to origination and reversal of temporary differences

Tax expense reported in statement of profit and loss
Tax on other comprehensive income ('OCI')

Deferred tax related to items recognised in OCI during the year

Tax impact on re-measurement loss on defined benefit plans

Tax expense reported in OCI

	For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
	998.43	-
	1,106.68	-
	2,105.11	-
	1.37	-
	1.37	-

b) Balance Sheet section

Taxes recoverable (net)

Less: Liabilities for current tax (net)

	For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
	2.84	793.71
	(50.92)	-
	(48.08)	793.71

Note : Liabilities for current tax (net) and taxes recoverable (net) are presented based on year-wise tax balances, as the case may be.

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022

	For the year ended March 31, 2023 ₹ in Lacs	For the year ended March 31, 2022 ₹ in Lacs
Accounting profit before taxation	8,883.13	6,246.20
Tax rate	29.12%	26.00%
Tax using the Company's domestic rate	2,586.77	1,624.01
Tax effect of:		
Permanent expense disallowance	12.16	2.60
Income not chargeable to tax included in statement of profit and loss	(44.39)	-
Recognition of deferred tax for previous period	1,206.34	-
Effect of previously unrecognised tax losses and unutilised tax credits used to reduce tax expense	(1,655.77)	(1,626.61)
Effective tax rate	23.70%	-
Tax expenses as per statement of profit and loss	2,105.11	-

d) Deferred tax liability / Deferred tax asset

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Deferred tax liabilities				
Accelerated depreciation for tax purpose	1,345.56	1,553.88	(208.32)	1,553.88
Right of use of assets	73.04	66.29	6.75	66.29
Gross deferred tax liabilities	1,418.60	1,620.17	(201.57)	1,620.17
Deferred tax asset				
Expenditure disallowed u/s 43B of the Income Tax Act, 1961	35.98	41.14	5.16	41.14
Unabsorbed depreciation/ business loss under the Income Tax Act, 1961	-	1,548.63	1,548.63	1,548.63
Provision for doubtful debt	189.75	-	(189.75)	-
Lease liability	84.82	78.43	(54.42)	30.40
Gross deferred tax assets	310.55	1,668.20	1,309.62	1,620.17
Limited to the value of gross deferred tax liabilities		1,620.17		
Net deferred tax liabilities / (asset) (refer note below)	1,108.05	-	1,108.05	-

Note : In accordance with Ind AS 12 'Income Taxes', in absence of probable future taxable profit, deferred tax assets have been recognised to the extent of deferred tax liability in financial year 2021-22.

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

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Deferred tax liabilities (net)	1,108.05	-
	1,108.05	-

f) Reconciliation of deferred tax liabilities (net)

	March 31, 2023 ₹ in Lacs	March 31, 2022 ₹ in Lacs
Tax expense during the period recognised in profit and loss	1,106.68	-
Tax expense during the period recognised in OCI	1.37	-
	1,108.05	-

26 Fair Value Measurement
a) The carrying value of financial instruments by categories as of March 31, 2023 is as follows :

Particulars	₹ in Lacs			
	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer note (1) below)	Total
Financial asset				
Investments *	-	-	-	-
Trade receivables	-	-	3,230.90	3,230.90
Cash and cash equivalents	-	-	194.57	194.57
Other bank balance	-	-	984.64	984.64
Loans	-	-	12,671.78	12,671.78
Others financial assets	-	-	684.10	684.10
	-	-	17,765.99	17,765.99
Financial liabilities				
Trade payables	-	-	1,735.59	1,735.59
Other financial liabilities	-	-	898.63	898.63
Lease liabilities	-	-	291.29	291.29
	-	-	2,925.51	2,925.51

b) The carrying value of financial instruments by categories as of March 31, 2022 is as follows :

₹ in Lacs				
Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Amortised Cost (refer note (1) below)	Total
Financial asset				
Investments *	-	-	-	-
Trade receivables	-	-	3,377.54	3,377.54
Cash and cash equivalents	-	-	316.03	316.03
Other bank balance	-	-	966.50	966.50
Loans	-	-	9,886.34	9,886.34
Others financial assets	-	-	202.33	202.33
	-	-	14,748.74	14,748.74
Financial liabilities				
Trade payables	-	-	2,150.15	2,150.15
Other financial liabilities	-	-	984.10	984.10
Lease liabilities	-	-	301.66	301.66
	-	-	3,435.91	3,435.91

Note:

(1) Carrying amounts of cash and cash equivalents, trade receivables, investments, unbilled revenues, loans, trade payables and other payables as at March 31, 2023 and March 31, 2022 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.

* Excludes group Company investments [₹ 8,301.42 lacs (previous year ₹ 9,040.12 lacs)] measured at cost. (refer note 4).

27 Financial Risk Management objective and policies

The Company's principal financial liabilities other than derivatives, comprise loans and borrowings, trade and other payables, and other financial liabilities. 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 Company does not have any long-term debt obligations having floating interest rates as at year ended March 31, 2023 and March 31, 2022.

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.

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.

₹ in Lacs						
As at March 31, 2023						
Particulars	Refer note	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Value
Other financial liabilities	15	898.63	-	-	898.63	898.63
Lease Liabilities	14	33.00	132.00	330.00	495.00	291.29
Trade and other payables	18	1,735.59	-	-	1,735.59	1,735.59
		2,667.22	132.00	330.00	3,129.22	2,925.51
As at March 31, 2022						
Particulars	Refer note	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Value
Other financial liabilities	15	984.10	-	-	984.10	984.10
Lease Liabilities	14	33.00	132.00	363.00	528.00	301.66
Trade and other payables	18	2,150.15	-	-	2,150.15	2,150.15
		3,167.25	132.00	363.00	3,662.25	3,435.91

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments.

28 Capital management

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

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

Particulars	Refer note	₹ in Lacs	
		March 31, 2023	March 31, 2022
Total Borrowings		-	-
Less: Cash and bank balance	10 & 11	1,179.21	1,282.53
Net Debt (A)		(1,179.21)	(1,282.53)
Total Equity (B)	12 & 13	42,716.42	36,549.89
Total Equity and Net Debt (C = A + B)		41,537.21	35,267.36
Gearing ratio (A/C)		-	-

29 Earnings per share

Profit attributable to equity shareholders of the company (₹ in Lacs)

Weighted average number of equity shares (No. in lacs)

Basic and Diluted earning per share (in ₹)

	March 31, 2023	March 31, 2022
	₹ in Lacs	₹ in Lacs
Profit attributable to equity shareholders of the company (₹ in Lacs)	6,778.02	6,246.20
Weighted average number of equity shares (No. in lacs)	1,830.14	1,830.14
Basic and Diluted earning per share (in ₹)	3.70	3.41

30 Segment information

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.

31 Disclosures as required by Ind AS - 19 Employee Benefits

- a) The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 18.95 lacs (previous year ₹ 20.44 lacs) as expenses under the following defined contribution plan.

Contribution to	₹ in Lacs	
	2022-23	2021-22
Provident Fund	18.95	20.44
Total	18.95	20.44

- b) 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 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	
	2022-23	2021-22
Present value of the defined benefit obligation at the beginning of the year	98.29	102.25
Current service cost	8.16	8.01
Interest cost	6.29	6.85
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(1.51)	0.53
- change in financial assumptions	(13.16)	11.62
- experience variance	9.97	(2.40)
Benefits paid	(20.77)	(28.59)
Liability Transfer (Out)	(7.02)	-
Present value of the defined benefit obligation at the end of the year	80.25	98.29

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

Contribution to	₹ in Lacs	
	2022-23	2021-22
Present value of the defined benefit obligation at the end of the year	80.25	98.29
Amount recognised in the balance sheet	(80.25)	(98.29)
Net (liability)/asset	(80.25)	(98.29)

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

Particulars	₹ in Lacs	
	2022-23	2021-22
Current service cost	8.16	8.01
Interest cost on benefit obligation	6.29	6.85
Total Expense included in employee benefits expense	14.45	14.86

d) Recognised in the other comprehensive income for the year

₹ in Lacs

Particulars	2022-23	2021-22
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(1.51)	0.53
- change in financial assumptions	(13.16)	11.62
- experience variance	9.97	(2.40)
Recognised in comprehensive income	(4.70)	9.76

e) Maturity profile of Defined Benefit Obligation

Particulars	2022-23	2021-22
Weighted average duration (based on discounted cashflows)	5 years	8 years

f) Quantitative sensitivity analysis for significant assumption is as below
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 parent all other assumptions constant.

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

Particulars	March 31, 2023		March 31, 2022	
	Discount rate			
Assumptions	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(3.85)	4.25	(7.08)	8.12

Particulars	March 31, 2023		March 31, 2022	
	Salary Growth rate			
Assumptions	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	4.17	(3.85)	7.80	(6.95)

Particulars	March 31, 2023		March 31, 2022	
	Attrition rate			
Assumptions	50% Increase of attrition rate	50% Decrease of attrition rate	50% Increase of attrition rate	50% Decrease of attrition rate
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(1.23)	2.20	(5.04)	8.39

Particulars	March 31, 2023		March 31, 2022	
	Mortality rate			
Assumptions	10% Increase	10% Decrease	10% Increase	10% Decrease
Sensitivity level	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Impact on defined benefit obligations	(0.01)	-	(0.04)	0.04

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.50%	6.90%
Rate of escalation in salary (per annum)	8.50%	10.00%
Mortality	Indian assured mortality table 2012-14	Indian assured mortality table 2012-14
Attrition rate	14.60%	9.11%

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.

h) The expected cash flows of defined benefit Obligation over future periods (Valued on Undiscounted Basis)

₹ in Lacs

Particulars	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	20.19	15.72
2 to 5 years	37.98	35.83
6 to 10 years	31.94	35.91
More than 10 years	36.57	101.68
Total Expected Payments	126.68	189.14

- 32 Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2023

Sr No	Particulars	₹ in Lacs	
		Year ended March 31, 2023	Year ended March 31, 2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	121.83	14.21
	Interest	-	-
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

33 Unhedged foreign currency exposure

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

Nature	As at March 31, 2023		As at March 31, 2022	
	Amount ₹ in Lacs	Foreign Currency In Million	Amount ₹ in Lacs	Foreign Currency In Million
Trade payables	-	-	106.00	USD 0.14

Closing rates as at March 31, 2022:

INR / USD = ₹ 75.79

INR / EURO = ₹ 84.22

34 Related Party Disclosure

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2023 for the purposes of reporting as per IND AS 24 – Related Party Transactions, which are as under:

Particulars	Name of Company
Ultimate Parent Company	Adani Ports and Special Economic Zone Limited
Parent Company	Adani Logistics Limited
Wholly owned Subsidiary Companies	Adani Noble Private Limited
	Adani Forwarding Agent Private Limited (till October 09, 2022)
	Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited) (till December 15, 2022)
	Adani Logistics Infrastructure Private Limited
Fellow Subsidiary	Adani Murmugao Port Terminal Limited
	Adani Forwarding Agent Private Limited (w.e.f October 10, 2022)
	Dighi Port Limited
	Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited) (w.e.f December 16, 2022)
Entities over which (i) Key Management Personnel and their relatives & (ii) entities having significant influence over the Company have control or are under significant influence through voting powers	Shanti Sagar International Dredging Limited
	Adani Bunkering Private Limited
	Adani Digital Lab Private Limited
	Adani Enterprises Limited
Key Management Personnel	Adani Wilmar Limited
	Adani Foundation
	Mr. Amit Malik (Managing Director)
	Mr. Vikram Jaisinghani (Director)
	Mrs. Maitri Mehta (Director)
	Mr. Jay Shah (Director)
Mr. Mohan Khandelwal (Chief Financial Officer)	
Mr. Pawan Kumar Yadav (Company Secretary) (till February 28, 2023)	

Notes:

(i) The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(ii) Aggregate of transactions for the year ended with these parties have been given below.

ADANI LOGISTICS SERVICES PRIVATE LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2023


Details of Related Party Transactions

₹ in Lacs

Category	Relationship	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales/ Services rendered	Parent Company	Adani Logistics Limited	736.94	594.55
	Other Entity	Adani Bunkering Private Limited	7.85	6.30
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	2,404.89	2,634.69
	Fellow Subsidiary	Adani Forwarding Agent Private Limited	109.51	-
	Other Entity	Adani Wilmar Limited	-	51.37
	Fellow Subsidiary	Shanti Sagar International Dredging Limited	0.35	2.56
	Other Entity	Adani Enterprises Limited	1,389.16	1,712.40
	Fellow Subsidiary	Dighi Port Limited	-	15.28
	Fellow Subsidiary	Adani Murmugao Port Terminal Limited	1,250.00	900.00
Purchases/ Services Availed	Parent Company	Adani Logistics Limited	1,657.49	1,383.84
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	2.48	-
	Other Entity	Adani Enterprises Limited	100.22	26.83
Rent Expenses	Subsidiary Companies	Adani Noble Private Limited	33.00	33.00
Interest received	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	687.49	571.47
Other Income	Other Entity	Adani Enterprises Limited	-	1.79
	Fellow Subsidiary	Shanti Sagar International Dredging Limited	2.48	0.08
Loan given	Key Management Personnel	Pawan Kumar Yadav	-	7.50
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	31,092.00	22,004.50
Loan received back	Key Management Personnel	Pawan Kumar Yadav	6.20	1.30
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	28,305.76	18,560.64
Perpetual loan Given	Fellow Subsidiary	Adani Forwarding Agent Private Limited	-	0.25
Donation	Other Entity	Adani Foundation	83.54	27.00
Perpetual loan received back	Subsidiary Companies	Adani Noble Private Limited	-	70.00
	Subsidiary Companies	Adani Forwarding Agent Private Limited	3.25	-
Sale of Investment	Parent Company	Adani Logistics Limited	5.00	-
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	115.63	-
Compensation of Key Management Personnel				
a) Short-term benefits		Pawan Kumar Yadav	37.09	26.69
b) Post-employment benefits	Key Management Personnel	Pawan Kumar Yadav	10.07	1.76
c) Other long-term benefits		Pawan Kumar Yadav	3.58	-
Director sitting fees	Key Management Personnel	Mrs. Maitri Mehta Mr. Jay Shah	1.50 1.60	1.50 1.50

Outstanding balance as at the end of the year

₹ in Lacs

Category	Relationship	Name of Related Party	As at March 31, 2023	As at March 31, 2022
Loan given balance	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	12,666.38	9,880.14
	Key Management Personnel and their relatives	Pawan Kumar Yadav	-	6.20
Perpetual Securities (loan) given balance	Subsidiary Companies	Adani Noble Private Limited	2,943.61	2,943.61
	Fellow Subsidiary	Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited)	25.00	25.00
	Subsidiary Companies	Adani Logistics Infrastructure Private Limited	24.00	24.00
	Fellow Subsidiary	Adani Forwarding Agent Private Limited	-	3.25
Advances from Customer Closing Balance	Parent Company	Adani Logistics Limited	0.24	-
	Fellow Subsidiary	Dighi Port Limited	4.07	4.07
Interest accrued receivable	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	618.74	153.24
Trade payable	Subsidiary Companies	Adani Noble Private Limited	32.61	3.98
	Subsidiary Companies	Adani Logistics Infrastructure Private Limited	-	0.03
	Other Entity	Adani Enterprises Limited	18.72	13.96
	Other Entity	Adani Digital Lab Private Limited	9.94	-
	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	0.24	-
	Fellow Subsidiary	Adani Forwarding Agent Private Limited	0.49	-
	Parent Company	Adani Logistics Limited	167.77	159.22
Advance to suppliers	Other Entity	Adani Enterprises Limited	0.28	-
	Subsidiary Companies	Adani Logistics Infrastructure Private Limited	0.09	-
	Fellow Subsidiary	Adani Container Manufacturing Limited (Formerly Know as Adani Cargo Logistics Limited)	0.13	-

Trade receivable	Ultimate Parent Company	Adani Ports and Special Economic Zone Limited	77.39	379.36
	Other Entity	Adani Enterprises Limited	826.34	568.22
	Parent Company	Adani Logistics Limited	169.79	86.73
	Other Entity	Adani Bunkering Private Limited	0.70	0.69
	Other Entity	Adani Wilmar Limited	-	0.99
	Fellow Subsidiary	Adani Forwarding Agent Private Limited	41.65	-
	Fellow Subsidiary	Shanti Sagar International Dredging Limited	0.65	0.09
Perpetual Securities (loan)	Parent Company	Adani Logistics Limited	25,000.00	25,000.00

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

Terms and conditions of transactions with related parties

1. Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts due from related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Contingent liabilities

Particulars	₹ in Lacs	
	As at March 31, 2023	As at March 31, 2022
Contingent liabilities		
(i) Central Warehousing Corporation (On account of disputed operational charges at Kalamboli) (Refer note : 35.1)	920.96	920.96
(ii) Central Warehousing Corporation (On account of disputed shunting, stabling and siding charges at Noli) (Refer note : 35.2)	93.33	93.33
(iii) Service tax payable on commission received	-	4.27
(iv) Income tax payable on demand assessment year 2018-19	4.49	4.49
(v) The Company's tax assessments are completed till Assessment year 2021-22. Appeals are pending with Appellate Tribunal for Assessment Year 2014-15, 2015-16 & with CIT for AY 2017-18. The management is reasonably confident that no liability will devolve on the Company.		

35.1 The Strategic Alliance Agreement (the Agreement) entered by the Adani Logistics Services Private Limited with Central Warehousing Corporation (CWC) got terminated due to it being in violation of law. The Agreement got vitiated due to misrepresentation and non-compliance of applicable law by CWC. CWC contended the revision to the agreement in order to make it compliant with law, which was not acceptable to the Company. Consequent to termination of the Agreement, the Company has vacated the Kalamboli terminal by serving notice to CWC on February 25, 2016 and handed over possession of the facility, in control of the Company, to CWC.

The Company also incurred losses in Kalamboli terminal due to improper implementation of the Agreement. Various discussions with CWC to resolve outstanding issues resulting in violation of the Agreement from their end did not yield any result. The board invoked the arbitration on May 2014 for resolving the outstanding issues. The Arbitrator pronounced award on January 17, 2015 and aggrieved from the award, both the parties had approached Hon'ble High Court of Delhi for setting aside the arbitration award. The Hon'ble Delhi High Court vide its order dated July 16, 2019 has disposed off the petitions by partial setting aside Arbitration Award.

The Company had raised fresh disputes, consequent to termination of the Agreement, by serving notice of arbitration dated April 26, 2016 on CWC and has claimed, in aggregate, an amount of approx. Rs. 110 Crores under old and new arbitration (other than loss of profit). CWC had filed a counter claim of approx. Rs. 167 Crores for unpaid dues/ charges upto February 25, 2016 and rentals of unexpired period between February 26, 2016 to February 27, 2023. The Arbitration Tribunal has pronounced award on October 27, 2018. The majority arbitrators (2:1) have given award in favour of the company and has awarded approx. Rs. 62 Crore. Aggrieved from the Award CWC has approached the Delhi High Court and the matter is currently pending with the Delhi high court for disposal.

As per the Agreement, any risk/ rewards against this dispute will flow to the erstwhile promoters.

35.2 The Company under an agreement (the agreement) dated July 16, 2007 gave rakes on hire basis to CWC to run on NOLI-JNPT-NOLI stream. The agreement was valid till January 3, 2015 and the same was extended first till April 3, 2015 and thereafter for another term of 6 month, i.e. October 3, 2015. As per the agreement, CWC was to pay hire rentals equivalent to 60% of the Gross Margin, as described in the agreement, as consideration.

CWC is also the siding owner of the Noli Terminal, Indian Railways demanded certain siding, stabling and shunting charges from CWC for Noli siding, in its capacity as siding owner. CWC, in violation of the agreement, is considering such siding, stabling and shunting charges, imposed on CWC for Noli siding in its capacity as siding owner, in calculation for determination of gross margin under the agreement. The Company has represented against the same to CWC on various occasions. As the dispute remained unresolved, the Company issued an arbitration notice to CWC in this matter and CWC as per term of the Agreement, has appointed sole arbitrator to adjudicate the dispute. The Arbitrator has pronounced award on January 16, 2018 and aggrieved from the award, both the parties has approached the Delhi high court for setting aside the arbitration award. The matter is currently pending with the Delhi high court for disposal.

As per the Agreement, any risk/ rewards against this dispute will flow to the erstwhile promoters.

36 Capital commitments

Particulars	₹ in Lacs	
	As at March 31, 2023	As at March 31, 2022
Commitments on capital account		
Estimated amount of contracts (net of advances and deposit) remaining to be executed on capital account and not provided for	4,729.55	14,065.82

37 Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

1. Ind AS 101 - First-time adoption of Ind AS
2. Ind AS 102 - Share Based Payment
3. Ind AS 103 – Business Combinations
4. Ind AS 107 – Financial Instruments - Disclosures
5. Ind AS 109 – Financial Instruments
6. Ind AS 115 – Revenue from Contracts with Customers
7. Ind AS 1 – Presentation of Financial Statements
8. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
9. Ind AS 12 - Income Taxes
10. Ind AS 34 – Interim Financial Reporting

These amendments shall come into force with effect from April 01, 2023.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.

38 Ratios analysis

Sr No	Ratio Name	Formula	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1	Current	Current Assets / Current Liabilities	2.29	1.64	39.52%	Mainly due to improved payment of trade payables and increase in balance with government authorities
2	Debt-Equity	Total Debts / Shareholder's Equity	-	-	0.00%	
3	Debt Service Coverage	Earnings available for debt service (PAT + Interest cost + Foreign Exchange Loss or (Gain) (net) + Depreciation) / Debt Service (Interest cost & lease payments + repayment of non current debt made during the period excluding refinanced loans))	-	-	0.00%	
4	Return on Equity	Net Profit after Taxes / Avg Equity Shareholder's Fund	0.17	0.19	-8.47%	
5	Inventory Turnover		NA			
6	Trade Receivables Turnover	Revenue from operation / Average Accounts Receivable	9.62	7.41	29.82%	Mainly due to improved realisation of trade and other receivables
7	Trade Payable Turnover	Operating exp & Other expense / Average Trade Payable	11.11	8.28	34.16%	Mainly due to improved payment of trade payables
8	Net Capital Turnover	Revenue from Operation / Average Working Capital	0.80	0.74	8.74%	
9	Net Profit	Profit after Tax / Revenue from operation	0.21	0.25	-15.82%	
10	Return on Capital Employed	Earnings before Interest and Taxes / Capital Employed (Tangible Networth+Total Debt)	0.17	0.19	-12.30%	
11	Return on Investment		NA			

39 The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

40 Statutory Information

(i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(ii) The Company has not taken any loan from bank or financial institutions consequently filling of quarterly returns or statements of current assets with bank or financial institutions is not applicable to Company.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) Based on the information available with the Company, there are no transactions with struck off companies

41 During the quarter ended March 31, 2023, a short seller had issued a report making allegations involving Adani Group companies including APSEZ Group, which have been duly denied by Adani Group. To uphold the principles of good governance, Adani Group had undertaken review of transactions referred in the short seller's report (including that of the Company) through an independent law firm. The report confirms the Company's compliance of applicable laws and regulations. Further, in context of the short seller's report, there is petition filed in the Hon'ble Supreme Court, and SEBI is examining compliance of laws and regulations by conducting inquiry to the Group's listed Companies. Based on the foregoing and pending outcome of the investigations mentioned above, the financial statements do not carry any adjustments.

42 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 approved financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of April 28, 2023 there were no subsequent events to be recognised or reported that are not already disclosed.

As per our report of even date

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration number 112054W/W100725

For and on behalf of Board of Directors

Kanti Gothi
Partner
Membership No.: 127664

Amit Malik
Managing Director
DIN: 08397245

Vikram Jaisinghani
Director
DIN: 00286606

Place: Ahmedabad
Date: April 28, 2023

Mohan Khandelwal
Chief Financial Officer

Place: Ahmedabad
Date: April 28, 2023