

*G. K. Choksi & Co.*  
*Chartered Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members  
**Adani Agri Logistics (Kotkapura) Limited.**

**Report on the Standalone Ind AS Financial Statements**

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

**Management's Responsibility for the Standalone Ind AS Financial Statements**

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

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

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the



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

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

#### **Opinion**

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

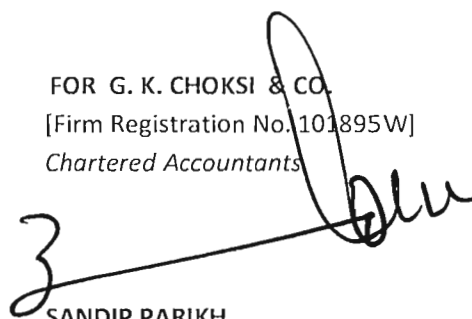
#### **Report on other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, the statement of cash flows and 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 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<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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.
  - iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 33 to the Ind AS financial statements.

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



SANDIP PARIKH

Partner

Mem. No. 040727

Place : Ahmedabad

Date : 22<sup>nd</sup> May, 2017



**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

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

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

- (i) In respect of Fixed Assets which have been derecognized pursuant to Appendix – C of IND AS 11 and recognized as financial asset and intangible assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation.
  - (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, title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of Inventories

According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.
- (iii) The Company has not granted 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) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provisions of Clause 3(iv) of the Order is not applicable to the Company
- (v) 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 is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, employee state insurance, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account





of employee state insurance and duty of excise and custom.

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

- (b) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31<sup>st</sup> March, 2017.

Name of the Statute	Nature of Dues	Amount (Rs in lacs)	Period of Dues	Forum at which dispute is pending
Finance Act, 1994	Entry Tax	169.99	2006 - 07 to 2009 - 10	Commissioner of Service tax, New Delhi

- (viii) The Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has 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 standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of reporting under this clause is not applicable.



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company, as legally advised, is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the order are not applicable to the Company.

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

3  
SANDIP PARIKH  
Partner  
Mem. No. 040727

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2017



**Annexure - B to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statements of Adani Agri Logistics (Kotkapura) 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 (Kotkapura) Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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



### Meaning of Internal Financial Controls over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
SANDIP PARIKH  
Partner

Mem. No. 040727

Place : Ahmedabad

Date : 22<sup>nd</sup> May, 2017





Adani Agri Logistics (Kotkapura) Limited

Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 Rs. in Hundreds
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Intangible assets under development	6	1,70,761.28
(b) Financial assets		
(i) SCA receivables	7	12,05,864.91
(ii) Other financial assets	8	29,468.19
(c) Other assets	9	74,277.79
		<b>14,80,372.17</b>
<b>2 Current assets</b>		
(a) Financial assets		
(i) Cash and cash equivalents	10	15,335.09
(ii) SCA receivables	11	2,40,194.45
(b) Other current assets	12	4,679.72
		<b>2,60,209.26</b>
<b>TOTAL ASSETS</b>		<b>17,40,581.43</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	13	1,00,000.00
(b) Other equity	14	3,967.58
<b>Total equity</b>		<b>1,03,967.58</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	15	2,09,800.16
(ii) Other financial liabilities	16	22,512.94
(b) Provisions	17	4,567.38
(c) Deferred tax liabilities (Net)	18	3,039.17
		<b>2,39,919.65</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	19	10,64,517.95
(ii) Trade payables	20	1,571.59
(iii) Other financial liabilities	21	3,327.61
(b) Other current liabilities	22	3,26,024.66
(c) Provisions	23	178.13
(d) Current tax liabilities (Net)	24	1,074.26
		<b>13,96,694.20</b>
<b>Total liabilities</b>		<b>13,96,694.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,40,581.43</b>

Significant accounting policies and notes on accounts from note no. 1 to 37 form an integral part of financial statements.

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 : 22 MAY 2017



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

Shrikant Kanhere  
Director  
DIN : 07185218

Place : Ahmedabad  
Date : 22 MAY 2017



Puneet Kumar Mehndiratta  
Director  
DIN : 06840801

Adani Agri Logistics (Kotkapura) Limited

Statement of Profit and Loss for the period ended on 31st March, 2017

Particulars	Note No.	For the period ended 31st March, 2017 Rs. in Hundreds
<b>Revenue</b>		
Construction contract revenue under SCA		16,16,820.65
Other income	25	39,421.25
<b>Total revenue</b>		<b>16,56,241.90</b>
<b>Expenses</b>		
Construction contract costs under SCA		16,16,820.65
Finance costs	26	29,585.76
Administrative and other expenses	27	1,179.31
<b>Total expenses</b>		<b>16,47,585.72</b>
Profit before exceptional items and tax		
Exceptional items		
<b>Profit before tax</b>		<b>8,656.18</b>
<b>Tax expense:</b>	31	
Current tax		1,649.43
Deferred tax		3,039.17
<b>Profit for the year</b>		<b>3,967.58</b>
<b>Other comprehensive income</b>		
<b>A. Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability (asset)	30	-
Income tax related to items that will not be reclassified to profit or loss		-
<b>B. Items that will be reclassified to profit or loss</b>		-
<b>Other comprehensive income</b>		-
<b>Total comprehensive income for the period</b>		<b>3,967.58</b>
<b>Earnings per equity share</b>	36	
Basic		0.46
Diluted		0.46

Significant accounting policies and notes on accounts from note no. 1 to 37 form an integral part of financial statements.

As per our report of even date  
For: G.K.Choksi & Co.  
Firm Registration No.: 101895W  
Chartered Accountants

Sandeep A Parikh  
Partner  
Membership No. 40727

Place: Ahmedabad  
Date: 22 MAY 2017



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

Shrikant Kanhere  
Director  
DIN : 07185218

Puneet Kumar Mehroiratta  
Director  
DIN : 06840801

Place: Ahmedabad  
Date:



Adani Agri Logistics (Kotkapura) Limited

Statement of changes in equity for the period ended on 31st March, 2017

Part A : Equity

Particulars	Equity share capital Rs. in Hundreds
As at 31st March, 2016	-
Addition during FY 2016-17	1,00,000.00
As at 31st March, 2017	1,00,000.00

Part B : Other equity

Particulars	Other equity		Total other equity Rs. in Hundreds
	Reserves and surplus	Other comprehensive income	
	Retained earnings	Remeasurements of defined benefit liability (asset)	
	Rs. in Hundreds	Rs. in Hundreds	
As at 31st March, 2016	-	-	-
Profit for FY 2016-17	3,967.58	-	3,967.58
Other comprehensive income during FY 2016-17	-	-	-
As at 31st March, 2017	3,967.58	-	3,967.58

Significant accounting policies and notes on accounts from note no. 1 to 37 form an integral part of financial statements.

As per our report of even date  
For G.K.Choksi & Co.  
Firm Registration No. 101895W  
Chartered Accountants

Shodip A Parikh  
Partner  
Membership No.40727

Place : Ahmedabad  
Date : 22 MAY 2017



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

Shrikant Kanhere  
Director  
DIN : 07185218

Place : Ahmedabad  
Date : 22 MAY 2017

22 MAY 2017



Puneet Kumar Mehndiratta  
Director  
DIN : 06840801

Adani Agri Logistics (Kotkapura) Limited

Cash Flow Statement for the period ended 31st March, 2017

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
<b>(A) Cash flow from operating activities</b>	
Profit before tax	8,656.18
Adjustment for:	
Finance costs	29,585.76
Operating profit before working capital changes	38,241.94
Changes in working capital:	
(Increase) / decrease in loans & advances	(29,468.19)
(Increase) / decrease in other current assets	(4,679.72)
Increase / (decrease) in trade payables	1,571.59
Increase / (decrease) in other current liabilities	2,574.26
	(30,002.06)
Cash generated from operations	8,239.88
Deferred tax liabilities (net)	
Less : tax paid	(575.17)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>7,664.71</b>
<b>(B) Cash flow from investing activities</b>	
(Increase) / decrease in financial and intangible asset under SCA	(13,40,389.58)
Interest received	
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(13,40,389.58)</b>
<b>(C) Cash flow from financing activities</b>	
Proceeds/(repayment) of long term borrowings	2,09,800.16
Proceeds/(repayment) of short term borrowings	10,64,517.95
Proceeds from Issue of equity share capital	1,00,000.00
Finance costs paid	(26,258.15)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>13,48,059.96</b>
<b>Net decrease in cash and cash equivalents (A)+(B)+(C)</b>	<b>15,335.09</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15,335.09</b>
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>15,335.09</b>

Significant accounting policies and notes on accounts from note no. 1 to 37 form an integral part of financial statements.

In terms of our report attached.

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

Sankalp A Parikh  
Partner  
Membership No.40727

Place : Ahmedabad  
Date : 22 MAY 2017



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

Shrikant Kanhere  
Director  
DIN : 07185218

Puneet Kumar Mehndiratta  
Director  
DIN : 06840801

Place : Ahmedabad  
Date :

22 MAY 2017



**1 Corporate information**

Adani Agri Logistics (Kotkapura) Limited ('the Company') is a wholly owned subsidiary of Adani Agri Logistics Limited and incorporated under the provisions of the Companies Act, 2013 on 23rd March, 2016. The registered office of the Company is situated at Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad, Gujarat, 380009. The Company is engaged in the business of storage of food grains at Kotkapura in the state of Punjab.

The Company was incorporated on 23rd March, 2016. The financials statements have been prepared for the period 23rd March, 2016 to 31st March, 2017. This being first financial statement of the Company, no comparative previous year's figures have been furnished for the period 23rd March, 2016 to 31st March, 2016.

**2 Features of service concession agreement entered into with FCI**

The company has entered into service concession agreement ("SCA") with Food Corporation of India (FCI), a public sector undertaking to construct and operate an integrated storage facility on Design, Built, Finance, Operate and Transfer (DBFOT) basis for storage of food grains comprising 2 silos with a designed storage capacity of 25,000 MT for a period of 30 (thirty) years.

**Scope of service:**

Under the service concession agreement, the company is required to (a) construct storage facility (b) operate and maintain storage facility (c) storage and preservation of food grains and fulfilment of all other obligations in accordance with terms of SCA.

The company is required to maintain the availability of at least 98% of storage capacity during any accounting year of concession period. ("Normative Availability")

**Storage and other charges income**

As per the terms of SCA, the company is entitled to base fixed charges as per the rates mentioned in SCA of normative availability. The company is also entitled to variable charges such as loading and unloading charges, bagging charges, stacking charges etc. as per the rates mentioned in SCA. The base fixed charges are reduced by 2% every year after year of commercial operation. Further the base fixed charges and variable charges are revised to reflect 75% of variation in wholesale price Index (WPI) occurring in between Reference Index Date for march of the year (31/03/2013) and reference index date for the month of March preceding the accounting year for which such revision is undertaken.

The company is required to maintain the availability of at least 98% of storage capacity during any accounting year of concession period. In case the availability is less than 98% of storage capacity, the fixed charges payable for the relevant period shall be proportionally reduced and in addition damages equal to 0.5 times of proportionate reduction of fixed charges during non-harvest season and 2 times of proportionate reduction during harvest season shall be payable.

**3 Basis of preparation**

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

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

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

**4 Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in note 4.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

**4.1 The significant estimates and judgements are listed below:**

- (i) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.





**5 Summary of significant accounting policies**

**(a) Current and non-current classification**

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

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. 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) Service concession agreement**

**Recognition and measurement:**

The company has entered into service concession agreement with Food Corporation Of India (FCI) which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise.

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA.

When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the company recognizes the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements"

When the amount of consideration under the arrangement comprises -

- fixed charges based on Annual Guaranteed Tonnage and
- variable charges based on Actual Utilization Tonnage

then, the company recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognized as an intangible asset.

**Revenue recognition**

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed storage charges is recognized using effective interest method. Variable storage charges revenue is recognized in the period of storage of food grains. Revenues from other variable charges such as loading and unloading charges, bagging charges, stacking charges, etc. as per the rates mentioned in SCA are recognized in each period as and when services are rendered in accordance with "Ind AS 18 Revenue".

**Amortization of intangible asset under SCAs**

The intangible rights relating to infrastructure assets, are amortized equally during the period of service concession arrangement (30 Years).



**(c) Fair value measurement**

The company measures financial instruments, such as, derivatives and certain investments 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 participants 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 company, in conjunction with the company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

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



**(d) 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. It is broadly classified in Financial Assets, Financial Liabilities, Derivatives & Equity.

**Financial asset:**

Trade receivable, loans & advances given, security deposits given, investment in debt securities & other contractual receivables are covered under Financial Assets.

**Initial recognition:**

Above financial assets are initially recognised at 'Fair Value' (i.e. Fair Value of consideration to be received).

**Subsequent measurement:**

Above financial assets are subsequently measured at 'amortised cost' using Effective Interest Rate (EIR) method because these assets are held with a business model whose objective is to hold assets for collecting contractual cash flows and 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.

**Derecognition**

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flows from the financial asset or
- The company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred substantially all risks and reward of ownership the financial asset, the financial asset is derecognized. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Impairment of financial asset**

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liability**

Trade payable, long term & short term borrowings, loans / advances taken, security deposits taken & any other contractual liability are covered under financial liability.

**Initial recognition:**

Above financial liabilities are initially recognised at 'fair value' (i.e. fair value of consideration to be paid).

**Subsequent measurement:**

Above financial liabilities are subsequently measured at 'amortised cost' using effective interest rate (EIR) method at each reporting date. 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 of debt instrument and fees or incidental charges that are an integral part of borrowing transaction. The EIR amortisation is included as 'finance costs' in the statement of profit and loss.





**Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit and loss.

**(e) Inventories**

Inventories of stores and spares, chemicals, packing materials and fuels are valued at cost. Cost is determined based on moving weighted average method.

**(f) 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.

In case of concession arrangement, out of total borrowing cost attributable to construction of the infrastructure, borrowing cost attributable to financial asset (i.e. proportion of total value of financial asset to total fair value of construction services) are charged to statement of profit and loss in the period in which such costs are incurred and borrowing cost attributable to intangible asset (i.e. proportion of total value of intangible asset to total fair value of construction services) are capitalized in intangible asset in the period in which such costs are incurred.

**(g) 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.

**(h) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and additional criteria are met as follows:

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

Service concession arrangements ( Ind AS 11) Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date

Revenue from construction contracts is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project.

In accordance with Appendix A of Ind AS 11, the construction revenue and construction cost needs to be recognised in statement of profit and loss during the period of construction of storage facility. The construction cost represents actual expenditure incurred on construction and no margin is to be recognised to derive the construction revenue as in the management opinion fair value of construction revenue approximates the construction cost.

**Interest :** For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where applicable, to the net carrying amount of the financial asset. Interest income is included under the head 'Other income' in the statement of profit and loss.

Interest on delayed payment charges have been accounted as revenue when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of the revenue can be measured reliably.



**(i) Employee benefits**

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

**Provident fund**

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

**Gratuity fund**

The company operates a defined benefit gratuity plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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 are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Interest is calculated by applying the discount rate to the net defined benefit liability.

The company recognises the following changes in the net defined benefit obligation under employee benefit 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

**Compensated Absences**

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated compensated absences, which are expected to be availed or encased beyond 12 months from the end of the year are treated as long term employee benefit.

Accumulated compensated absences, which are expected to be availed or encased within 12 months from the end of the year are treated as short term employee benefit. Short term compensated absences are recognized on an undiscounted basis for services rendered by the employees during an accounting period. Accumulated sick leaves are treated as short-term employee benefit, as the company does not have an unconditional right to defer its settlement for 12 months after the reporting date, and the company presents short-term leaves as a current liability in the balance sheet.

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

**(j) Segment reporting**

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

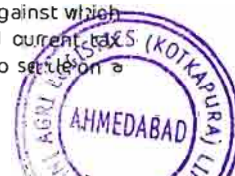
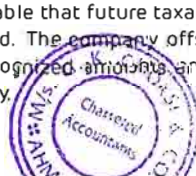
In accordance with the Ind-As 108 - "Operating Segments", the company has determined its business segment as storage services. Since there are no other business segments in which the company operates, there are no reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities,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

**(k) Taxes**

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 tax are those that are enacted or substantially enacted, at the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred 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 and deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.





**(l) Earnings per share**

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

**(m) Cash and cash equivalent**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(n) Provision, contingent liabilities and contingent assets****General**

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

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

**Contingent liabilities**

Contingent liabilities is disclosed in the case of :

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

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

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

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

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

**(o) Impairment of non-financial assets**

As at each balance sheet date, the company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined :

> In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and

> In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating units' fair value less cost to sell and the value in use.

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.

**(p) Foreign currency transactions**

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

**i) Transactions and balances**

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

**ii) Conversion**

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

**iii) Exchange differences**

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



Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

<b>6 Intangible assets under development</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Intangible assets under SCA at the beginning of the year	-
Add: addition during the year	1,70,761.28
Intangible assets under SCA at the end of the year	<u>1,70,761.28</u>
<b>7 SCA receivables</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Non current	
SCA receivables	12,05,864.91
	<u>12,05,864.91</u>
<b>8 Other financial assets</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Non current	
Security and other deposits	29,468.19
	<u>29,468.19</u>
<b>9 Other assets</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Non current	
Capital advance	74,277.79
	<u>74,277.79</u>
<b>10 Cash and cash equivalents</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Balance in current account	15,335.09
	<u>15,335.09</u>
<b>11 SCA receivables</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Current	
SCA receivables	2,40,194.45
	<u>2,40,194.45</u>
<b>12 Other current assets</b>	
Particulars	As at 31st March, 2017 Rs. in Hundreds
Other receivables	3,475.61
Imprest to employees	1,204.11
	<u>4,679.72</u>



## Notes to financial statements for the period ended 31st March, 2017

## 13 Share capital

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Authorised share capital</b>	
1,000,000 equity shares of Rs. 10/- each	1,00,000.00
<b>Issued, subscribed and fully paid-up share capital</b>	
1,000,000 equity shares of Rs. 10/- each fully paid up	1,00,000.00
	1,00,000.00

## (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

## Equity shares

Particulars	As at 31st March, 2017	
	Nos	Rs. in Hundreds
At the beginning of the year	-	-
Add : Issued during the year	10,00,000	1,00,000.00
Outstanding at the end of the year	10,00,000	1,00,000.00

## (ii) Terms / Rights attached to equity shares

The authorised share capital of the Company has only one class of equity shares having a 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 as allowed under the 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	As at 31st March, 2017	
	Nos	% holding
<b>The holding Company</b>		
Adani Agri Logistics Limited	9,99,994	100%
<b>Nominee of the holding Company</b>		
Pranav Vinodbhai Adani	1	
Atul Chaturvedi	1	
Kripakar Varshney	1	
Shrikant Kanhere	1	
Satbir Singh Sindhu	1	
Satyendra Gour	1	
	10,00,000	100%

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

Particulars	As at 31st March, 2017	
	Nos	% holding
Equity shares of Rs. 10 each fully paid up		
Adani Agri Logistics Limited	10,00,000	100%
	10,00,000	100%



## 14 Other equity

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Retained earning</b>	
Balance as per previous financial statements	-
Add : Profit / (Loss) for the year	3,967.58
Balance available for appropriation	3,967.58
Less : Opening retained earning adjustments	-
Add : Actuarial valuation of Gratuity	-
	<b>3,967.58</b>

## 15 Borrowings

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Non Current</b>	
Secured term loan from - Yes Bank Ltd. (Refer Note)	2,09,800.16
	<b>2,09,800.16</b>

**Note :**

The Loan from Yes Bank is secured by equitable mortgage of immovable properties of the company and First charge by way of hypothecation of all movable assets and intangible assets and assignment of book debt, operating cash flows, revenues and receivables of projects. The term loan will be repaid based on monthly installments as per the loan repayment schedule agreed upon in the sanction letter. The loan carries interest of 9.05% per annum.

## 16 Other financial liabilities

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Non current</b>	
Retention money	22,512.94
	<b>22,512.94</b>

## 17 Provisions

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Long term provisions:</b>	
Provision for gratuity (refer note 30)	2,766.04
Provision for leave benefits	1,801.34
	<b>4,567.38</b>

## 18 Deferred tax liability

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Deferred tax liabilities</b>	
Intangible asset and SCA receivables	3,039.17
Net deferred tax liabilities	<b>3,039.17</b>

## 19 Borrowings

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Current</b>	
Unsecured loan from holding company (refer note 1)	3,69,974.45
Unsecured buyers credit (refer note 2)	6,94,543.50
	<b>10,64,517.95</b>

**Note:**

1. Loan received from holding company carries interest @ 10.50%
2. Buyer's credit (USD) carries interest @ 1.7068%

## 20 Trade payables

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>For goods and services</b>	
- Accrual for employees	513.11
- Others (refer note 34 for MSMED)	1,058.48
(Amount payable to related party Rs. Nil)	
	<b>1,571.59</b>



Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

21 Other financial liabilities

Particulars	As at 31st March, 2017 Rs. in Hundreds
Current	
Interest accrued but not due on borrowings ( Note 1)	3,327.61
	<u>3,327.61</u>

Note 1 : 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.

22 Other current liabilities

Particulars	As at 31st March, 2017 Rs. in Hundreds
Statutory liability	2,574.26
Payable for capital goods	3,23,450.40
	<u>3,26,024.66</u>

23 Provisions

Particulars	As at 31st March, 2017 Rs. in Hundreds
Short term provision	
Provision for gratuity (refer note 30)	56.96
Provision for leave benefits	121.17
	<u>178.13</u>

24 Current tax liabilities (net)

Particulars	As at 31st March, 2017 Rs. in Hundreds
Current tax liabilities (net)	1,074.26
	<u>1,074.26</u>





Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

25 Other Income

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Unrealised foreign exchange gain	39,421.25
	<b>39,421.25</b>

26 Finance costs

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Interest on term loan	1,274.16
Interest on inter corporate deposit	16,442.14
Interest on buyer's credit	2,107.50
Other bank charges	5,307.67
Realised foreign exchange loss on LC acceptance	4,454.29
	<b>29,585.76</b>

27 Administrative and other expenses

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Travelling and conveyance	64.06
Legal and professional fees	201.25
Payment to auditors (refer note A)	575.00
Miscellaneous expenses	339.00
	<b>1,179.31</b>

**Note A: Payment to auditors**

**As auditors**

(i) Audit fees	575.00
	<b>575.00</b>



**28 The carrying value of financial instruments by categories as on 31st March, 2017:**

Particulars	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
	Rs. in Hundreds	Rs. in Hundreds	Rs. in Hundreds	Rs. in Hundreds
<b>Financial assets</b>				
Cash and cash equivalents	-	-	15,335.09	15,335.09
SCA receivable	-	-	14,46,059.36	14,46,059.36
Other financial assets	-	-	29,468.19	29,468.19
<b>Total</b>	-	-	<b>14,90,862.64</b>	<b>14,90,862.64</b>
<b>Financial liabilities</b>				
Borrowings	-	-	12,74,318.11	12,74,318.11
Trade payables	-	-	1,571.59	1,571.59
Other financial liabilities	-	-	25,840.55	25,840.55
<b>Total</b>	-	-	<b>13,01,730.25</b>	<b>13,01,730.25</b>

**29 Financial risk objective and policies**

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

In the ordinary course of business, the company is mainly exposed to risks resulting from interest rate movements (interest rate risk) and other price risks such as business risk.

**a 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 regularly reviewing the debt market.

**b 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.

The company is dealing with only one customer i.e. FCI, a public sector undertaking under the control of Central Government. Since, the creditworthiness of Government backed organization is good, the management of the company believes that the credit risk is negligible.

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 group'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.

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

Based on internal evaluation, the credit risk of all Financial Assets has not increased significantly after initial recognition. Therefore, allowance is measured using 12 months Expected Credit Loss (ECL) and full life time expected credit loss model is not used to measure the allowance for any Financial Asset.



Financial Assets for which loss allowance is measured using 12 months expected credit loss (ECL) is as follows:

Particulars	As at 31st March, 2017 Rs. in Hundreds
Cash and cash equivalents	15,335.09
SCA receivables - non-current	12,05,864.91
SCA receivables - current	2,40,194.45
Other non-current financial assets	29,468.19

The company has not recognised any loss allowance under 12 months expected credit loss (ECL) model.

**c Liquidity risk**

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

**Maturity profile of financial liabilities:**

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

As at 31st March, 2017

Particulars	Less than 1 year Rs. in Hundreds	1 to 5 years Rs. in Hundreds
Long term borrowings		4,720.50
Short term borrowings	10,64,517.95	
Other non-current financial liabilities		22,512.94
Other current financial liabilities	3,327.61	
Trade payables	1,571.59	

**d 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	As at 31st March, 2017 Rs. in Hundreds
Net debt (total debt less cash and cash equivalents)	12,58,983.02
Total capital	1,03,967.58
Total capital and net debt	13,62,950.60
Gearing ratio	92.37%



Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

30 Gratuity

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	For the period ended 31st March, 2017 Rs. in Hundreds
Current service cost	457.84
Interest cost on benefit obligation	193.35
Less: capitalized	651.19
<b>Net benefit expense</b>	<b>-</b>

Other comprehensive income

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Actuarial (gains) / losses	-
- change in demographic assumptions	-
- change in financial assumptions	(272.02)
- experience variance (i.e. Actual experience vs assumptions)	(5.46)
- others	-
Return on plan assets, excluding amount recognised in net interest expense	-
Less : capitalized	277.48
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>-</b>

Balance sheet

Details of provision for gratuity

Particulars	As at 31st March, 2017 Rs. in Hundreds
Present value of obligation	2,823.00
Fair value of assets at the end of the year	-
Surplus/(deficit)	-
<b>Net assets/(liability)</b>	<b>(2,823.00)</b>

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

Particulars	As at 31st March, 2017 Rs. in Hundreds
Opening defined benefit obligation	-
Interest cost	193.35
Current service cost	457.84
<b>Re-measurement (or actuarial) (gain) / loss arising from:</b>	
- change in demographic assumptions	-
- change in financial assumptions	(272.02)
- experience variance (i.e. Actual experience vs assumptions)	(5.46)
Past service cost	-
Acquisition adjustment	2,449.29
Benefits paid	-
Actuarial loss on obligation	-
<b>Closing defined benefit obligation</b>	<b>2,823.00</b>

The principal assumptions used in determining gratuity obligations are shown below:

Particulars	As at 31st March, 2017
Discount rate	7.60%
Rate of increase in compensation	7.50%



**Adani Agri Logistics (Kotkapura) Limited**

**Notes to financial statements for the period ended 31st March, 2017**

**Demographic assumption**

Particulars	As at 31st March, 2017
Mortality rate(% of IALM 06-08)	100.00%
Withdrawal rate (per annum)	2.00%

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.

**Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.

Particulars	As at 31st March, 2017 Rs. in Hundreds
Defined Benefit Obligation (Base)	2,823.00

Particulars	As at 31st March, 2017	
	Decrease	Increase
Discount rate (-/+1%)	3,225.13	2,483.42
Salary growth rate (-/+1%)	2,480.20	3,221.50
Attrition rate (-/+50%)	2,827.32	2,818.80
Mortality rate (-/+10%)	2,822.94	2,823.06

**Maturity profile of defined benefit obligation**

Weighted average duration (based on discounted cash flows)	14 years
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Expected cash flows over the next (valued on undiscounted basis)	Rs. in Hundreds
1 year	56.96
2 to 5 years	324.29
6 to 10 years	542.72
More than 10 years	8,029.59

**31 Taxation**

Income tax related items charged or credited directly to profit and loss and other comprehensive income during the year as follows:

Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Statement of profit and loss / other comprehensive income	
Current income tax	
Current tax	1,649.43
Deferred tax	3,039.17
	<b>4,688.60</b>





Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

Reconciliation	
Particulars	For the period ended 31st March, 2017 Rs. in Hundreds
Profit before tax	8,656.18
Applicable tax rate	30.90%
Tax on book profit as per applicable tax rate	2,674.76
Less:	
Income to be considered separately	12,181.17
Add:	
Expenditure dis-allowed	9,506.41
MAT	1,649.43
Deferred Tax	3,039.17
<b>Total tax expense (current + deferred tax)</b>	<b>4,688.60</b>

32 Related party disclosures

Holding company	Adani Agri Logistics Limited
Associate company	Adani Agri Fresh Limited Adani Wilmar Limited
Fellow subsidiary company	Adani Agri Logistics (Harda) Limited

Particulars	2016-17 Rs. in Hundreds
<b>Purchase of asset</b>	
Adani Agri Logistics (Harda) Limited	6,706.35
Adani Agri Logistics Limited	88,495.03
<b>Interest paid</b>	
Adani Agri Logistics Limited	22,193.84
<b>Employee liability transfer</b>	
Adani Agri Fresh Limited	607.41
Adani Agri Logistics Limited	1,980.54
Adani Wilmar Limited	1,739.91
<b>Payment made by holding on behalf of subsidiaries</b>	
Adani Agri Logistics Limited	852.55
<b>Funds received / (repayment of loan) (net)</b>	
Adani Agri Logistics Limited	3,50,000.00
<b>Capital contribution received</b>	
Adani Agri Logistics Limited	1,00,000.00
<b>Balance (payable) / receivable as at year end</b>	
Adani Agri Fresh Limited	607.41
Adani Agri Logistics (Harda) Limited	(6,706.35)
Adani Agri Logistics Limited	(96,483.67)
Adani Wilmar Limited	1,739.91
<b>Balance (payable) / receivable outstanding (loan) as at year end</b>	
Adani Agri Logistics Limited	(3,69,974.45)



Adani Agri Logistics (Kotkapura) Limited

Notes to financial statements for the period ended 31st March, 2017

33 Specified bank notes (SBN)

The details of specified bank notes (SBN) held and transacted during the period from 8th november, 2016 to 30th december, 2016 as provided in the table below.

Particular	SBNs	Other Notes	Total
Opening cash in hand as on 08.11.2016	-	-	-
Add : permitted receipts	-	-	-
Less : permitted payments	-	-	-
Less : amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

34 Contingent liabilities and commitments on capital account

Particulars	As at 31st March, 2017 Rs. in Hundreds
Estimated amount of unexecuted capital contracts (net of capital advances)	6,31,191.15

35 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.

36 Earnings per share (EPS)

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

Particulars	As at 31st March, 2017 Rs. in Hundreds
<b>Basic &amp; diluted</b>	
Net profit as per statement of profit and loss (A)	3,967.58
Calculation of weighted average number of equity shares :	
- Number of equity shares at the beginning of the year (B)	-
- Number of equity shares issued during the year (C)	10,00,000
- Number of equity shares at the end of the year (B+C)	10,00,000
- Weighted average number of equity shares (D)	8,63,014
Earning per share (basic and diluted) (A/D)	0.46

37 Standard issued but not effective:

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

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

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

Sandip A Parikh  
Partner  
Membership No.40727

Place : Ahmedabad  
Date : 22 MAY 2017



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

Shrikant Kanhere Director  
DIN : 07185218  
Jyoti Kumar Mehra Director  
DIN : 06840801

Place : Ahmedabad  
Date : 22 MAY 2017

