

Walker Chandiok & Co LLP

Financial Statements and Auditors' Report

Iota Mtech Limited

31 March 2017

Walker Chandlok & Co LLP

Walker Chandlok & 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 2017, 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 prescribed 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, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & 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

Walker Chandiook & Co LLP

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 2017, 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 specified 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 2017 from being appointed as a director in terms of Section 164(2) of the Act;



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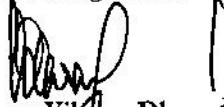
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 May 2017 as per Annexure B expresses our unmodified 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 Company, as detailed in Note 29 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in these Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanation given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



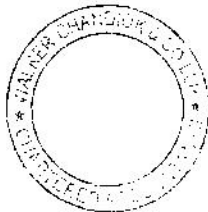
per Vikram Dhanania

Partner

Membership No.: 060568

Place: Kolkata

Date: 25 May 2017

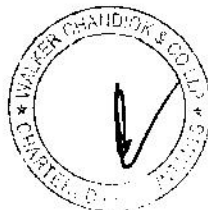


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Annexure A to the Independent Auditor's Report of even date to the members of IOTA Mtech Limited, on the financial statements for the year ended 31 March 2017

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) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships 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 not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (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 goods and 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, with 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 managerial remuneration. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.



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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 2017

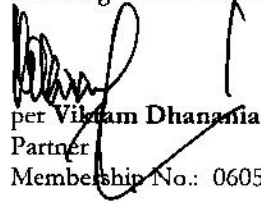
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have 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 the directors or persons connected with them.
- (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



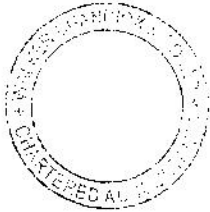
per Vikram Dhanania

Partner

Membership No.: 060568

Place: Kolkata

Date: 25 May 2017



Walker Chandick & 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 2017

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 2017, 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 2017

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 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 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: 25 May 2017



Iota Mtech Limited
Balance sheet as at 31 March 2017
(All amounts in ₹, unless specified otherwise)

	Notes	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	500,000	500,000
Reserves and surplus	5	1,234,716,689	934,647,537
		<u>1,235,216,689</u>	<u>935,147,537</u>
Non-current liabilities			
Long-term borrowings	6	705,000,000	904,000,000
Long-term provisions	7	174,542	95,032
		<u>705,174,542</u>	<u>904,095,032</u>
Current liabilities			
Short-term borrowings	8	103,500,000	-
Other current liabilities	9	8,425,522	332,483
		<u>111,925,522</u>	<u>332,483</u>
Total		<u>2,052,316,753</u>	<u>1,839,575,052</u>
Assets			
Non-current assets			
Non-current investments	10	837,819,000	946,170,000
Deferred tax assets (net)	11	57,708	30,738
Long-term loans and advances	12	-	146,980
		<u>837,876,708</u>	<u>946,347,718</u>
Current assets			
Current investments	13	1,205,638,791	892,975,228
Trade receivables	14	7,498,021	-
Cash and cash equivalents	15	1,299,967	252,106
Other current assets	16	3,266	-
		<u>1,214,440,045</u>	<u>893,227,334</u>
Total		<u>2,052,316,753</u>	<u>1,839,575,052</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 Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
per Vikram Dhanania
Partner

Kolkata
25 May 2017



For and on behalf of the board of directors
Iota Mtech Limited

Yogesh Bangur Bhaskar Banerjee
Director Director

Kolkata
25 May 2017



Iota Mtech Limited**Statement of profit and loss for the year ended 31 March 2017**

(All amounts in ₹, unless specified otherwise)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	17	356,753,603	348,745,611
Other income	18	260,906	777,465
Total revenue		357,014,509	349,523,076
Expenses			
Purchase of traded goods	19	38,840,769	34,046,920
Employee benefits expense	20	1,659,693	1,454,385
Finance Cost	21	10,912,683	-
Other expenses	22	5,556,977	5,888,196
Total expenses		56,970,122	41,389,501
Profit before tax		300,044,387	308,133,575
Tax expense			
Current tax		-	1,200,000
Deferred tax credit		(26,970)	(15,624)
Provision for tax for earlier year		2,205	76,945
		(24,765)	1,261,321
Profit for the year		300,069,152	306,872,254
Earnings per equity share of ₹10 each (EPS)	23	6,001.38	6,137.45

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

Vikram Dhanania
per Vikram Dhanania
Partner

Kolkata
25 May 2017



For and on behalf of the board of directors
Iota Mtech Limited

Yogesh Bangur *Bhaskar Banerjee*
Yogesh Bangur **Bhaskar Banerjee**
Director Director

Kolkata
25 May 2017



Iota Mtech Limited

Cash flow statement for the year ended 31 March 2017

(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities		
Profit before tax	300,044,387	308,133,575
Adjustment for:		
Share of profit from LLP	(313,670,154)	(306,785,049)
Profit on sale of investments	(163,305)	(256,591)
Dividend income	-	(16,814)
Finance cost	10,912,683	-
Operating profit/(loss) before working capital changes	(2,876,389)	1,075,121
Movements in working capital		
Decrease/ (increase) in trade receivables	(7,498,021)	100
Decrease/ (increase) in other current assets	(3,266)	8,823
Increase in long term provisions	79,510	50,562
Increase in other current liabilities	563,199	299,493
Cash generated from operating activities	(9,734,967)	1,434,099
Income tax paid/(net of refunds)	144,775	(723,924)
Net cash generated from/(used in) operating activities	(A) (9,590,192)	710,175
B. Cash flow from investing activities		
Purchase of investments	(2,000,000)	(40,800,000)
Sale of investments	3,169,896	41,066,814
Withdrawal from LLP investments (net)	108,351,000	370,080,000
Net cash generated from investing activities	(B) 109,520,896	370,346,814
C. Cash flow from financing activities		
Proceeds from long term borrowings	150,000,000	184,500,000
Repayment of long term borrowings	(245,500,000)	(556,000,000)
Interest paid	(3,382,843)	-
Net cash used in financing activities	(C) (98,882,843)	(371,500,000)
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 1,047,861	(443,011)
Cash and cash equivalents as at beginning of the year	252,106	695,117
Cash and cash equivalents as at end of the year	1,299,967	252,106

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

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Vikram Dhanania
per Vikram Dhanania
Partner

For and on behalf of the directors
Iota Mtech Limited
Yogesh Bangur
Yogesh Bangur
Director

Bhaskar Banerjee
Bhaskar Banerjee
Director

Kolkata
25 May 2017

Kolkata
25 May 2017



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.

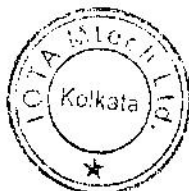
Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(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.



Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

(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.

- Revenue from sale of products is recognized on passing of title of the goods. Sales are exclusive of sales taxes/VAT 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

The employees of the Company are eligible for gratuity and compensated absences. Liability for gratuity is recognized for eligible employees in accordance with The Payment of Gratuity Act, 1972, for every completed year of service with the Company. 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.



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 2017		As at 31 March 2016	
	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	Number	Amount	Number	Amount
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

Equity shares of ₹10 each

Kiran Vyapar Limited (with its nominees) - Holding Company

	As at 31 March 2017		As at 31 March 2016	
	Number	%	Number	%
	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

Balance at the beginning of the year

Add : Transferred from Statement of profit and loss

	As at 31 March 2017	As at 31 March 2016
	934,647,537	627,775,283
	300,069,152	306,872,254
	<u>1,234,716,689</u>	<u>934,647,537</u>

6 Long-term borrowings

Unsecured loan from Holding Company (interest free)

	As at 31 March 2017	As at 31 March 2016
	705,000,000	904,000,000
	<u>705,000,000</u>	<u>904,000,000</u>

7 Long-term provisions

Provision for leave encashment

Provision for gratuity

	As at 31 March 2017	As at 31 March 2016
	51,945	22,917
	122,597	72,115
	<u>174,542</u>	<u>95,032</u>

8 Short-term borrowings

From a related party

Unsecured loan from a related party is repayable on demand. It carries interest @ 10.50% p.a.

	As at 31 March 2017	As at 31 March 2016
	103,500,000	-
	<u>103,500,000</u>	<u>-</u>

9 Other current liabilities

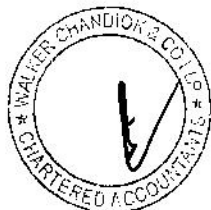
Interest accrued and due on borrowings

Liabilities for expenses

Advance from customers

Statutory dues

	As at 31 March 2017	As at 31 March 2016
	7,529,840	-
	492,726	203,013
	-	46,980
	402,956	82,490
	<u>8,425,522</u>	<u>332,483</u>



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

(All amounts in ₹, unless specified otherwise)

	As at 31 March 2017	As at 31 March 2016
10 Non-current investments (trade, unquoted)		
Investment in Limited Liability Partnership (LLP) - capital contribution		
Iota Mtech Power LLP	826,560,000	917,550,000
Sidhidata Power LLP	11,259,000	28,620,000
	<u>837,819,000</u>	<u>946,170,000</u>
11 Deferred tax assets (net)		
Timing differences on provision for employee benefits	57,708	30,738
	<u>57,708</u>	<u>30,738</u>
12 Long term loans and advances (Unsecured considered good, unless otherwise stated)		
Advance tax (net of provisions)	-	146,980
	<u>-</u>	<u>146,980</u>
13 Current investments (unquoted)		
(i) Investment in Mutual Funds		
Nil (Previous year: 39665) units of ₹ 10 each of IIDIC Floating Rate Income Fund - Short Term Plan (Growth)	-	1,006,591
	<u>-</u>	<u>1,006,591</u>
(ii) Investment in Limited Liability Partnerships (LLP) - share of profit		
Iota Mtech Power LLP	1,137,638,337	839,150,500
Sidhidata Power LLP	68,000,454	52,818,137
	<u>1,205,638,791</u>	<u>891,968,637</u>
Aggregate amount of unquoted investments	<u>1,205,638,791</u>	<u>892,975,228</u>
14 Trade receivables (Unsecured considered good, unless otherwise stated)		
Other debts	7,498,021	-
	<u>7,498,021</u>	<u>-</u>
15 Cash and cash equivalents		
Cash on hand	19,750	25,461
Balances with banks - in current accounts	1,280,217	226,645
	<u>1,299,967</u>	<u>252,106</u>
16 Other current assets		
Prepaid expenses	3,266	-
	<u>3,266</u>	<u>-</u>



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

	Year ended 31 March 2017	Year ended 31 March 2016
17 Revenue from operations		
Sale of traded goods	43,083,449	41,960,562
Share of profit from LLP		
Iota Mtech Power LLP	298,487,837	299,618,785
Sidhidata Power LLP	15,182,317	7,166,264
	<u>356,753,603</u>	<u>348,745,611</u>
18 Other income		
Dividend income on current investments	-	16,814
Interest on income tax refund	5,639	34,265
Other interest income	-	191,581
Warehouse charges	91,890	278,214
Profit on sale of current investments	163,305	256,591
Other miscellaneous income	72	-
	<u>260,906</u>	<u>777,465</u>
19 Purchase of traded goods		
Maize	38,840,769	34,046,920
	<u>38,840,769</u>	<u>34,046,920</u>
20 Employee benefits expense		
Salaries, wages and bonus	1,652,314	1,445,562
Staff welfare expenses	7,379	8,823
	<u>1,659,693</u>	<u>1,454,385</u>
21 Finance Cost		
Interest expenses	10,912,683	-
	<u>10,912,683</u>	<u>-</u>
22 Other expenses		
Rent	2,616,116	2,986,461
Corporate social responsibility expenses	7,500	-
Rates and taxes	6,250	12,130
Brokerage and commission	1,507,921	1,468,620
Procurement charges	388,408	389,837
Professional charges	129,450	150,263
Unloading charges	488,223	425,785
Travelling and conveyance	186,014	251,442
Quality control charges	35,004	-
Packing charges	19,300	33,500
General expenses	6,663	15,583
<u>Auditor's remuneration</u>		
Statutory audit	132,250	131,675
Tax audit	23,000	22,900
Others	10,878	-
	<u>5,556,977</u>	<u>5,888,196</u>
23 Earning per share		
Net profit after tax for the year	300,069,152	306,872,254
Weighted average number of equity shares	50,000	50,000
Basic and diluted earnings per share	6,001.38	6,137.45



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

(All amounts in ₹, unless specified otherwise)

24 Segment Reporting

Sl no	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
1	Segment Revenue		
(a)	Investment	313,833,459	307,058,454
(b)	Trading	43,175,411	42,430,357
(c)	Unallocated	5,639	34,265
	Total revenue	357,014,509	349,523,076
2	Segment Result		
	Profit before interest and tax		
(a)	Investment	313,833,459	307,058,454
(b)	Trading	(720,330)	3,079,234
(c)	Unallocated	(13,068,742)	(2,004,113)
	Profit before tax	300,044,387	308,133,575
	Tax expenses	(24,765)	1,261,321
	Profit after tax	300,069,152	306,872,254
3	Segment Assets		
(a)	Investment	2,043,457,791	1,839,145,228
(b)	Trading	7,498,021	-
(c)	Unallocated	1,360,941	429,823
	Total	2,052,316,753	1,839,575,052
4	Segment Liabilities		
(a)	Investment	808,500,000	904,000,000
(b)	Trading	-	-
(c)	Unallocated	8,600,064	427,515
	Total	817,100,064	904,427,515



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 Placid Limited

b) Transactions with related parties

Nature of Transactions	Year ended 31 March 2017	Year ended 31 March 2016
<u>Loan taken</u>		
Kiran Vyapar Limited	-	184,500,000
Placid Limited	150,000,000	-
<u>Loan repaid</u>		
Kiran Vyapar Limited	199,000,000	556,000,000
Placid Limited	46,500,000	-
<u>Net capital withdrawal from LLP</u>		
Iota Mtech Power LLP	90,990,000	353,700,000
Sidhidata Power LLP	17,361,000	16,380,000
<u>Interest Expenses</u>		
Placid Limited	10,892,242	-
<u>Rent paid</u>		
M B Commercials Co Limited	9,116	3,790
<u>Warehouse rent</u>		
Navjyoti Commodity Management Services Limited	2,607,000	2,982,671
<u>Brokerage and commission</u>		
Navjyoti Commodity Management Services Limited	1,507,921	1,468,620
<u>Quality control charges</u>		
Navjyoti Commodity Management Services Limited	35,004	-
<u>Procurement charges</u>		
Navjyoti Commodity Management Services Limited	388,408	389,837



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

c) Balances with related parties at year end

Particulars	As at	As at
	31 March 2017	31 March 2016
<u>Loan payable</u>		
Kiran Vyapar Limited	705,000,000	904,000,000
Placid Limited (including interest accrued and due)	111,029,840	-
<u>Investments in LLP</u>		
Iota Mtech Power LLP	826,560,000	917,550,000
Sidhidata Power LLP	11,259,000	28,620,000

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 2017
<u>IOTA Mtech Power LLP</u>		
IOTA Mtech Limited	90%	1,964,198,339
Sidhidata Tradecomm Limited	9%	196,419,835
Shri Lakshmi Niwas Bangur	1%	21,824,427
<u>Sidhidata Power LLP</u>		
IOTA Mtech Limited	9%	79,259,451
Sidhidata Tradecomm Limited	90%	792,594,522
Shri Lakshmi Niwas Bangur	1%	8,806,604

29 Disclosures in respect of CSR expenses under section 135 of the Companies Act, 2013 and rules thereon

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Gross amount to be spent during the year	5,966,300	4,148,349
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	7,500	-



Iota Mtech Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless specified otherwise)

30 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016

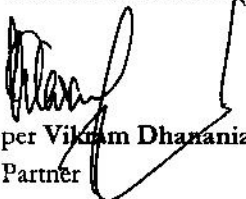
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.16	18,000	39	18,039
(+) Permitted receipts	-	60,000	60,000
(-) Permitted payments	-	200	200
(-) Amount deposited in Banks	18,000	-	18,000
Closing cash in hand as on 30.12.16	-	59,839	59,839

* SBN means old INR 1,000 and INR 500 notes which got discarded as legal tender w.e.f. 8th November, 2016.

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

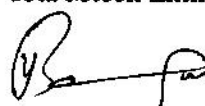
This is the summary of significant accounting policies and other explanatory information referred in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants


per Vikram Dhanania
Partner

Kolkata
25 May 2017

For and on behalf of the directors
Iota Mtech Limited


Yogesh Bangur
Director


Bhaskar Banerjee
Director

Kolkata
25 May 2017

