

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Adani Agri Logistics (Harda) Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **Adani Agri Logistics (Harda) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 021.
Dial : 91-22-66324446/47 FAX : 91-22-22882133 Email : mumbai@gkcco.com

207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001
Dial : 91-11-43717773-74; Email : info@gkcco.com

Branches :

'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91-2697-224108

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
 - (i) The Company does not have any pending litigations as on the balance sheet date which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Mem. No. 040727

Place : Ahmedabad

Date : 30 APR 2016



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the land on which project has been set up is owned by Madhya Warehousing and Logistics Corporation Limited. Hence there are no title deeds of immovable properties that are held in the name of the Company.

(ii) In respect of Inventories

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

(iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to information and explanations given to us, as the Company has not granted any loans, secured or unsecured to companies, firms or body corporates nor has made any investments, the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security are not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section(1) of Section 148 of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, Employee state insurance, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise and custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, Employee state insurance, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2016.

(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.



- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Further the term loans acquired during the year have been utilized for the purpose they were acquired.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noted or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any Managerial Remuneration as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013. Hence these provisions are not applicable to the Company during the period under review.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of reporting under this clause is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, requirement of reporting under this clause is not applicable.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Mem. No. 040727

Place : Ahmedabad

Date :

30 APR 2016



Annexure - B to the Independent Auditors' Report of even date on the standalone Financial Statements of Adani Agri Logistics (Harda) Limited Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Adani Agri Logistics (Harda) Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP PARIKH

Partner

Mem. No. 040727

Place : Ahmedabad

Date : **30 APR 2016**



ADANI AGRI LOGISTICS (HARDA) LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Notes	2015-16 Rupees	2014-15 Rupees
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3.1	10,000,000	10,000,000
Reserves and Surplus	3.2	(13,885,457)	(317,815)
		(3,885,457)	9,682,185
Non-Current Liabilities			
Long-term Borrowings	3.3	199,006,735	117,576,840
Deferred tax Liabilities (net)	3.4	-	-
Other Long-Term Liabilities	3.5	5,932,105	6,677,079
Long-term Provisions	3.6	99,484	-
		205,038,324	124,253,919
Current Liabilities			
Short-term Borrowings	3.7	36,620,744	15,328,253
Trade Payables	3.8	1,566,452	3,836,927
- Total Outstanding dues of Micro, Small and Medium Enterprises (MSME)		-	-
- Total Outstanding dues of creditors other than MSME		1,566,452	3,836,927
Other Current Liabilities	3.9	10,679,175	1,222,586
Short-term Provisions	3.10	16,211	-
		48,882,582	20,387,766
TOTAL		250,035,449	154,323,870
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	3.11	241,178,878	-
Intangible Assets	3.11	463,762	-
Capital Work in Progress	3.12	-	134,830,092
Long-term Loans and Advances	3.13	1,201,670	13,797,392
		242,844,310	148,627,484
Current assets			
Inventories	3.14	196,344	-
Cash and Bank Balances	3.15	6,104,092	5,016,254
Short-term Loans and Advances	3.16	861,497	680,132
Other Current Assets	3.17	29,206	-
		7,191,139	5,696,386
TOTAL		250,035,449	154,323,870

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

3

As per our report of even date

For G.K.Choksi & Co.

(Firm Registration No : 101895W)

Chartered Accountants

Sardip A Parikh

Partner

Membership No.40727

Place : Ahmedabad

Date : 30 APR 2016

For and on behalf of the Board of Directors of
Adani Agri Logistics (Harda) Limited

Kripakar Varshney

Director

DIN : 02583683

Place : Ahmedabad

Date : 30 APR 2016

Puneet Kumar Mehndiratta

Director

DIN : 06840801



ADANI AGRI LOGISTICS (HARDA) LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Notes	2015-16 Rupees	2014-15 Rupees
Income			
Other Income	3.18	567,002	6,329
Total Revenue		567,002	6,329
Expenses			
Operating Expenses	3.19	1,138,666	-
Employee Benefits Expense	3.20	300,921	-
Finance Costs	3.21	9,590,199	46
Depreciation	3.11	2,405,766	-
Administrative and Other Expenses	3.22	699,092	324,098
Total Expenses		14,134,644	324,144
Profit / (Loss) before exceptional item and tax		(13,567,642)	(317,815)
Exceptional Items		-	-
Profit / (Loss) before tax		(13,567,642)	(317,815)
Tax expenses			
Current Tax (Net)		-	-
Deferred Tax (Net)		-	-
Total Tax Expenses		-	-
Profit / (Loss) for the year		(13,567,642)	(317,815)
Earnings per equity share (Refer Note 3.27)			
- Basic and diluted (Rs) (nominal value of share Rs 10 each)		(13.57)	(0.32)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

3

As per our report of even date

For G.K.Choksi & Co.

(Firm Registration No : 101895WA)

Chartered Accountants

Sandip A Parikh

Partner

Membership No.40727

Place : Ahmedabad

Date : 30 APR 2016

For and on behalf of the Board of Directors of
Adani Agri Logistics (Harda) Limited

Kripakar Varshney

Director

DIN : 02583683

Puneet Kumar Mehndiratta

Director

DIN : 06840801

Place : Ahmedabad

Date : 30 APR 2016

ADANI AGRI LOGISTICS (HARDA) LIMITED

Cash flow statement for the year ended 31st March, 2016

Particulars	2015-16	2014-15
	Rupees	Rupees
Cash flow from operating activities		
Profit/(Loss) before Tax	(13,567,642)	(317,815)
Adjustments		
Depreciation	2,405,766	-
Interest Expense	9,532,949	-
Interest Income	(558,091)	(6,329)
Operating Profit/ (Loss) before working capital changes	(2,187,018)	(324,144)
Movements in working capital :		
Increase/ (Decrease) in trade payables	(2,270,476)	3,836,927
Increase/ (Decrease) in long-term provisions	99,484	-
Increase / (Decrease) in short-term provisions	16,211	-
Increase/ (Decrease) in other long term liabilities	(744,974)	6,677,079
Increase/ (Decrease) in other current liabilities	(46,312)	261,839
Decrease / (Increase) in trade receivables	-	-
Decrease / (Increase) in inventories	(196,344)	-
Decrease / (Increase) in long-term loans and advances	(423,030)	(5,000)
Decrease/ (Increase) in short-term loans and advances	(181,365)	(680,132)
Decrease/ (Increase) in other current assets	(9,000)	-
Cash generated from operations	(5,942,824)	9,766,569
Direct taxes paid (net of refunds)	(57,021)	-
Net cash flow from operating activities (A)	(5,999,845)	9,766,569
Cash flows from investing activities		
(Purchase)/Sale of fixed assets	(89,981,077)	(148,622,484)
Decrease/ (Increase) in margin money deposit	(1,863,816)	-
Interest received	537,885	6,329
Net cash flow (used in) investing activities (B)	(91,307,008)	(148,616,155)
Cash flows from financing activities		
Proceeds/ (Repayment) of long term borrowings	84,000,000	117,576,840
Proceeds/ (Repayment) of short term borrowings	21,292,491	15,328,253
Proceeds from issue of equity share capital	-	10,000,000
Interest paid	(8,761,616)	960,747
Net cash flow from financing activities (C)	96,530,875	143,865,840
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(775,978)	5,016,254
Cash and cash equivalents at the beginning of the year	5,016,254	-
Cash and cash equivalents at the end of the year	4,240,276	5,016,254
Components of cash and cash equivalents		
With banks-on current account	4,240,276	5,016,254
Total cash and cash equivalents (Note 3.15)	4,240,276	5,016,254

As per our report of even date

For G.K.Choksi & Co.
Firm Registration No : 101895W
Chartered Accountants

Sandip A Parikh
Partner
Membership No.40727

Place : Ahmedabad
Date : 30 APR 2016

For and on behalf of the Board of Directors of
Adani Agri Logistics (Harda) Limited

Kripakar Varshney
Director
DIN : 02583683

Puneet Kumar Mehndiratta
Director
DIN : 06840801

Place : Ahmedabad
Date : 30 APR 2016

ADANI AGRI LOGISTICS (HARDA) LIMITED**Notes to financial statements for the year ended 31st March, 2016****1 Corporate information**

ADANI AGRI LOGISTICS (HARDA) LIMITED ('the Company') is a wholly owned subsidiary of Adani Enterprises Limited and incorporated under the provision of the Companies Act, 2013 on 28th May, 2014. The Company has entered into a service concession agreement with Madhya Pradesh Warehousing and Logistics Corporation, a public sector undertaking under the control of Government of Madhya Pradesh to design, build, finance, operate and transfer project facilities for warehousing of the food grains on Design, Build, Finance, Operate and Transfer (DBFOT) basis for a period of thirty years. Under the agreement, the Company is eligible to revenue recognition based on Annual Guaranteed Tonnage by Madhya Pradesh Warehousing and Logistics Corporation. During the year, the facility of the Company was ready for operation with effect from 14th January, 2016 and accordingly, the project was capitalized in books of accounts. However, the revenue under the agreement will commence from upcoming harvest season and therefore, no revenues are recognized during the year.

2 Summary of significant accounting policies**(a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The Ministry of Company Affairs (MCA) has notified the Companies (Accounting Standards) Amendments Rules, 2016 vide notification dated 30th March, 2016. The said notification read with Rule 3 (2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1st April, 2016 and therefore, the effect has not been considered in this financial statements.

The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

On the date of commissioning, fixed asset cost shall comprise of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The company has identified major components of fixed assets and depreciation is provided based on the useful life of each such component

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

(e) Depreciation and Amortisation

Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives estimated by the management.

For assets stated in para below, the useful lives in respect of these assets are different from the useful lives as prescribe under Part C of Schedule II of the Companies Act 2013.

Name of Assets	Useful Life	Life as per Schedule II
Silo	30	15



(f) Inventories

Inventories are valued as follows:

Stores and spares, Chemicals, Packing material and Fuels Stores and spares, Chemicals, Packing Material and Fuels are valued at cost. Cost is determined on moving weighted average method.

(g) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

(i) 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.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(j) Retirement and other employee benefits

The Company operates defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(k) Income tax

Tax expense comprises 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 and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.



(l) Earnings / (Loss) Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(m) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Foreign currency translation**Reporting Currency**

The reporting currency of the company is Indian Rupee.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All exchange differences are recognized as income or as expenses in the period in which they arise except those which are directly related to fixed assets and adjusted in the cost of fixed assets in the period in which they arise.

(p) Cash and Cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



ADANI AGRI LOGISTICS (HARDA) LIMITED
Notes to financial statements for the year ended 31st March, 2016
3.1 Share Capital

Particulars	2015-16 Rupees	2014-15 Rupees
Authorised Share Capital		
1,000,000 (Previous year 1,000,000) equity shares of Rs. 10/- each	10,000,000	10,000,000
Issued, subscribed and fully paid-up Share Capital		
1,000,000 (Previous year 1,000,000) equity shares of Rs. 10/- each fully paid up	10,000,000	10,000,000
	10,000,000	10,000,000

**(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares**

Particulars	2015-16		2014-15	
	Nos	Rupees	Nos	Rupees
At the beginning of the year	1,000,000	10,000,000	-	-
Add : Issued during the year	-	-	1,000,000	10,000,000
Outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

(ii) Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. The rights and privileges' to equity shareholders are general in nature and defined under the Articles of Association of the Company and as allowed under Companies Act, 2013 to the extent applicable.

The equity shareholders have :

(i). Right to vote in shareholder's meeting. Where voting is to be made on a show of hands, every member present in person and holder of equity share, shall have one vote and in case of poll, the voting rights shall be in proportion to the shares in the paid up capital of the company.

(ii). Right to receive dividend in proportion to the amount of capital paid up on the shares held ;

The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the company in cases calls or other sums payable have not been paid.

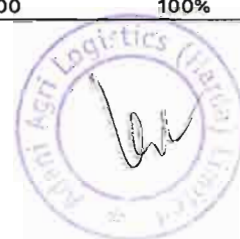
(iii). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

Particulars	2015-16		2014-15	
	Nos	Rupees	Nos	Rupees
The holding Company				
Adani Enterprises Limited	999,994	9,999,940	999,994	9,999,940
Nominee of the holding Company				
Pranav Adani	1	10	1	10
Namrata Adani	1	10	1	10
Mallick Angshu Bankoobehari	1	10	1	10
Atul Chaturvedi	1	10	1	10
Kripakar Varshney	1	10	1	10
Jatin kumar Jalundhwala	1	10	1	10
	1,000,000	10,000,000	1,000,000	10,000,000

(iv) Details of shareholders holding more than 5% shares in company

Particulars	2015-16		2014-15	
	Nos	% holding	Nos	% holding
Equity Shares of Rs. 10 each fully paid up				
Adani Enterprises Limited, the holding Company and its nominees	1,000,000	100%	1,000,000	100%
	1,000,000	100%	1,000,000	100%



Notes to financial statements for the year ended 31st March, 2016

3.2 Reserves and Surplus

Particulars	2015-16 Rupees	2014-15 Rupees
Surplus/(Deficit) carried to Balance Sheet		
Balance as per previous financial statements	(317,815)	-
Add : Profit / (Loss) for the year	(13,567,642)	(317,815)
Balance available for appropriation	(13,885,457)	(317,815)
Less : Appropriations	-	-
Net Surplus/ (Deficit) Balance	(13,885,457)	(317,815)

3.3 Long term Borrowings

Particulars	Non-current portion		Current maturities	
	2015-16 Rupees	2014-15 Rupees	2015-16 Rupees	2014-15 Rupees
Indian rupee loan from bank (secured) *	199,006,735	117,576,840	2,570,105	-
	199,006,735	117,576,840	2,570,105	-
Less : Amount disclosed under the head "Other Current Liabilities" (Note 3.9)	-	-	2,570,105	-
	199,006,735	117,576,840	-	-

Note :

* Indian rupee loan from bank carries interest @ 10.25% p.a. Applicable interest spread shall be reset first on the expiry of 36 months from the first disbursement and annually thereafter. The loan is secured on first charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects.

3.4 Deferred tax Liabilities (net)

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

Particulars	2015-16 Rupees	2014-15 Rupees
Deferred tax Liabilities		
Fixed Assets: Impact of tax depreciation and depreciation / amortisation charged in the financial reporting	83,627,685	-
Gross deferred tax Liabilities	83,627,685	-
Deferred tax asset		
Effect of expenditure debited to profit & loss statement in the current period, but allowable for tax purposes in the following years:		
a. Expenditure disallowed - Provision for Bonus	2,659	-
b. Expenditure disallowed U/s 43B of the Income Tax Act, 1961 - allowable on payment	8,556	-
c. Unabsorbed Depreciation/ Business loss under the Income Tax Act, 1961 (refer note)	130,559,347	-
Gross deferred tax assets	130,570,562	-
Limited to the value of Gross Deferred Tax Liabilities	83,627,685	-
Net Deferred tax Liabilities / (Asset) (refer note)	-	-

Note : In accordance with Accounting Standard 22 'Accounting for Taxes on Income', notified under Companies (Accounting Standard) Rules, 2006, as a matter of prudence, deferred tax assets have been recognized only to the extent of deferred tax liability appearing in the books of accounts. Hence as at 31st March, 2016 deferred tax in the books of accounts appears Nil. As submitted by management, the Company will claim deduction u/s 35AD of the Income-tax Act, 1961 whereby the Company is eligible to claim deduction upto 150% of the capital expenditure in the year of commencement of commercial operations. Therefore, tax WDV has been considered NIL for the purpose of computation of deferred tax liability.

3.5 Other Long Term Liabilities

Particulars	Non-current portion	
	2015-16 Rupees	2014-15 Rupees
Retention money	5,932,105	6,677,079
	5,932,105	6,677,079



ADANI AGRI LOGISTICS (HARDA) LIMITED

Notes to financial statements for the year ended 31st March, 2016

3.6 Long term Provisions

Particulars	2015-16 Rupees	2014-15 Rupees
Provision for employee benefits		
Provision for gratuity (Refer Note 3.23)	19,491	-
Provision for leave benefits	96,204	-
	115,695	-
Less : Amount disclosed under the head "Short term Provisions" (Note 3.10)		
Gratuity	24	-
Leave benefits	16,187	-
	16,211	-
	99,484	-

3.7 Short term Borrowings

Particulars	2015-16 Rupees	2014-15 Rupees
Unsecured Loan from Holding company (Loans availed from Holding Company carries Interest @ 10.50% p.a.(Previous Year 12.5% p.a))	36,620,744	15,328,253
	36,620,744	15,328,253

3.8 Trade Payables

Particulars	2015-16 Rupees	2014-15 Rupees
For Goods and Services		
- Accrual for Employees	14,230	-
- Others (Refer Note 3.26 for MSMED)	1,552,222	3,836,927
(Amount Payable to Related Party Rs. 6,44,362/- (Previous year Rs.4,23,938))		
	1,566,452	3,836,927

3.9 Other Current Liabilities

Particulars	2015-16 Rupees	2014-15 Rupees
Current Maturities of Long term Debt (refer note 1)	2,570,105	-
Interest accrued but not due (refer note 2)	1,732,080	960,747
Other payables		
- Statutory liabilities	215,527	261,839
- Payable for Capital Goods	6,161,463	-
	10,679,175	1,222,586

Note 1 : The current maturities represent the amount due in the current period on the secured borrowings availed by the company as mentioned in Note 3.3.

Note 2 : The interest accrued but not due includes the interest component that has accrued as on the last day of the reporting period but the same is not due for payment.

3.10 Short term Provisions

Particulars	2015-16 Rupees	2014-15 Rupees
Provision for employee benefits		
Provision for gratuity	24	-
Provision for leave benefits	16,187	-
	16,211	-



ADANI AGRI LOGISTICS (HARDA) LIMITED

Notes to financial statements for the year ended 31st March, 2016

3.11 Fixed Assets

All amounts are in Rupees

Particulars	Gross block (at cost)					Depreciation			Net block		
	As at 1st April, 2015	Additions during the year	Adjustment of Borrowing Cost	Deductions during the year	As at 31st March 2016	Upto 31st March, 2015	Provided for the year	Deductions during the year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
(A) Tangible Assets											
Buildings	-	21,067,821	505,538	-	21,573,359	-	382,304	-	382,304	21,191,055	-
Plant and Machinery	-	204,200,746	15,543,272	-	219,744,018	-	1,919,930	-	1,919,930	217,824,088	-
Furniture and fixtures	-	699,670	-	-	699,670	-	12,920	-	12,920	686,750	-
Office Equipments	-	1,177,642	-	-	1,177,642	-	45,042	-	45,042	1,132,600	-
Computers	-	369,308	-	-	369,308	-	24,923	-	24,923	344,385	-
Total (A)	-	227,515,187	16,048,810	-	243,563,997	-	2,385,119	-	2,385,119	241,178,878	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
(B) Intangible Assets											
Software	-	484,409	-	-	484,409	-	20,647	-	20,647	463,762	-
Total (B)	-	484,409	-	-	484,409	-	20,647	-	20,647	463,762	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
Total(A+B)	-	227,999,596	16,048,810	-	244,048,406	-	2,405,766	-	2,405,766	241,642,640	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-



ADANI AGRI LOGISTICS (HARDA) LIMITED

Notes to financial statements for the year ended 31st March, 2016

3.12 Capital Work in Progress

All amounts are in Rupees

Particulars	As at 1st April, 2015	Additions during the year	Deductions during the year	Capitalised during the year	As at 31st March, 2016
Material & Services (Project Expenditure)	128,600,758	84,703,952	-	213,304,710	-
Expenses during Construction	2,516,253	12,178,633	-	14,694,886	-
Financial Expenses	3,713,081	12,335,729	-	16,048,810	-
Total	134,830,092	109,218,314	-	244,048,406	-



ADANI AGRI LOGISTICS (HARDA) LIMITED

Notes to financial statements for the year ended 31st March, 2016

3.13 Long term Loan and Advances
(Unsecured, considered good unless otherwise stated)

Particulars	2015-16 Rupees	2014-15 Rupees
Security Deposits	428,030	5,000
Capital Advances	716,619	13,792,392
Advance Payment of taxes (Including TDS)	57,021	-
	1,201,670	13,797,392

3.14 Inventories
(As taken, valued and certified by the management)

Particulars	2015-16 Rupees	2014-15 Rupees
Stores, spares Chemical and Packing material (Including consumable Items)	196,344	-
	196,344	-

3.15 Cash and Bank Balances

Particulars	2015-16 Rupees	2014-15 Rupees
Balance with banks		
- In current accounts	4,240,276	5,016,254
Other bank balances		
Fixed deposits		
With Maturity for more than 3 months but less than 12 months	1,863,816	-
	6,104,092	5,016,254

3.16 Short term Loan and Advances
(Unsecured, considered good unless otherwise stated)

Particulars	2015-16 Rupees	2014-15 Rupees
Security Deposits	-	623,030
Loan & Advances to Employees	26,218	57,102
Other Recoverables	633,970	-
Prepaid expenses	201,309	-
	861,497	680,132

3.17 Other Current Assets
(Unsecured, considered good unless otherwise stated)

Particulars	2015-16 Rupees	2014-15 Rupees
Interest accrued but not due :		
On Fixed deposits	20,206	-
Other receivables	9,000	-
	29,206	-



Notes to financial statements for the year ended 31st March, 2016

Particulars	2015-16 Rupees	2014-15 Rupees
Interest income on		
- Bank deposits	552,196	6,329
- Others	5,895	-
Scrap Sales	8,911	-
	567,002	6,329

Particulars	2015-16 Rupees	2014-15 Rupees
Clearing & Forwarding Expenses	15,491	-
Contract Labour	429,060	-
Consumption of stores,spares consumables and chemicals	222,271	-
Pest Management Expenses	51,240	-
Power and Fuel	54,558	-
Security Expenses	366,046	-
	1,138,666	-

Particulars	2015-16 Rupees	2014-15 Rupees
Salaries,wages and bonus	245,501	-
Contribution to provident and other funds	15,913	-
Staff welfare expenses	35,342	-
Gratuity expense (Refer Note 3.23)	4,165	-
(Net off of amount capitalized to fixed assets amounting to Rs. 15,326)		
	300,921	-

Particulars	2015-16 Rupees	2014-15 Rupees
Interest on Term Loan	8,245,351	-
Interest on Inter Corporate Deposits	1,287,598	-
Bank Finance Charges	57,250	46
	9,590,199	46



3.22 Administrative and Other Expense

Particulars	2015-16 Rupees	2014-15 Rupees
Rates and Taxes	47,849	10,000
Insurance	38,144	-
Repairs and Maintenance	55,031	-
Travelling and Conveyance	152,027	-
Communication Expenses	69,679	-
Office Expenses	77,955	-
Printing and Stationery	8,665	-
Legal and Professional Fees	151,941	257,918
Payment to Auditors (Note A)	86,250	56,180
Miscellaneous expenses	11,551	-
	699,092	324,098
A. Payment to Auditors		
As Auditors		
(i) Audit fees	86,250	56,180
	86,250	56,180



This space has been intentionally left blank

3.23 Gratuity and other post employment benefit plans

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Statement of Profit and Loss**Net employee benefit expense (recognised)**

Particulars	2015-16 Rupees	2014-15 Rupees
Current service cost	19,491	-
Add: Interest cost on benefit obligation	-	-
Less: Expected return on plan assets	-	-
Add: Net actuarial loss recognized in the period	-	-
Less: Capitalized to Fixed Asset	15,326	-
Net benefit expense	4,165	-

Balance Sheet**Details of Provision for gratuity**

Particulars	2015-16 Rupees	2014-15 Rupees
Defined benefit obligation	19,491	-
Fair value of assets at the end of the year	-	-
Net (Assets)	19,491	-

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

Particulars	2015-16 Rupees	2014-15 Rupees
Opening defined benefit obligation	-	-
Add: Interest cost	-	-
Add: Current service cost	19,491	-
Less: Benefits paid	-	-
Add: Actuarial loss on obligation	-	-
Closing defined benefit obligation	19,491	-

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.

Other amounts for the current period are as follows :

Particulars	2015-16	2014-15
Defined benefit obligation	19,491	-
Experience adjustments on plan liabilities - loss	-	-



ADANI AGRI LOGISTICS (HARDA) LIMITED
Notes to financial statements for the year ended 31st March, 2016
3.24 Related Party Disclosures

Holding Company	Adani Enterprises Limited
Associate Companies	Adani Wilmar Limited
Fellow Subsidiary	Adani Agri Logistic (Dewas) Limited

Particulars	2015-16 Rupees	2014-15 Rupees
Reimbursement of expenses		
Adani Enterprises Limited	-	257,920
Purchases of Steel/Packing Material		
Adani Wilmar Limited	25,336	423,938
Interest paid		
Adani Enterprises Limited	2,936,993	328,253
Purchase of Assets		
Adani Agri Logistic (Dewas) Limited	565,230	-
Funds Received / (Repayment of Loan) (Net)		
Adani Enterprises Limited (Including Interest accrued thereon)	21,292,491	15,000,000
Balance (payable) / receivable outstanding as at year end		
Adani Wilmar Limited	-	(423,938)
Adani Agri Logistic (Dewas) Limited	(644,362)	-
Balance (payable) / receivable of outstanding Loan as at year end		
Adani Enterprises Limited (Including Interest accrued thereon)	(36,620,744)	(15,328,253)

3.25 Contingent Liabilities and Commitments on Capital account

Particulars	2015-16 Rupees	2014-15 Rupees
Bank Guarantees	-	15,000,000
Estimated amount of Unexecuted capital contracts (Net of Capital Advances)	2,055,183	72,264,086

3.26 Management represents that, based on the information available, the Company has not been informed by any supplier of being covered under the Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any and no related disclosures are made in these accounts.

3.27 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	2015-16	2014-15
Basic & Diluted		
Net Profit as per statement of profit and loss (A)	(13,567,642)	(317,815)
Calculation of weighted average number of equity shares :		
- Number of equity shares at the beginning of the year (B)	1,000,000	-
- Number of equity shares issued during the year (C)	-	1,000,000
- Number of equity shares at the end of the year (B+C)	1,000,000	1,000,000
- Weighted average number of equity shares (D)	1,000,000	1,000,000
Earning Per Share (Basic and Diluted) (A/D)	(13.57)	(0.32)



ADANI AGRI LOGISTICS (HARDA) LIMITED

Notes to financial statements for the year ended 31st March, 2016

3.28 Pre-operative Expenditure

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	2015-16 Rupees	2014-15 Rupees
Salaries, wages and bonus	766,018	124,827
Finance costs	12,335,729	3,713,081
Office Expenses	3,761,440	171,567
Insurance and Security	821,025	607,065
Telephone, Travelling and Conveyance	392,735	282,900
Rent, Rates & Taxes	111,736	456,000
Legal and Professional Expenses	873,834	873,894
Site Development	5,451,845	-
	24,514,362	6,229,334

3.29 The project of the Company is ready for commercial operations and therefore, capitalized in books of accounts. However, revenue under the agreement with Madhya Pradesh Warehousing and Logistics Corporation will begin from the upcoming harvest season. Considering this, net worth of the Company as at the end of the year is negative and the accumulated losses as at 31st March, 2016 being Rs. 1,38,85,457 have exceeded the paid up share capital thus wiping off its capital base. Considering the fact that revenue of the Company will commence from upcoming harvest season, the accounts have been prepared on Going Concern basis.

3.30 Previous year Figures have been regrouped / reclassified wherever necessary.

For G.K.Choksi & Co.

Firm Registration No : 101895W

Chartered Accountants



Sandip A Parikh

Partner

Membership No.40727

Place : Ahmedabad

Date : 30 APR 2016



For and on behalf of the Board of Directors of
Adani Agri Logistics (Harda) Limited

Kripakar Varshney

Director

DIN : 02583683

Place : Ahmedabad

Date : 30 APR 2016

Puneet Kumar Mehndiratta

Director

DIN : 06840801

