

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Iota Mtech Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Iota Mtech Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2018, 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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards of 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls relevant to the Company's preparation of the 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 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. 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 31 March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

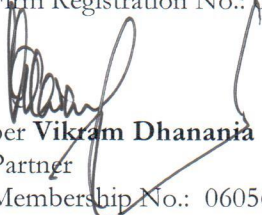
9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, 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 purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



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- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 14 May 2018 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivatives contract 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; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


per **Vikram Dhanania**
Partner
Membership No.: 060568

Place: Kolkata
Date: 14 May 2018



Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Iota Mtech Limited, on the financial statements for the year ended 31 March 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.



Walker Chandiook & Co LLP

Annexure A to the Independent Auditors' Report of even date to the members of Iota Mtech Limited, on the financial statements for the year ended 31 March 2018

- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Vikram Dhanania
per Vikram Dhanania
Partner
Membership No.: 060568



Place: Kolkata
Date: 14 May 2018

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Iota Mtech Limited, on the financial statements for the year ended 31 March 2018

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Iota Mtech Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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



Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Iota Mtech Limited, on the financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

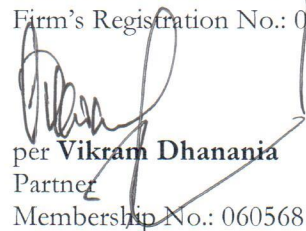
8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandiook & Co LLP

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



per **Vikram Dhanania**

Partner

Membership No.: 060568

Place: Kolkata

Date: 14 May 2018



Walker Chandiok & Co LLP

Financial Statements and Auditors' Report

Iota Mtech Limited

31 March 2018

Iota Mtech Limited

Balance sheet as at 31 March 2018

(All amounts in ₹, unless specified otherwise)

	Notes	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	500,000	500,000
Reserves and surplus	5	1,568,158,438	1,234,716,689
		<u>1,568,658,438</u>	<u>1,235,216,689</u>
Non-current liabilities			
Long-term borrowings	6	418,500,000	705,000,000
Long-term provisions	7	258,214	174,542
		<u>418,758,214</u>	<u>705,174,542</u>
Current liabilities			
Short-term borrowings	8	-	103,500,000
Other current liabilities	9	215,825	8,425,522
		<u>215,825</u>	<u>111,925,522</u>
Total		<u><u>1,987,632,477</u></u>	<u><u>2,052,316,753</u></u>
ASSETS			
Non-current assets			
Non-current investments	10	479,169,000	837,819,000
Deferred tax assets (net)	11	66,489	57,708
		<u>479,235,489</u>	<u>837,876,708</u>
Current assets			
Current investments	12	1,508,123,867	1,205,638,791
Trade receivables	13	-	7,498,021
Cash and cash equivalents	14	266,126	1,299,967
Other current assets	15	6,995	3,266
		<u>1,508,396,988</u>	<u>1,214,440,045</u>
Total		<u><u>1,987,632,477</u></u>	<u><u>2,052,316,753</u></u>

Notes 1 - 30 form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date

Walker Chandio & Co LLP
For Walker Chandio & Co LLP

Chartered Accountants

per *Vikram Dhanania*
Partner

Kolkata
14 May 2018

For and on behalf of the board of directors

Iota Mtech Limited

Bhaskar Banerjee
Director

R. K. Toshniwal

Raj Kumar Toshniwal
Director

Kolkata
14 May 2018



Iota Mtech Limited

Statement of profit and loss for the year ended 31 March 2018

(All amounts in ₹, unless specified otherwise)

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	16	336,235,076	356,753,603
Other income	17	-	260,906
Total revenue		336,235,076	357,014,509
Expenses			
Purchase of traded goods	18	-	38,840,769
Employee benefits expense	19	1,859,937	1,659,693
Finance cost	20	477,005	10,912,683
Other expenses	21	465,166	5,556,977
Total expenses		2,802,108	56,970,122
Profit before tax		333,432,968	300,044,387
Tax expense			
Current tax		-	-
Deferred tax credit		(8,781)	(26,970)
Tax for earlier years		-	2,205
		(8,781)	(24,765)
Profit for the year		333,441,749	300,069,152
Earnings per equity share of ₹10 each (EPS)	22	6,668.83	6,001.38

Notes 1 - 30 form an integral part of these financial statements.

This is the Statement of profit and loss referred to in our report of even date.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

[Signature]
per **Vikram Dhanania**
Partner

Kolkata
14 May 2018

For and on behalf of the board of directors

Iota Mtech Limited

[Signature] *R.K. Toshniwal*
Bhaskar Banerjee **Raj Kumar Toshniwal**
Director Director

Kolkata
14 May 2018



Iota Mtech Limited

Cash flow statement for the year ended 31 March 2018

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flow from operating activities		
Profit before tax	333,432,968	300,044,387
Adjustment for:		
Share of profit from LLP	(336,235,076)	(313,670,154)
Profit on sale of investments	-	(163,305)
Finance cost	477,005	10,912,683
Operating loss before working capital changes	(2,325,103)	(2,876,389)
Adjustments for changes in working capital:		
Decrease/(increase) in trade receivables	7,498,021	(7,498,021)
Decrease/(increase) in other current assets	(3,729)	(3,266)
Increase in long-term provisions	83,672	79,510
Increase in other current liabilities	(679,857)	563,199
Cash generated from/(used in) operating activities	4,573,004	(9,734,967)
Income tax paid	-	144,775
Net cash generated from/(used in) operating activities	(A) 4,573,004	(9,590,192)
B. Cash flow from investing activities		
Purchase of investments	-	(2,000,000)
Sale of investments	-	3,169,896
Withdrawal from LLP investments (net)	392,400,000	108,351,000
Net cash generated from investing activities	(B) 392,400,000	109,520,896
C. Cash flow from financing activities		
Proceeds from long term borrowings	-	150,000,000
Repayment of long term borrowings	(390,000,000)	(245,500,000)
Interest paid	(8,006,845)	(3,382,843)
Net cash used in financing activities	(C) (398,006,845)	(98,882,843)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) (1,033,841)	1,047,861
Cash and cash equivalents as at beginning of the year	1,299,967	252,106
Cash and cash equivalents as at end of the year	266,126	1,299,967

This is the cash flow statement referred to in or report of even date.

Walker Chandio & Co Ltd
For Walker Chandio & Co LLP
Chartered Accountants

per Vikram Dhanania
Partner

Kolkata
14 May 2018

For and on behalf of the directors
Iota Mtech Limited

Bhaskar Banerjee
Bhaskar Banerjee
Director

Kolkata
14 May 2018

R.K. Toshniwal

Raj Kumar Toshniwal
Director



IOTA Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

1. Background

IOTA Mtech Limited ("the Company") is a public limited company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company is a subsidiary of Kiran Vyapar Limited and is engaged in the business of trading in commodities and investments.

2. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The financial statements have been prepared on an accrual basis. The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, income taxes, classification of assets and liabilities into current and non-current and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(b) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

(c) Inventories

Inventories of traded goods are carried at lower of cost and fair value.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

- Revenue from sale of products is recognized in the accounts on passing of title to the goods. Sales are exclusive of sales taxes and trade discounts, where applicable.
- Interest income on loans/deposits/investments is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- Profit/Loss on sale of investments is recognized on sale/redemption of respective investments.
- Share of profit/loss from investments in partnership firms/limited liability partnerships (LLP) are recognized on accrual basis on the basis of profit sharing percentage held in the respective firm/LLP.
- Dividend income is recognized when the Company's right to receive dividend is established.

(e) Employee retirement benefits

Gratuity

Gratuity is a post-employment defined benefit plan. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of profit and loss in the period in which such gains or losses arises.

Compensated absences

Liability for compensated absences is recognized in accordance with the leave policy of the Company for the accumulated leave balance based on last drawn salary.

(f) Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

(g) Tax expense

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 ("IT Act"). The Company accounts for tax credit in respect of Minimum Alternate Tax ("MAT") in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act and where there is a reasonable certainty of adjusting such credit in future years. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(h) Provisions, Contingent liabilities and Contingent Assets

- a. A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- b. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.
- c. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Transactions in foreign currency

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(j) Borrowing costs

Interest on borrowing is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortized over the tenure of the respective borrowings. An unamortized borrowing cost remaining, if any, is fully expensed off as and when the related borrowing is prepaid / cancelled.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments at the time of purchase with a remaining maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.



IOTA Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

(1) Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purposes of diluted earnings per equity share, the net profit or loss for the year 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.



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
4 Share capital				
Authorized share capital				
Equity shares of ₹ 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>
a) Reconciliation of share capital				
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Balance at the beginning of the year	50,000	500,000	50,000	500,000
Balance at the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholding pattern

Shareholders holding more than 5% of the shares

	As at 31 March 2018		As at 31 March 2017	
	Number	%	Number	%
Equity shares of ₹10 each				
Kiran Vyapar Limited (with its nominees) - Holding Company	50,000	100%	50,000	100%
	<u>50,000</u>	<u>100%</u>	<u>50,000</u>	<u>100%</u>

5 Reserves and surplus

Surplus in the Statement of profit and loss

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	1,234,716,689	934,647,537
Add : Profit for the year	333,441,749	300,069,152
	<u>1,568,158,438</u>	<u>1,234,716,689</u>

6 Long-term borrowings

Unsecured loan from Holding Company (interest free)	418,500,000	705,000,000
	<u>418,500,000</u>	<u>705,000,000</u>

Terms of repayment

The loan is repayable within five years commencing from 31 March 2018.

7 Long-term provisions

Provision for leave encashment	76,528	51,945
Provision for gratuity	181,686	122,597
	<u>258,214</u>	<u>174,542</u>

8 Short-term borrowings

From a related party	-	103,500,000
	<u>-</u>	<u>103,500,000</u>

Unsecured loan from a related party is repayable on demand. It carries interest @ 9.750% p.a.

9 Other current liabilities

Interest accrued and due on borrowings	-	7,529,840
Liabilities for expenses	177,870	492,726
Statutory dues	37,955	402,956
	<u>215,825</u>	<u>8,425,522</u>



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

	As at 31 March 2018	As at 31 March 2017
10 Non-current investments (trade, unquoted)		
Investment in Limited Liability Partnership (LLP) - capital contribution		
Iota Mtech Power LLP	467,910,000	826,560,000
Sidhidata Power LLP	11,259,000	11,259,000
	<u>479,169,000</u>	<u>837,819,000</u>
11 Deferred tax assets (net)		
Timing differences on provision for employee benefits	66,489	57,708
	<u>66,489</u>	<u>57,708</u>
12 Current investments (unquoted)		
Investment in Limited Liability Partnerships (LLP) - share of profit		
Iota Mtech Power LLP	1,436,800,619	1,137,638,337
Sidhidata Power LLP	71,323,248	68,000,454
	<u>1,508,123,867</u>	<u>1,205,638,791</u>
Aggregate amount of unquoted investments	<u>1,508,123,867</u>	<u>1,205,638,791</u>
13 Inventories <i>(valued at lower of cost or net realisable value)</i>		
Stock-in-trade (maize)	-	22,362,598
	<u>-</u>	<u>22,362,598</u>
13 Trade receivables <i>(Unsecured considered good, unless otherwise stated)</i>		
Other debts	-	7,498,021
	<u>-</u>	<u>7,498,021</u>
14 Cash and cash equivalents		
Cash on hand	14,652	19,750
Balances with banks - in current accounts	251,474	1,280,217
	<u>266,126</u>	<u>1,299,967</u>
15 Other current assets		
Prepaid expenses	6,995	3,266
	<u>6,995</u>	<u>3,266</u>



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

	<u>Year ended 31 March 2018</u>	<u>Year ended 31 March 2017</u>
16 Revenue from operations		
Sale of traded goods	-	43,083,449
Share of profit from LLP		
Iota Mtech Power LLP	299,162,282	298,487,837
Sidhidata Power LLP	37,072,794	15,182,317
	<u>336,235,076</u>	<u>356,753,603</u>
17 Other income		
Interest on income tax refund	-	5,639
Warehouse charges	-	91,890
Profit on sale of current investments	-	163,305
Other miscellaneous income	-	72
	<u>-</u>	<u>260,906</u>
18 Purchase of traded goods		
Maize	-	38,840,769
	<u>-</u>	<u>38,840,769</u>
19 Employee benefits expense		
Salaries, wages and bonus	1,840,868	1,652,314
Staff welfare expenses	19,069	7,379
	<u>1,859,937</u>	<u>1,659,693</u>
20 Finance cost		
Interest expenses	477,005	10,912,683
	<u>477,005</u>	<u>10,912,683</u>
21 Other expenses		
Rent	5,628	2,616,116
Corporate Social Responsibility	-	7,500
Rates and taxes	6,800	6,250
Brokerage and commission	-	1,507,921
Procurement charges	-	388,408
Professional charges	126,000	129,450
Unloading charges	-	488,223
Travelling and conveyance	173,345	186,014
Quality control charges	-	35,004
Packing charges	-	19,300
Filing fees	2,800	-
General expenses	5,967	6,663
<u>Auditor's remuneration</u>		
Statutory audit	135,700	132,250
Tax audit	-	23,000
Others	8,926	10,878
	<u>465,166</u>	<u>5,556,977</u>
22 Earning per equity share		
Net profit after tax for the year	333,441,749	300,069,152
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	6,668.83	6,001.38



Iota Mtech Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless specified otherwise)

23 Segment Reporting**(a) Business segment**

The Company is primarily engaged in the business of trading in commodities and making investments. The business segments are accordingly classified into the following broad categories:

- Investment
- Trading

(b) Geographical segment

The Company operates in one geographic segment namely 'within India' and hence no separate information for geographical segment-wise disclosure is required.

Disclosures with respect to business segments:

SI no	Particulars	Year ended 31 March 2017	Year ended 31 March 2017
1	Segment Revenue		
	(a) Investment	336,235,076	313,833,459
	(b) Trading	-	43,175,411
	(c) Unallocated	-	5,639
	Total revenue	336,235,076	357,014,509
2	Segment Result		
	Profit before interest and tax		
	(a) Investment	336,235,076	313,833,459
	(b) Trading	-	(720,330)
	(c) Unallocated	(2,802,108)	(13,068,742)
	Profit before tax	333,432,968	300,044,387
	Tax expenses	(8,781)	(24,765)
	Profit after tax	333,441,749	300,069,152
3	Segment Assets		
	(a) Investment	1,987,292,867	2,043,457,791
	(b) Trading	-	7,498,021
	(c) Unallocated	339,610	1,360,941
	Total	1,987,632,477	2,052,316,754
4	Segment Liabilities		
	(a) Investment	418,500,000	808,500,000
	(b) Unallocated	474,039	8,600,064
	Total	418,974,039	817,100,064



Iota Mtech Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless specified otherwise)

24 Employee benefits**Gratuity**

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognized actuarial gains or losses and past service cost. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually. The assumptions used for actuarial valuation of liabilities towards gratuity are given below.

	As at
	31 March 2018
Change in projected benefit obligation	
Projected benefit obligation at the beginning of the year	122,597
Current Service cost	45,453
Interest cost	8,925
Actuarial loss	4,711
Benefits paid	-
Projected benefit obligation at the end of the year	<u>181,686</u>
Components of employer expenses	
Current Service cost	45,453
Interest cost	8,925
Recognized net actuarial (gain)/ loss	4,711
Total expense recognized in the statement of profit and loss	<u>59,089</u>
Key actuarial assumptions	
Discount rate	7.28%
Salary growth rate	8%
Average remaining working life (in years)	5.12
Expected rate of return on plan assets	-
Retirement age (in years)	58 Years
Mortality rate	IALM 2006-08
Experience adjustments on present value of benefit obligations and plan assets	
Present value of obligation	181,686
Fair value of plan assets	-
Net liability	<u>181,686</u>



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

25 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name of the related party
Holding company	Kiran Vyapar Limited
Enterprises over which parent company has significant influence or control	Navjyoti Commodity Management Services Limited
Enterprises over which key managerial personnel (KMP)/relative of KMP have significant influence or control	M B Commercials Co Limited Iota Mtech Power LLP Sidhidata Power LLP Placid Limited

b) Transactions with related parties

Nature of Transactions	Year ended 31 March 2018	Year ended 31 March 2017
<u>Loan taken</u>		
Kiran Vyapar Limited	-	-
Placid Limited	-	150,000,000
<u>Loan repaid</u>		
Kiran Vyapar Limited	286,500,000	199,000,000
Placid Limited	103,500,000	46,500,000
<u>Net capital withdrawal from LLP</u>		
Iota Mtech Power LLP	358,650,000	90,990,000
Sidhidata Power LLP	-	17,361,000
<u>Interest expenses</u>		
Placid Limited	476,384	10,892,242
<u>Rent and electricity paid</u>		
M B Commercials Co Limited	9,228	9,116
<u>Warehouse rent</u>		
Navjyoti Commodity Management Services Limited	-	2,607,000
<u>Brokerage and commission</u>		
Navjyoti Commodity Management Services Limited	-	1,507,921
<u>Quality control charges</u>		
Navjyoti Commodity Management Services Limited	-	35,004
<u>Procurement charges</u>		
Navjyoti Commodity Management Services Limited	-	388,408

c) Balances with related parties at year end

Particulars	As at 31 March 2018	As at 31 March 2017
<u>Loan payable</u>		
Kiran Vyapar Limited	418,500,000	705,000,000
Placid Limited (including interest accrued and due)	-	111,029,840
<u>Investments in LLP</u>		
Iota Mtech Power LLP	1,904,710,619	1,964,198,337
Sidhidata Power LLP	82,582,248	79,259,454



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

26 There are no reported Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes any amounts.

27 In accordance with Accounting Standard (AS) 19 - 'Leases', the Company does not have any non cancellable operating leases.

28 Details of Investments in LLP

Name of Partners	Share of profit (%)	Capital balance 31 March 2018
<u>IOTA Mtech Power LLP</u>		
IOTA Mtech Limited	90%	467,910,000
Sidhidata Tradecomm Limited	9%	46,791,000
Shri Lakshmi Niwas Bangur	1%	5,199,000
<u>Sidhidata Power LLP</u>		
IOTA Mtech Limited	9%	11,259,000
Sidhidata Tradecomm Limited	90%	112,590,000
Shri Lakshmi Niwas Bangur	1%	1,251,000

29 Disclosures in respect of Corporate Social Responsibility expenses under section 135 of the Companies Act, 2013 and rules thereon.

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Gross amount to be spent during the year	6,804,196	5,966,300
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	7,500

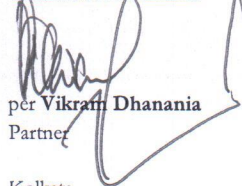
30 Previous year's figures have been regrouped/rearranged to confirm to current year's classification, wherever considered necessary.

This is the summary of significant accounting policies and other explanatory information referred in our report of even date.

Walker Chandio & Co LLP

For Walker Chandio & Co LLP

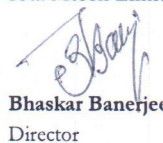
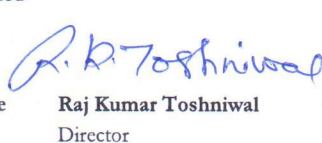
Chartered Accountants


per Vikram Dhanania
Partner

Kolkata
14 May 2018

For and on behalf of the directors

Iota Mtech Limited

 
Bhaskar Banerjee **Raj Kumar Toshniwal**
Director Director

Kolkata
14 May 2018

