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**Walker Chandiook & Co LLP**

Financial Statements and Auditors' Report

**Iota Mtech Power LLP**

**31 March 2020**

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
10 C Hungerford Street  
5th Floor, Kolkata 700017  
India

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## Independent Auditor's Report

### To the Partners of IOTA Mtech Power LLP

#### Opinion

1. We have audited the accompanying financial statements of IOTA Mtech Power LLP ('the LLP'), which comprise the Balance sheet as at 31 March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), of the state of affairs of the LLP as at 31 March 2020, and its surplus and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Financial Statements

4. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI pursuant to the requirements of the Limited Liability Partnership Act, 2008 read with Limited Liability Partnership Rules, 2009. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Limited Liability Partnership Act, 2008 read with Limited Liability Partnership Rules, 2009 and design, implementation and maintenance of adequate internal financial controls 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.
5. In preparing the financial statements, management is responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.



# Walker ChandioK & Co LLP

## Auditor's Responsibilities for the Audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
7. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Walker ChandioK & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Vikram Dhanania**

Partner

Membership No.: 060568

UDIN: 20060568AAAAAU9324



Place: Kolkata

Date: 13 June 2020

Iota Mtech Power LLP  
 Balance sheet as at 31 March 2020  
 (All amounts in ₹, unless specified otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Partners' capital	4	1,850,925,672	1,869,556,136
		<u>1,850,925,672</u>	<u>1,869,556,136</u>
<b>Non current liabilities</b>			
Deferred tax liabilities (net)	5	13,076,628	10,555,432
Long-term provisions	6	-	21,201
		<u>13,076,628</u>	<u>10,576,633</u>
<b>Current liabilities</b>			
Other current liabilities	7	3,994,773	2,475,161
Short-term provisions	8	4,500,000	4,085,473
		<u>8,494,773</u>	<u>6,560,634</u>
<b>Total</b>		<u><b>1,872,497,073</b></u>	<u><b>1,886,693,403</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment - tangible assets	9	184,340,773	194,741,865
Non-current investments	10	1,611,833,968	1,636,797,914
Long-term loans and advances	11	7,683,027	-
		<u>1,803,857,768</u>	<u>1,831,539,779</u>
<b>Current assets</b>			
Trade receivables	12	29,404,112	18,116,108
Cash and cash equivalents	13	34,067,411	31,037,438
Short-term loans and advances	14	947,177	597,475
Other current assets	15	4,220,605	5,402,603
		<u>68,639,305</u>	<u>55,153,624</u>
<b>Total</b>		<u><b>1,872,497,073</b></u>	<u><b>1,886,693,403</b></u>

Notes 1 - 24 forms an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

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

Vikram Dhanania  
 Partner  
 Membership No. 060568

Kolkata  
 13 June 2020



For and on behalf of designated partners  
 Iota Mtech Power LLP

Lakshmi Niwas Bangur  
 Designated Partner

Yogesh Bangur  
 Designated Partner

Kolkata  
 13 June 2020

Iota Mtech Power LLP  
**Statement of Profit and Loss for the year ended 31 March 2020**  
 (All amounts in ₹, unless specified otherwise)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>REVENUE</b>			
Revenue from operations	16	36,470,412	36,241,219
Other income	17	75,099,777	308,103,055
<b>Total revenue</b>		<b>111,570,189</b>	<b>344,344,274</b>
<b>EXPENSES</b>			
Employee benefits expense	18	190,856	530,610
Finance costs	19	2,731	31,593
Depreciation	9	10,401,092	10,401,092
Other expenses	20	19,984,778	18,032,287
<b>Total expenses</b>		<b>30,579,457</b>	<b>26,995,582</b>
<b>Profit before tax</b>		<b>80,990,732</b>	<b>317,348,692</b>
<b>Tax expense</b>			
Current tax		7,000,000	10,000,000
Alternate minimum tax credit		-4,900,000	-
Deferred tax charge		2,521,196	2,585,446
Tax for earlier years		-	-4,947,757
		<b>4,621,196</b>	<b>7,637,689</b>
<b>Profit for the year</b>		<b>76,369,536</b>	<b>309,711,003</b>
<b>Profit transferred to Partner's Current Account</b>			
Iota Mtech Limited (90%)		68,732,583	278,739,903
Sidhidata Tradecomm Limited (9%)		6,873,258	27,873,990
Lakshmi Niwas Bangur (1%)		763,695	3,097,110
		<b>76,369,536</b>	<b>309,711,003</b>

Notes 1 - 24 forms an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandniok & Co LLP  
 Firm Registration No. 001016N/N500013  
 Chartered Accountants

Vikram Dhanania  
 Partner  
 Membership No. 069568



For and on behalf of designated partners  
 Iota Mtech Power LLP

Lakshmi Niwas Bangur  
 Designated Partner

Yogesh Bangur  
 Designated Partner

Kolkata  
 13 June 2020

Kolkata  
 13 June 2020

Iota Mtech Power LLP  
Cash flow statement for the year ended 31 March 2020  
(All amounts in ₹, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	80,990,732	317,348,692
Adjustments for :		
Depreciation	10,401,092	10,401,092
Dividend Income	(24,357,389)	(20,866,395)
Profit on sale of investments	(50,724,723)	(286,471,497)
Finance cost	2,731	31,593
<b>Operating profit before working capital changes</b>	<b>16,312,443</b>	<b>20,443,485</b>
<b>Adjustments for changes in working capital</b>		
Decrease / (Increase) in trade receivables	(11,288,004)	19,274,183
Decrease in loans and advances	353,497	6,674,232
Decrease/ (increase) in other current assets	1,181,998	(2,474,241)
Decrease in provisions	(21,201)	(15,360)
(Decrease)/ increase in other current liabilities	1,519,612	(10,494,430)
<b>Cash generated from operating activities</b>	<b>8,058,345</b>	<b>33,407,869</b>
Income tax paid (net of refunds)	(9,368,499)	(6,010,546)
<b>Net cash generated from/ (used in) operating activities</b>	<b>(A) (1,310,154)</b>	<b>27,397,323</b>
<b>B. Cash flow from investing activities</b>		
Dividend received	23,654,190	20,820,154
Sale of Investments	827,254,709	2,534,302,320
Purchase of Investments	(751,566,041)	(2,023,389,484)
<b>Net cash generated from investing activities</b>	<b>(B) 99,342,858</b>	<b>531,732,990</b>
<b>C. Cash flow from financing activities</b>		
Loan taken	3,500,000	-
Loan repaid	(3,500,000)	-
Withdrawal of partners' capital	(95,000,000)	(558,500,000)
Interest paid	(2,731)	(31,593)
<b>Net cash used in financing activities</b>	<b>(C) (95,002,731)</b>	<b>(556,531,593)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,029,973</b>	<b>2,598,720</b>
Cash and cash equivalents as at beginning of the year	31,037,438	28,438,718
<b>Cash and cash equivalents as at end of the year</b>	<b>34,067,411</b>	<b>31,037,438</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	10,821	14,642
Balances with banks		
- in current accounts	34,056,590	31,022,796
	<b>34,067,411</b>	<b>31,037,438</b>

This is the Cash Flow Statement referred to in or report of even date

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

Vikram Dhanania  
Partner  
Membership No. 060668

Kolkata  
13 June 2020



For and on behalf of designated partners  
Iota Mtech Power LLP

Lakshmi Niwas Bangur  
Designated Partner

Yogesh Bangur  
Designated Partner

Kolkata  
13 June 2020

## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

#### 1. Background

IOTA Mtech Power LLP ("the LLP") is a limited liability partnership domiciled in India and registered under the provisions of the Limited Liability Partnership Act, 2008. The LLP is engaged in the business of generation of electricity through windmills and making 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") and 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 LLP are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the LLP's normal operating cycle. Based on the nature of the work, the LLP 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 property, plant and equipment.

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) Property, plant and equipment - tangible assets

Property, plant and equipment ('PPE') are stated at cost, net of accumulated depreciation and impairment, if any. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use. Subsequent expenditures, if any, related to an item of PPE are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

##### (c) Depreciation

Depreciation on all assets is provided on straight line method over the useful lives of assets. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation.

##### (d) Impairment of assets

The LLP assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the LLP estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹, unless specified otherwise)

**(e) 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.

**(f) Revenue recognition**

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

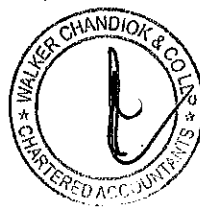
- Sale of power is accounted when electricity units are delivered at the metering point in terms of Power Purchase Agreement (PPA) and with reasonable degree of certainty of collection at the time of accrual. Consequential adjustments for rebates and allowances are given effect to upon confirmation by the relevant authorities.
- Generation based incentive is recognized @ ₹0.50 per unit when electricity is fed into the grid in terms of "Extension scheme for GBI for Grid connected Wind Power Projects dated 04 September 2013"
- Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, when recovered.
- 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.
- Dividend income from investments is recognized when the LLP's right to receive payment has been established.

**(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 LLP accounts for tax credit in respect of Alternate Minimum Tax ("AMT") in situations where the AMT 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 AMT 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 LLP 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.

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





**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹, unless specified otherwise)

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 LLP 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 LLP 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 LLP 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 Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

	As at	As at
	31 March 2020	31 March 2019
<b>4 Partner's capital</b>		
<b>Iota Mtech Limited</b>		
Opening balance	1,682,600,523	1,904,710,620
Less : Withdrawals during the year	85,500,000	500,850,000
Add : Share of profit for the year	68,732,583	278,739,903
	<u>1,665,833,106</u>	<u>1,682,600,523</u>
<b>Sidhidata Tradecomm Limited</b>		
Opening balance	168,260,053	190,471,063
Less : Withdrawals during the year	8,550,000	50,085,000
Add : Share of profit for the year	6,873,258	27,873,990
	<u>166,583,311</u>	<u>168,260,053</u>
<b>Lakshmi Niwas Bangur</b>		
Opening balance	18,695,560	21,163,450
Less : Withdrawals during the year	950,000	5,565,000
Add : Share of profit for the year	763,695	3,097,110
	<u>18,509,255</u>	<u>18,695,560</u>
	<u>1,850,925,672</u>	<u>1,869,556,136</u>

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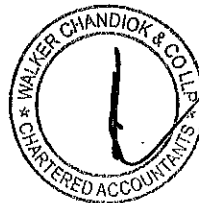
## Iota Mtech Power LLP

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

	As at 31 March 2020	As at 31 March 2019
<b>5 Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities</b>		
Timing difference on written down value of property, plant and equipment	13,076,628	10,568,384
	<u>13,076,628</u>	<u>10,568,384</u>
<b>Deferred tax assets</b>		
Provision for employee benefits	-	12,952
	<u>-</u>	<u>12,952</u>
<b>Deferred tax liabilities (net)</b>	<u>13,076,628</u>	<u>10,555,432</u>
<b>6 Long-term provisions</b>		
Provision for employee benefits	-	21,201
	<u>-</u>	<u>21,201</u>
<b>7 Other current liabilities</b>		
Other payables	3,731,628	2,299,462
Statutory dues	283,145	175,699
	<u>3,994,773</u>	<u>2,475,161</u>
<b>8 Short-term provisions</b>		
Provision for tax (net of advance tax)	4,500,000	4,085,473
	<u>4,500,000</u>	<u>4,085,473</u>

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Iota Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

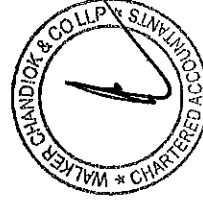
(All amounts in ₹, unless specified otherwise)

9 Property, plant and equipment - tangible assets

Asset Category	Gross Block			Depreciation			Net Block As at 31 March 2020
	As at 01 April 2019	Additions during the year	Deductions during the year	As at 31 March 2020	Up to 01 April 2019	Charge during the year	
Freehold Land	6,200,000	-	-	6,200,000	-	-	6,200,000
Plant and Machinery	228,595,428	-	-	228,595,428	40,053,563	10,401,092	178,140,773
	<b>234,795,428</b>	<b>-</b>	<b>-</b>	<b>234,795,428</b>	<b>40,053,563</b>	<b>10,401,092</b>	<b>184,340,773</b>

Asset Category	Gross Block			Depreciation			Net Block As at 31 March 2019
	As at 01 April 2018	Additions during the year	Deductions during the year	As at 31 March 2019	Up to 01 April 2018	Charge during the year	
Freehold Land	6,200,000	-	-	6,200,000	-	-	6,200,000
Plant and Machinery	228,595,428	-	-	228,595,428	29,652,471	10,401,092	188,541,865
	<b>234,795,428</b>	<b>-</b>	<b>-</b>	<b>234,795,428</b>	<b>29,652,471</b>	<b>10,401,092</b>	<b>194,741,865</b>

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Iota Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

10 Non-current investments

(non-trade, fully paid-up unless otherwise stated)

	Face Value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
<b>A In Equity Instruments (Quoted)</b>					
3M India Limited	10	917	12,191,870	1,157	15,108,518
Aarti Industries Limited	5	13,250	10,014,901	3,425	5,005,919
Aegis Logistics Limited	1	52,200	10,012,723	16,490	3,513,269
Akzo Nobel India Limited	10	8,980	14,457,527	11,499	18,256,726
Amara Raja Batteries Limited	1	2,810	2,424,381	2,810	2,424,381
Arvind Limited	10	53,900	16,423,754	53,900	16,423,754
Arvind Fashions Limited	10	10,780	4,036,137	10,780	4,036,137
Ashok Leyland Limited	1	141,000	12,967,494	141,000	12,967,494
Bajaj Electricals Limited	2	-	-	28,800	4,984,596
Bajaj Finserv Limited	5	600	4,825,564	-	-
Balkrishna Industries Limited	2	16,750	20,711,077	12,750	16,924,960
BLS International	1	61,000	1,849,094	-	-
Can Fin Homes Limited	2	35,250	20,133,518	35,250	20,133,518
Century Plyboards Limited	1	150,136	31,851,525	99,136	23,836,273
Century Textiles and Industries Limited	10	14,000	9,354,515	2,000	2,293,060
Container Corporation of India Limited	10	51,800	23,763,257	42,000	20,047,977
Dalmia Bharat Limited	2	78,300	77,201,936	-	-
Dilip Buildcon Limited	10	52,900	28,640,527	35,900	28,437,781
Emami Limited	10	47,985	15,022,018	-	-
Excel Crop Care Limited	10	-	-	735	2,449,234
Expleo Solutions	10	17,367	3,756,275	67	48,015
Finolex Cables Limited	2	21,100	9,304,838	19,300	8,865,630
Gillette India Limited	10	2,125	9,972,992	2,125	9,972,992
Glaxosmithkline Consumer	10	1,870	15,361,909	-	-
HDFC AMC Limited	5	3,225	10,054,958	-	-
HDFC Limited	2	7,273	12,878,128	7,273	12,878,128
HDFC Bank Limited	2	1,600	1,648,018	800	1,648,018
Hester Bio	10	2,725	5,013,282	-	-
Himatsingka Seide Limited	5	40,400	13,535,135	35,400	13,049,604
Honeywell Automation	10	585	14,776,296	-	-
Huhtamaki Ppl Limited	2	26,409	6,247,343	16,032	4,371,402
Igarashi Motors India Limited	10	26,554	17,193,603	23,754	16,278,069
ITC Limited	1	33,398	7,520,686	7,500	2,388,842
J K Cement Limited	10	14,700	14,223,347	27,831	25,590,104
JK Paper Limited	10	-	-	118,500	14,980,027
JSW Steel Limited	1	44,680	12,601,165	31,680	9,525,342
Kotak Mahindra Bank Limited	5	3,775	4,946,240	3,775	4,946,240
Larsen & Toubro Limited	2	23,844	16,339,358	23,844	16,339,358
Larsen & Toubro Finance Holdings Limited	10	182,300	30,090,960	182,300	30,090,960
LG Balakrishnan & Bros. Limited	10	47,240	12,716,227	33,740	10,040,300
Lumax Industries Limited	10	9,904	13,914,352	9,904	13,914,352
Lupin Limited	2	-	-	5,300	4,149,786
Maruti Suzuki India Limited	5	3,760	14,422,665	3,760	14,422,665
Mayur Uniquoters Limited	5	16,972	7,409,822	16,972	7,409,822
MMP Industries Limited	10	36,000	5,495,932	21,000	5,001,851
Monsanto India Limited	10	-	-	-	-
Motherson Sumi Systems Limited	1	240,810	40,803,162	240,810	40,803,162
MRF Limited	10	150	10,006,427	150	10,006,427
Navneet Education	2	52,000	5,008,049	-	-
NBCC (India) Limited	1	418,260	28,811,411	252,560	24,025,380
OCL India Limited	2	-	-	40,500	50,260,470
Orient Refractories Limited	1	90,000	11,012,659	90,000	11,012,659
Parag Milk Food	10	41,856	6,750,889	-	-
PI Industries Limited	1	-	-	17,146	14,608,824
Piramal Enterprises Limited	2	36,000	54,778,560	29,472	52,730,756
Punjab National Bank	2	104,100	8,748,719	-	-
Rain Industries Limited	2	72,000	4,069,183	72,472	22,353,069
Rane Brake Lining Limited	10	17,155	16,540,047	17,155	16,540,047
Reliance Industries Limited	10	3,550	5,027,616	16,900	17,026,435
Sadbhav Engineering Limited	1	23,879	9,040,611	62,075	23,361,190
Sequent Scientific	2	60,000	5,135,606	-	-
Siyaram Silk Mills Limited	2	15,755	9,076,630	13,430	8,728,318
Steel Authority of India Limited	10	376,700	18,056,696	254,700	14,891,629



Iota Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

10 Non-current investments (contd.)

(non-trade, fully paid-up unless otherwise stated)

	Face Value	As at 31 March 2020		As at 31 March 2019	
		Units	Amount	Units	Amount
<b>A In Equity Instruments (Quoted) (cont'd)</b>					
Sun Pharmaceuticals Industries Limited	1	20,480	9,342,413	9,480	5,002,613
State Bank of India Limited	1	9,215	2,421,153	9,215	2,421,153
Sterlite Technologies Limited	2	226,550	38,070,589	181,550	53,340,482
Subros Limited	2	15,000	5,017,083	15,000	5,017,083
Sumitomo Chemical	10	18,742	2,449,234	-	-
Sun TV Network Limited	5	10,570	5,007,199	-	-
Vardhman Textiles Limited	10	16,573	20,026,700	13,000	16,798,604
West Coast Paper Mills Limited	2	-	-	47,976	12,359,211
Tata Global Beverages Limited	1	-	-	42,000	6,614,361
Titan Company Limited	1	21,550	20,044,979	21,550	20,044,979
The Jammu And Kashmir Bank Limited	1	234,335	12,393,829	94,335	9,756,313
Uniply Industries Limited	2	145,000	9,823,405	145,000	9,823,405
VA Tech Wabag Limited	2	103,002	38,648,941	103,002	38,648,941
Varun Beverages Limited	10	27,718	17,551,440	12,189	9,779,207
VRL Logistics Limited	10	60,600	18,015,972	60,600	18,015,972
Zee Limited	1	20,000	5,479,788	-	-
<b>Sub total (A)</b>			<b>1,012,464,239</b>		<b>936,725,794</b>
<b>B In Mutual Funds (Unquoted)</b>					
HDFC Floating Rate Debt Fund-Regular Plan (Growth)	10	-	-	794,829	25,594,152
HDFC Top 100 Fund (Growth)	10	-	-	46,353	21,715,168
HDFC Equity Fund-Growth	10	49,359	34,000,000	-	-
ICICI Prudential Multi Asset Fund (Dividend)	10	-	-	3,555,741	86,765,419
HDFC Corporate Bond Fund (Growth)	10	1,858,147	21,135,674	7,387,972	84,035,223
Goldman Sachs Liquid Exchange Traded Scheme	1000	4	3,774	4	3,774
<b>Sub total (B)</b>			<b>55,139,448</b>		<b>218,113,736</b>
<b>C Investments through Portfolio Managers:</b>					
<b>(a) In Equity Instruments (Quoted):</b>					
3M India Limited	10	398	7,595,810	466	8,879,753
Aarti Industries Limited	5	11,876	4,503,371	7,027	6,223,137
Arti Surfactants Limited	10	855	255,831	-	-
Aavas Financiers Limited	10	3,341	6,190,219	-	-
Aegis Logistics Limited	1	65,671	11,141,454	67,956	11,411,311
Aia Engineering Limited	2	2,616	3,667,380	2,487	3,430,204
Amber Enterprises India Limited	10	1,205	1,059,671	-	-
APL Apollo Tubes Limited	10	2,020	3,133,504	-	-
Apollo Tricoat Tubes Limited	2	7,423	1,364,787	-	-
Arvind Fashions Limited	10	-	-	3,889	1,544,663
Ashok Leyland Limited	1	-	-	36,004	2,585,925
Asian Paints Limited	1	9,404	6,813,886	10,408	7,310,761
Astral Poly Technik Limited	1	12,575	3,809,121	11,308	4,209,780
Axis Bank Limited	2	14,088	9,744,045	4,806	3,159,764
Avenue Supermarts Limited	10	1,755	3,907,835	-	-
Au Small Finance Bank Limited	10	21,356	19,437,670	5,155	2,712,200
Bajaj Electricals Limited	2	23,675	6,091,367	21,326	5,363,177
Bajaj Finance Limited	2	-	-	13,141	-
Bajaj Finserv Limited	5	4,270	15,154,547	5,426	19,675,710
Balaji Amines Limited	2	3,137	1,241,896	-	-
Balkrishna Industries Limited	2	6,941	5,834,623	14,093	14,922,565
Berger Paints India Limited	1	20,687	6,374,234	-	-
Bharat Petroleum Corporation Limited	10	-	-	19,040	4,569,572
Bharat Forge Limited	2	-	-	10,168	6,309,567
Bharti Airtel Limited	5	-	-	19,549	9,717,861
Britannia Industries Limited	2	9,141	14,412,950	8,650	13,073,235
Century Textiles & Industries	10	4,700	2,306,109	-	-
Cholamandalam Investment & Finance Co. Limited	10	52,155	10,446,103	10,431	10,446,103
Dcb Bank Limited	10	-	-	38,560	5,978,502
Debur India Limited	1	57,708	23,560,887	37,485	15,692,483
Dalmia Bharat Limited	2	16,803	14,727,486	-	-
Deepak Nitrate Limited	2	6,997	2,068,393	-	-



## Iota Mtech Power LLP

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

10 Non-current Investments (cont'd)  
(non-trade, fully paid-up unless otherwise stated)

	Face Value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
<b>C Investments through Portfolio Managers: (cont'd)</b>					
<b>(a) In Equity Instruments (Quoted): contd.</b>					
Divi'S Laboratories Limited	2	7,971	9,652,230	6,403	7,122,420
Dr Reddy'S Laboratories Limited	5	1,145	3,281,753	-	-
Edelweiss Financial Services Limited	1	25,971	3,094,856	-	-
Eicher Motors Limited	10	90	1,317,140	967	15,113,352
Fine Organics Limited	5	490	1,037,482	-	-
Gruh Finance Limited	2	-	-	32,242	3,583,373
Gujarat Gas Limited	10	-	-	-	-
Ge Power India Limited	10	2,188	1,902,521	-	-
Glaxosmithkline Pharmaceuticals Limited	10	1,461	2,406,820	-	-
Godrej Properties Limited	5	2,514	2,199,672	-	-
Gujarat Ambuja Exports Limited	2	6,789	1,367,702	-	-
Havells India Limited	1	48,373	20,905,173	43,065	17,300,709
Hdfc Bank Limited	2	25,075	13,609,042	14,204	13,808,728
Hero Motocorp Limited	2	-	-	922	1,712,165
Housing Development Finance Corporation Limited	2	-	-	-	-
Hdfc Standard Life Insurance Company Limited	10	15,322	5,796,268	18,693	6,626,066
Hester Biosciences Limited	10	1,008	1,329,266	-	-
Hindustan Unilever Limited	1	4,627	8,066,054	-	-
Honeywell Automation India Limited	10	273	6,636,352	-	-
Icici Bank Limited	2	49,140	15,512,470	41,161	11,798,693
Icici Lombard General Insurance Company Limited	10	15,875	15,924,064	14,219	11,318,196
Ipca Laboratories Limited	2	3,277	2,707,259	3,604	2,675,642
Indusind Bank Limited	10	3,668	3,566,398	16,496	14,718,877
Infosys Limited	5	6,036	4,364,886	-	-
Interglobe Aviation Limited	10	-	-	1,809	1,585,498
ITC Limited	1	14,367	3,438,361	11,345	3,235,724
Kansai Nerolac Paints Limited	1	-	-	19,893	5,609,773
Kaveri Seed Company Limited	2	-	-	14,658	7,652,177
KEI INDUSTRIES Limited	2	2,563	1,009,378	-	-
Kotak Mahindra Bank Limited	5	15,061	6,995,045	17,368	6,537,494
Larsen & Toubro Limited	2	3,632	1,308,522	4,651	2,505,239
Lic Housing Finance	2	6,623	3,112,670	-	-
Maharashtra Scooters Limited	10	884	3,473,855	-	-
Maithan Alloys Limited	10	5,466	2,837,933	-	-
Manappuram Finance Limited	2	46,884	7,899,567	-	-
Maruti Suzuki India Limited	5	547	3,912,835	1,642	11,123,782
Max Financial Services Limited	2	17,931	7,704,052	-	-
Minda Industries Limited	2	17,659	3,170,490	22,411	8,510,578
Motherson Sumi Systems Limited	1	-	-	38,217	1,252,087
Mrf Limited	10	212	11,379,702	205	10,982,138
Muthoot Finance Limited	10	3,079	2,180,145	-	-
Navin Fluorine International Limited	2	3,873	4,843,138	-	-
Nestle India Limited	10	704	7,177,399	471	4,618,983
Nrb Bearings Limited	2	4,742	634,073	-	-
Ocl India Limited	2	-	-	15,267	15,126,286
Page Industries Limited	10	1,090	9,855,238	1,009	7,935,455
Petronet Lng Limited	10	8,753	1,944,595	15,834	3,624,810
Pi Industries Limited	1	13,293	3,829,267	14,470	3,599,222
Pidilite Industries Limited	1	11,409	5,806,296	11,409	5,806,194
Polycab India Limited	10	1,940	1,147,562	-	-
Psp Projects Limited	10	2,567	1,167,485	-	-
Procter & Gamble Hygiene And Healthcare Limited	10	-	-	831	7,760,587
Quess Corp Limited	10	2,532	2,309,646	3,005	2,800,313
Sanofi India Limited	10	1,449	8,058,354	-	-
Sequent Scientific Limited	2	14,365	986,640	-	-
Shree Cements Limited	10	565	8,657,272	312	3,557,036
Sbi Life Insurance Company Limited	10	10,968	7,672,657	12,450	8,716,624
Sterilite Technologies Limited	2	18,603	2,812,044	-	-
Stylam Industries Limited	10	1,810	1,174,269	-	-
Sun Tv Network Limited	5	13,856	8,090,276	13,856	8,090,276
Suprajit Engineering Limited	1	4,360	874,001	-	-
Supreme Industries Limited	2	-	-	7,036	6,869,745
Tata Consultancy Services Limited	1	-	-	2,788	5,610,348



## Iota Mtech Power LLP

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

10 Non-current investments (cont'd)  
(non-trade, fully paid-up unless otherwise stated)

Face Value	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>C Investments through Portfolio Managers: (cont'd)</b>				
<b>(a) In Equity Instruments (Quoted): contd.</b>				
Tol Express	2	1,068	811,226	
Tech Mahindra Limited	5	-	-	2,114,739
Thermax Limited	2	2,381	2,471,451	3,049
Titan Company Limited	1	15,701	18,437,447	-
Tourism Finance Corp Of India Limited	10	14,304	1,451,454	-
Tube Investment Of India Limited	1	5,167	1,915,614	-
Upl Limited	2	24,379	7,375,598	17,505
Varun Beverage Limited	10	11,596	7,373,734	-
Welspun India Limited	1	-	-	-
Zee Entertainment Enterprises Limited	1	-	-	18,464
Zydus Wellness Limited	10	2,603	3,637,614	2,603
			<u>488,457,490</u>	<u>429,938,375</u>
<b>(b) In Mutual Funds (Unquoted)</b>				
HDFC Liquid Fund Direct Plan Growth	10	973	3,752,782	-
Principal Cash Management Fund Institution Premium-Growth (ASK LP)			9	9
			<u>3,752,791</u>	<u>9</u>
<b>Sub total (C)</b>			<u>492,210,281</u>	<u>429,938,384</u>
<b>D In Preference Shares</b>				
<b>Unquoted</b>				
Basbey Greenview Private Limited	10	430,000	43,000,000	430,000
Sukhday Greenview Private Limited	10	90,000	9,000,000	90,000
<b>Sub total (D)</b>			<u>52,000,000</u>	<u>52,000,000</u>
<b>E Other Investments (Unquoted)</b>				
Investment in National Savings Certificate (pledged with sales tax authorities)			20,000	20,000
			<u>20,000</u>	<u>20,000</u>
<b>Aggregate amount of investments</b>				
Quoted			1,500,921,729	1,366,664,169
Unquoted			110,912,239	270,133,745
			<u>1,611,833,968</u>	<u>1,636,797,914</u>
<b>Aggregate Market value of Quoted Investments</b>			1,156,118,585	1,624,509,212





Iota Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

	As at 31 March 2020	As at 31 March 2019
<b>11 Long-term loans and advances</b>		
Advance tax (net of provision)	2,783,027	-
Alternate minimum tax credit	4,900,000	-
	<u>7,683,027</u>	<u>-</u>
<b>12 Trade receivables</b> <i>(Unsecured, considered good, unless otherwise stated)</i>		
Due for more than six months	17,458,431	10,167,696
Other debts	11,945,681	7,948,412
	<u>29,404,112</u>	<u>18,116,108</u>
<b>13 Cash and cash equivalents</b>		
Cash on hand	10,821	14,642
Balances with banks - in current accounts	34,056,590	31,022,796
	<u>34,067,411</u>	<u>31,037,438</u>
<b>14 Short-term loans and advances</b> <i>(Unsecured, considered good, unless otherwise stated)</i>		
Advances recoverable in cash or in kind	-	428,497
Security deposits	210,000	135,000
Dividend receivable	737,177	33,978
	<u>947,177</u>	<u>597,475</u>
<b>15 Other current assets</b>		
Prepaid expenses	877,956	457,209
Income tax refundable	2,575,785	2,575,785
Other receivables	766,864	2,369,609
	<u>4,220,605</u>	<u>5,402,603</u>

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## Iota Mtech Power LLP

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>16 Revenue from operations</b>		
Sale of energy		
-Rajasthan Project	13,510,481	15,400,452
-Maharashtra Project	19,871,072	17,924,394
	33,381,553	33,324,846
Generation based incentive	2,923,923	2,916,373
Other operating revenue	184,936	-
	<u>36,470,412</u>	<u>36,241,219</u>
<b>17 Other income</b>		
Miscellaneous income	17,665	765,163
Dividend income from non-current investments	24,357,389	20,866,395
Net gain/(loss) on sale of investments	50,724,723	286,471,497
	<u>75,099,777</u>	<u>308,103,055</u>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	186,531	511,471
Staff welfare expenses	4,325	19,139
	<u>190,856</u>	<u>530,610</u>
<b>19 Finance costs</b>		
Interest on borrowings	2,654	254
Other interest expenses	77	31,339
	<u>2,731</u>	<u>31,593</u>
<b>20 Other expenses</b>		
Rates and taxes	503,098	282,374
Rent and electricity expenses	14,928	14,928
Travelling and conveyance	-	20,947
Legal and professional fees	15,146,600	14,081,638
Project expenses (insurance charges)	517,210	48,711
Operation & maintenance Charges	3,486,900	928,000
Miscellaneous expenses	13,962	292,839
<u>Auditor's remuneration</u>		
-statutory audit	243,080	289,100
-tax audit	59,000	59,000
-other matters	-	14,750
	<u>19,984,778</u>	<u>16,032,287</u>

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**Iota Mtech Power LLP****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹, unless specified otherwise)

**21 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 2019	As at 31 March 2018
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	21,226	8,180
Current Service cost	-21,226	12,209
Interest cost	-	631
Actuarial gain	-	206
Projected benefit obligation at the end of the year	<u>-</u>	<u>21,226</u>
<b>Components of employer expenses</b>		
Current Service cost	-21,226	12,209
Interest cost	-	631
Recognized net actuarial gain	-	206
<b>Total expense recognized in the statement of profit and loss</b>	<u>(21,226)</u>	<u>13,046</u>
<b>Key actuarial assumptions</b>		
Discount rate	-	7.71%
Salary growth rate	-	8%
Average remaining working life (in years)	-	20.01
Expected rate of return on plan assets	-	-
Retirement age	-	58 Years
Mortality rate	-	IALM 2006-08
<b>Experience adjustments on present value of benefit obligations and plan assets</b>		
Present value of obligation	-	21,226
Fair value of plan assets	-	-
<b>Net liability</b>	<u>-</u>	<u>21,226</u>

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**Iota Mitech Power LLP**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
**(All amounts in ₹, unless specified otherwise)**

**22 Segment reporting**

**Basis of segmentation:**

The LLP has the following segments, which are its reportable segments. These segments deals in two different industries and are managed separately by the LLP.

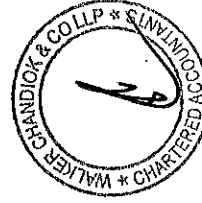
(a) Investing - Buying and selling of various kinds of securities

(b) Power generation - Generation of power through windmills at Rajasthan and Maharashtra

Operating segments disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker. The measurement principles of segments are consistent with those used in the significant accounting policies. Inter-segment transactions are determined on an arm's length basis.

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Investing	Power generation	Total	Investing	Power generation	Total
(a) Segment revenues (including other income)	75,082,112	36,470,412	111,570,189	307,337,892	36,241,219	765,163
(b) Segment results	60,271,521	21,940,485	80,990,732	293,528,885	24,698,396	(878,569)
(c) Reconciliation of segment results with profit after tax: Add / (less): Tax expenses			(4,621,196)			(7,637,689)
Profit after tax as per the statement of profit and			76,369,536			309,711,003
Particulars	As at 31 March 2020			As at 31 March 2019		
	Investing	Power generation	Total	Investing	Power generation	Total
(d) Segment assets	1,613,338,009	214,622,841	1,872,497,073	1,639,201,501	213,315,182	1,886,693,403
(e) Segment liabilities	2,824,736	13,749,828	21,571,401	2,001,056	10,568,384	17,137,267

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Iota Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹, unless specified otherwise)

23 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name of the related party
Key Managerial Personnel (KMP)	Mr. Lakshmi Niwas Bangur (Designated Partner) Mr. Yogesh Bangur (Designated Partner)
Entity having significant control over the enterprise	Iota Mtech Limited
Ultimate Parent	Kiran Vyapar Limited
Enterprises over which KMP/Relatives of KMP have significant influence or control	Sidhidata Tradecomm Limited Placid Limited Samay Industries Limited MB Commercial Co. Limited

b) Transactions with related parties

Nature of Transactions	Year ended 31 March 2020	Year ended 31 March 2019
<u>Withdrawal of capital</u>		
IOTA Mtech Limited	85,500,000	500,850,000
Sidhidata Tradecomm Limited	8,550,000	50,085,000
Mr. Lakshmi Niwas Bangur	950,000	5,565,000
<u>Share of profit distribution</u>		
IOTA Mtech Limited	68,732,583	278,739,903
Sidhidata Tradecomm Limited	6,873,258	27,873,990
Mr. Lakshmi Niwas Bangur	763,695	3,097,110
<u>Loan taken</u>		
Sidhidata Tradecomm Limited	3,500,000	-
<u>Loan taken repaid</u>		
Sidhidata Tradecomm Limited	3,500,000	-
<u>Interest paid</u>		
Sidhidata Tradecomm Limited	2,654	-
<u>Rent and electricity expenses</u>		
MB Commercial Co. Limited	14,928	14,928
<u>Printing and stationery expenses</u>		
Samay Industries Limited	2,360	-

24 Previous year's amount have been regrouped/rearranged to confirm to the classification of the current year, wherever considered necessary.

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

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

Vikram Chananania  
Partner  
Membership No. 060568

Kolkata  
13 June 2020



For and on behalf of designated partners  
Iota Mtech Power LLP

Lakshmi Niwas Bangur  
Designated Partner

Kolkata  
13 June 2020

Yogesh Bangur  
Designated Partner

0/19

IND-AS

For  
Consolidation

**Ind AS Financial Statements**

**IOTA Mtech Power LLP**

**31 March 2020**

**IOTA Mtech Power LLP**

**Balance Sheet as at 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	1,843.41	1,947.42
(b) Financial assets			
(i) Investments	4	12,771.15	19,544.27
(c) Deferred tax assets, net	11	283.08	-
<b>Total non-current assets</b>		<b>14,897.64</b>	<b>21,491.69</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	5	290.29	170.48
(ii) Cash and cash equivalents	6	340.68	310.38
(iii) Loans	7	2.10	1.35
(iv) Other financial assets	8	40.98	54.05
(b) Current tax assets (net)	21	32.25	4.75
(c) Other current assets	9	8.78	4.58
<b>Total current assets</b>		<b>715.08</b>	<b>545.59</b>
<b>Total assets</b>		<b>15,612.72</b>	<b>22,037.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Partner's capital	10	5,199.00	5,199.06
<b>Total partner's capital</b>		<b>5,199.00</b>	<b>5,199.06</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities, net	11	-	612.62
<b>Total non-current liabilities</b>		<b>-</b>	<b>612.62</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	12	10,361.44	16,178.03
(b) Other current liabilities	13	2.68	1.76
(c) Provisions	14	-	0.21
(d) Current tax liabilities (net)	21	49.60	45.60
<b>Total current liabilities</b>		<b>10,413.72</b>	<b>16,225.60</b>
<b>Total equity and liabilities</b>		<b>15,612.72</b>	<b>22,037.28</b>

Note 26 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076/N/N500013

Vikram Dhanania

Partner

Membership No. 060568

Place: Kolkata

Date: 13 June 2020



For and on behalf of

**IOTA Mtech Power LLP**

Lakshmi Niwas Bangur

Designated Partner

Place: Kolkata

Date: 13 June 2020

Yogesh Bangur

Designated Partner

**IOTA Mtech Power LLP**

**Statement of Profit and Loss for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>INCOME</b>			
(a) Revenue from operations	15	364.71	362.41
(b) Other income	16	175.74	409.77
<b>Total income</b>		<b>540.45</b>	<b>772.18</b>
<b>EXPENSES</b>			
(a) Employee benefits expenses	17	1.91	5.30
(b) Finance costs	18	0.03	0.32
(c) Depreciation	19	104.01	104.01
(d) Other expenses	20	199.85	161.68
<b>Total expenses</b>		<b>305.80</b>	<b>271.31</b>
<b>Profit before tax</b>		<b>234.65</b>	<b>500.87</b>
<b>Tax expenses</b>			
(a) Current tax	21	70.00	100.00
(b) Deferred tax		(193.73)	(716.10)
(c) Prior year taxes		-	(49.48)
		<b>(123.73)</b>	<b>(665.58)</b>
<b>Profit after tax</b>		<b>358.38</b>	<b>1,166.45</b>
<b>Other comprehensive income:</b>			
<b>(a) Items that will not be reclassified subsequently to profit or loss</b>			
- Fair valuation of equity instruments through other comprehensive income		(5,941.33)	(895.54)
- Income tax relating to items that will not be reclassified to profit or loss		701.97	179.65
<b>Total other comprehensive income</b>		<b>(5,239.36)</b>	<b>(715.89)</b>
<b>Total comprehensive income for the year</b>		<b>(4,880.98)</b>	<b>450.56</b>

Notes 1 - 26 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076M/N500013

**Vikram Dhanania**

Partner

Membership No. 060568

Place: Kolkata

Date: 13 June 2020



For and on behalf of

**IOTA Mtech Power LLP**

**Lakshmi Niwas Bangur**

Designated Partner

Place: Kolkata

Date: 13 June 2020

**Yogesh Bangur**

Designated Partner



**IOTA Mtech Power LLP**

**Statement of Cash Flows for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	234.65	500.87
Adjustments for :		
Depreciation	104.01	104.01
Dividend income	(243.57)	(208.71)
Reversal of expected credit loss	(6.93)	(15.43)
Profit/ (loss) on sale of investments	74.94	(179.43)
Finance cost	0.03	0.32
<b>Operating profit before working capital changes</b>	<b>163.13</b>	<b>201.63</b>
<b>Adjustments for changes in working capital</b>		
Decrease / (increase) in trade receivables	(112.88)	193.00
(Increase) in loans	(0.75)	(0.80)
Decrease in other financial assets	20.10	43.87
(Increase) in other current assets	(4.20)	(2.49)
Increase/ (decrease) in provisions	(0.21)	0.16
Increase/(decrease) in other financial liabilities	14.33	(101.78)
Increase/(decrease) in other current liabilities	0.82	(3.47)
<b>Cash generated from operating activities</b>	<b>80.34</b>	<b>330.12</b>
Income tax paid (net of refunds)	(93.50)	(60.11)
<b>cash generated from/ (used in) operating activities</b>	<b>(13.16)</b>	<b>270.01</b>
	(A)	
<b>B. Cash flow from investing activities</b>		
Dividend received	236.54	209.17
Sale of investments	8,272.55	25,346.02
Purchase of investments	(7,515.66)	(20,233.89)
<b>Net cash generated from investing activities</b>	<b>993.43</b>	<b>5,321.30</b>
	(B)	
<b>C. Cash flow from financing activities</b>		
Loan taken	35.00	-
Loan repaid	(35.00)	-
Withdrawal of partners' capital	(949.94)	(5,565.00)
Interest paid	(0.03)	(0.32)
<b>Net cash used in financing activities</b>	<b>(949.97)</b>	<b>(5,565.32)</b>
	(C)	
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>30.30</b>	<b>25.99</b>
Cash and cash equivalents as at beginning of the year	310.38	284.39
Cash and cash equivalents as at end of the year	<b>340.68</b>	<b>310.38</b>
<b>and cash equivalents comprises of:</b>		
Cash on hand	0.11	0.15
Balances with banks		
- in current accounts	340.57	310.23
	<b>340.68</b>	<b>310.38</b>

This is the Statement of cash flows referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Vikram Dhanania

Partner

Membership No. 060568

Place: Kolkata

13 June 2020



For and on behalf of designated partners

IOTA Mtech Power LLP

Lakshmi Niwas Bangur

Designated Partner

Yogesh Bangur

Designated Partner

Place: Kolkata

Date: 13 June 2020

## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 1 (a) LLP Information

IOTA Mtech Power LLP ("the LLP") is a limited liability partnership domiciled in India and registered under the provisions of the Limited Liability Partnership Act, 2008. The LLP is engaged in the business of generation of electricity through wind mills and making investments.

#### (b) Basis of preparation of financial statements

##### General information and statement of compliance with Indian Accounting Standards

These Financial Statements, as at and for the year ended 31 March 2020, have been prepared solely for the purpose of facilitating group reporting at the holding company level in accordance with Ind AS 110 - Consolidated Financial Statements. These financial statements have been prepared in accordance with recognition and measurement principles prescribed under Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India ("Ind AS"). The items in these Financial Statements have been classified considering the principles under Ind AS 1, "Presentation of Financial Statements". Management has prepared these Financial Statements which comprise the Balance Sheet, the Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### Current/Non-current classification

The LLP presents all its assets and liabilities in the balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the LLP's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the LLP has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the LLP's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the LLP does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the LLP has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### (c) Presentation of financial statements

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business.
- The event of default.
- The event of insolvency or bankruptcy of the LLP and/or its counterparties.

#### (d) Significant accounting judgements, estimates and assumptions

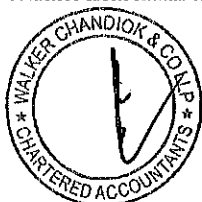
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### Provisions and other contingent liabilities

The LLP operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the LLP's business. When the LLP can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the LLP records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the LLP takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### (e) Application of new accounting pronouncements

Institute of Chartered Accountants of India ("ICAI") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## 2 Significant accounting policies

### 2.01 Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the LLP is expected to be entitled to in exchange for those goods or services.

The LLP recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the LLP expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the LLP allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the LLP expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the LLP satisfies a performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the LLP as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### Sale of power

Sale of power is accounted when electricity units are delivered at the metering point in terms of Power Purchase Agreement (PPA) and with reasonable degree of certainty of collection at the time of accrual. Consequential adjustments for rebates and allowances are given effect to upon confirmation by the relevant

Generation based incentive is recognized when electricity is fed into the grid in terms of "Extension scheme for GBI for Grid connected Wind Power Projects dated 04 September 2013"

Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence, when recovered.

#### Dividend income

Dividend income is recognised when the LLP's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

#### Rental income

Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2 Significant accounting policies (cont'd)

##### 2.02 Financial instruments

###### Point of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the LLP becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The LLP recognises debt securities, deposits and borrowings when funds reach the LLP.

###### Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the LLP accounts mentioned below:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the LLP recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

###### Subsequent measurement of financial liabilities

All financial liabilities of the LLP are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

###### Subsequent measurement of financial assets

For subsequent measurement, the LLP classifies a financial asset in accordance with the below criteria:

- i. The LLP's business model for managing the financial asset; and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the LLP classifies its financial assets into the following categories:

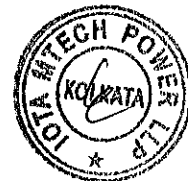
- (a) Financial assets measured at amortized cost
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets measured at fair value through profit or loss (FVTPL)

###### (a) Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- (i) The LLP's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets of the LLP. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2.02 Financial instruments (cont'd)

##### (b) Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (i) The LLP's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt and equity instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of profit and loss under 'Other Comprehensive Income (OCI)'. However, the LLP recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss, except for instruments which the LLP has irrevocably elected to be classified as equity through OCI at initial recognition, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and they are not held for trading. The LLP has made such election on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in the statement of profit or loss as dividend income when the right of the payment has been established, except when the LLP benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

##### (c) Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the LLP excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

##### Financial assets or financial liabilities held for trading:

The LLP classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established. Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

##### De-recognition:

###### (a) Financial asset:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the LLP's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The LLP transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting;
- iii. The LLP retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The LLP neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where LLP has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the LLP continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the LLP also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the LLP has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

###### (b) Financial liability:

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



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2 Significant accounting policies (cont'd)

##### 2.02 Financial instruments (cont'd)

###### Impairment of financial assets:

In accordance with Ind AS 109, the LLP applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the LLP in accordance with the contract and all the cash flows that the LLP expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the LLP is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

###### Trade receivables

In respect of trade receivables, the LLP applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

###### Other financial assets:

In respect of its other financial assets, the LLP assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the LLP measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the LLP uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the LLP compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The LLP assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

###### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### 2.03 Fair Value

The LLP measures its financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

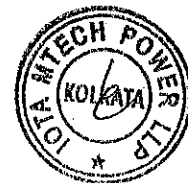
All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 (unadjusted) - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the LLP has access to at the measurement date. The LLP considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the LLP will classify the instruments as Level 3.

- Level 3 - Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the LLP determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2 Significant accounting policies (cont'd)

##### 2.04 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

###### Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in capital. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The LLP has not recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in capital.

##### 2.04 Income Taxes

###### Presentation of current and deferred tax:

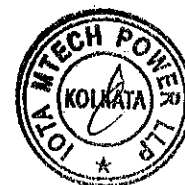
Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The LLP offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the LLP has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the LLP.

##### 2.05 Provisions and contingencies

The LLP recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

##### 2.06 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.



## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2 Significant accounting policies (cont'd)

##### 2.07 Lease accounting

The LLP has adopted Ind AS 116 - Leases w.e.f. 1 April 2019, using the modified retrospective method. The LLP has applied the standard to its leases with the cumulative impact recognised on the date of initial application i.e., 1 April 2019. Accordingly, previous period information has not been restated.

The LLP's lease asset classes primarily consist of leases for land and buildings. The LLP assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the LLP assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the LLP has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the LLP has the right to direct the use of the asset.

##### Recognition and initial measurement

At lease commencement date, the LLP recognises a right-of-use asset ('ROU') and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the LLP, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

##### Subsequent measurement

The LLP depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The LLP also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the LLP measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the LLP's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

##### Presentation

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The LLP has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### 2.08 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

##### 2.09 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the LLP. The CODM is responsible for allocating resources and assessing performance of the operating segments of the LLP. The LLP is in a single business segment (primary segment) of trading in commodities. The entire revenues are billable within India and there is only one geographical segment (secondary segment).

##### 2.10 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.





## IOTA Mtech Power LLP

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

#### 2 Significant accounting policies (cont'd)

##### 2.11 Property, plant & equipment

###### Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively,

###### Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the written down value method based on the useful life of the asset as prescribed in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the underlying lease term on a straight line basis.

###### De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

##### 2.12 Impairment of non-financial assets

The LLP assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the LLP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

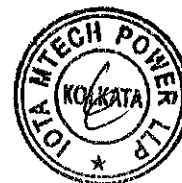
In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the LLP estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

##### 2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

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IOTA Mtech Power LLP

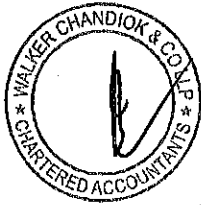
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

3 Property, plant and equipment

	Freehold Land	Plant and equipment	Total
<b>Gross block</b>			
Balance as at 1 April 2018	62.00	2,093.44	2,155.44
Additions	-	-	-
Balance as at 31 March 2019	62.00	2,093.44	2,155.44
Additions	-	-	-
Balance as at 31 March 2020	62.00	2,093.44	2,155.44
<b>Accumulated depreciation</b>			
Balance as at 1 April 2018	-	104.01	104.01
Depreciation charge for the year	-	104.01	104.01
Balance as at 31 March 2019	-	208.02	208.02
Depreciation charge for the year	-	104.01	104.01
Balance as at 31 March 2020	-	312.03	312.03
<b>Net block</b>			
Balance as at 31 March 2019	62.00	1,885.42	1,947.42
Balance as at 31 March 2020	62.00	1,781.41	1,843.41

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**IOTA Mtech Power LLP**

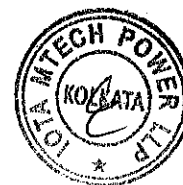
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
<b>4 Investments</b>		
<b>Non - current</b>		
(a) Investments in Equity instruments		
- Measured at FVTOCI	11,561.19	16,245.13
(b) Investments in Preference shares		
- Investment in subsidiaries		
Measured at cost (*)	520.00	520.00
(c) Investment in Government securities		
- Measured at amortised cost	0.20	0.20
(c) Investment in Mutual funds		
- Measured at FVTPL	689.76	2,778.94
	<u>12,771.15</u>	<u>19,544.27</u>

( Measured at cost in accordance with Ind AS 27

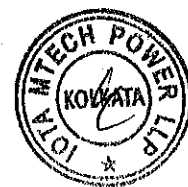
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**IOTA Mtech Power LLP**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Face value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
<b>4 Investments (cont'd)</b>					
<b>(a) Investments in equity instruments</b>					
<b>Quoted</b>					
(Measured at FVOCI)					
3M India Limited	10	917	172.65	1,157	278.47
Aegis Logistics Limited	1	52,200	72.79	16,490	33.47
Amara Raja Batteries Limited	1	2,810	13.43	2,810	20.20
Aarti Industries Limited	5	13,250	101.59	3,425	53.88
Akzo Nobel India Limited	10	8,980	198.73	11,499	205.63
Arvind Limited	10	53,900	10.59	53,900	48.94
Arvind Fashions Limited	10	14,448	15.80	10,780	112.83
Ashok Leyland Limited	1	141,000	60.70	141,000	128.73
Bajaj Electricals Limited	2	-	-	28,800	160.95
Bajaj Finserv Limited	5	600	27.55	-	-
Balkrishna Industries Limited	2	16,750	132.60	12,750	126.81
BLS International	1	61,000	17.78	-	-
Can Fin Homes Limited	2	35,250	98.37	35,250	122.86
Century Plyboards Limited	1	150,136	166.58	99,136	206.00
Century Textiles Limited	10	14,000	41.45	2,000	18.65
Container Corporation of India Limited	10	51,800	171.79	42,000	220.35
Dalmia Bharat Limited	2	78,300	384.14	-	-
Dilip Buildcon Limited	10	52,900	111.65	35,900	231.00
Emami Limited	10	47,985	81.55	-	-
Expleo Solutions Limited	10	17,367	24.93	67	0.34
Finolex Cables Limited	2	21,100	42.99	19,300	92.13
Gillette India Limited	10	2,125	116.24	2,125	139.50
Glaxosmithkline Consumer	10	1,870	186.52	-	-
HDFC AMC Limited	5	3,225	68.14	-	-
HDFC Limited	2	7,273	118.78	7,273	143.08
HDFC Bank Limited	2	1,600	13.79	800	18.53
Hester Biosciences Limited	10	2,725	25.08	-	-
Himatsingka Seide Limited	5	40,400	24.06	35,400	77.23
Honeywell Automation Limited	10	585	151.46	-	-
Huhtamaki PPL Limited	2	26,409	51.66	16,032	31.54
Igarashi Motors India Limited	10	26,554	48.95	23,754	83.13
ITC Limited	1	33,398	57.34	7,500	22.25
J K Cement Limited	10	14,700	137.53	27,831	239.64
JK Paper Limited	10	-	-	118,500	169.34
JSW Steel Limited	1	44,680	65.34	31,680	92.77
Kotak Mahindra Bank Limited	5	3,775	48.93	3,775	50.42
Larsen & Toubro Limited	2	23,844	192.78	23,844	330.01
Larsen & Toubro Finance Holding Limited	2	182,300	93.52	182,300	277.92
LG Balakrishnan & Bros. Limited	10	47,240	76.84	33,740	130.22
Lupin Limited	2	-	-	5,300	39.17
Lumax Industries	10	9,904	85.92	9,904	180.12
Maruti Suzuki India Limited	5	3,760	161.24	3,760	250.86
Mayur Uniquoters Limited	5	16,972	25.44	16,972	59.50
MMP Industries Limited	10	36,000	21.08	21,000	38.76
Motherson Sumi Systems Limited	1	240,810	147.01	240,810	359.41
MRF Limited	10	150	87.25	150	86.98
Navneet Education Limited	2	52,000	33.57	-	-
NBCC (India) Limited	1	418,260	68.18	252,560	167.45
Orient Refractories Limited	1	90,000	105.44	90,000	213.57



**IOTA Mtech Power LLP**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Face value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
<b>4 Investments (cont'd)</b>					
<b>(a) Investments in equity instruments (cont'd)</b>					
<b>Quoted (cont'd)</b>					
(Measured at FVOCI)					
OCL India Limited	2	-	-	40,500	400.89
Parag Milk Foods Limited	10	41,856	26.73	-	-
PI Industries Limited	1	-	-	17,146	176.83
Piramal Enterprises Limited	2	36,000	338.22	29,472	811.87
Punjab National Bank	2	104,100	33.68	-	-
Rane Brake Lining Limited	10	17,155	59.73	17,155	103.11
Rain Industries Limited	2	72,000	40.21	72,472	74.28
Reliance Industries Limited	10	3,550	39.54	16,900	230.36
Sadbhav Engineering Limited	1	23,879	6.47	62,075	154.66
Sequent Scientific Limited	2	60,000	46.68	-	-
Siyaram Silk Mills Limited	2	15,755	23.22	13,430	59.82
State Bank of India Limited	1	9,215	18.14	9,215	29.56
Steel Authority of India Limited	10	376,700	86.83	254,700	136.77
Sterlite Technologies Limited	2	226,550	144.54	181,550	396.87
Subros Limited	2	15,000	19.61	15,000	40.16
Sumitomo Chemical Company Limited	10	18,742	34.62	735	26.76
Sun Pharmaceuticals Industries Limited	1	20,480	72.15	9,480	45.43
Sun TV Network Limited	5	10,570	30.22	-	-
Tata Global Beverages Limited	1	-	-	42,000	85.32
Titan Company Limited	1	21,550	201.21	21,550	245.13
The Jammu and Kashmir Bank Limited	1	234,335	29.17	94,335	50.71
Ultra Tech Cement Limited	10	250	8.11	-	-
Uniply Industries Limited	2	145,000	6.60	145,000	57.13
VA Tech Wabag Limited	2	103,002	84.82	103,002	341.61
Varun Beverages Limited	10	27,718	146.75	12,189	105.45
VRL Logistics Limited	10	60,600	93.57	60,600	171.04
Vardhman Textiles Limited	10	16,573	103.59	13,000	140.24
West Coast Paper Mills Limited	2	-	-	47,976	128.89
Zee Limited	1	20,000	24.79	-	-
			<b>5,878.95</b>		<b>9,275.53</b>
<b>Investments through portfolio managers</b>					
3M India Limited	10	398	75.28	466	113.06
Aarti Industries Limited	5	11,876	91.06	7,027	110.86
Arti Surfactants Limited	10	855	0.80	-	-
Aavas Financiers Limited	10	3,341	39.60	-	-
Aegis Logistics Limited	1	65,671	91.58	67,956	138.09
AIA Engineering Limited	2	2,616	36.45	2,487	44.67
Amber Enterprises India Limited	10	1,205	14.83	-	-
APL Apollo Tubes Limited	10	2,020	25.18	-	-
Apollo Tricoat Tubes Limited	2	7,423	20.21	-	-
Arvind Fashions Limited	10	-	-	3,889	40.57
Ashok Leyland Limited	1	-	-	36,004	32.87
Asian Paints Limited	1	9,404	156.74	10,408	155.28
Astral Poly Technik Limited	1	12,575	116.25	11,308	130.98
Axis Bank Limited	2	14,088	53.39	4,806	37.35



**IOTA Mtech Power LLP**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

Face value	As at 31 March 2020		As at 31 March 2019		
	Number	Amount	Number	Amount	
<b>4 Investments (cont'd)</b>					
<b>(a) Investments in Equity instruments (cont'd)</b>					
<b>Quoted (cont'd)</b>					
<b>Measured at FVOCI</b>					
<b>Investments through portfolio managers (cont'd)</b>					
Avenue Supermarts Limited	10	1,755	38.62	-	-
AU Small Finance Bank	10	21,356	108.56	5,155	30.70
Bajaj Electricals Limited	2	23,675	63.56	21,326	119.02
Bajaj Finance Limited	2	9,108	201.84	13,141	397.52
Bajaj Finserv Limited	5	4,270	195.99	5,426	381.83
Balaji Amines Limited	2	3,137	7.89	-	-
Balkrishna Industries Limited	2	6,941	54.95	14,093	140.30
Berger Paints India Limited	1	20,687	102.90	-	-
Bharat Petroleum Corporation Limited	10	8,406	26.64	19,040	75.69
Bharat Forge Limited	2	4,016	9.44	10,168	52.10
Bharti Airtel	5	-	-	19,549	65.10
Britannia Industries Limited	2	9,141	245.86	8,650	266.59
Century Textiles & Industries Limited	10	4,700	13.92	-	-
Cholamandalam Investment & Finance Co Limited	10	52,155	79.77	10,431	150.99
DCB Bank Limited	10	-	-	38,560	78.93
Dabur India Limited	1	57,708	259.83	37,485	153.33
Dalmia Bharat Limited	2	16,803	82.37	15,267	151.14
Deepak Nitrate Limited	2	6,997	26.94	-	-
Divis Laboratories Limited	2	7,971	158.43	6,403	109.06
Dr Reddy's Laboratories Limited	5	1,145	35.73	-	-
Edelweiss Financial Services Limited	1	25,971	9.97	-	-
Eicher Motors Limited	10	90	11.79	967	198.70
Fine Organics Limited	5	490	9.34	-	-
Gruh Finance Limited	2	-	-	32,242	88.99
GE Power India Limited	10	2,188	10.39	-	-
GlaxoSmithKline Pharmaceuticals Limited	10	1,461	18.37	-	-
Godrej Properties Limited	5	2,514	15.17	-	-
Gujarat Ambuja Exports Limited	2	6,789	7.11	-	-
Havells India Limited	1	48,373	232.17	43,065	332.68
HDFC Bank Limited	2	25,075	219.59	14,204	329.38
Hero Motocorp Limited	2	-	-	922	23.54
HDFC Standard Life Insurance Company Limited	10	15,322	67.62	18,693	70.75
Hester Biosciences Limited	10	1,008	9.28	-	-
Hindustan Unilever Limited	1	4,627	106.34	-	-
Honeywell Automation India Limited	10	273	70.85	-	-
ICICI Bank Limited	2	49,140	159.09	41,161	164.85
ICICI Lombard General Insurance Company Limited	10	15,875	171.35	14,219	146.92
IPCA Lab Limited	2	3,277	45.62	3,604	35.39
IndusInd Bank Limited	10	3,668	12.89	16,496	293.63
Infosys Limited	5	6,036	38.72	-	-
Interglobe Aviation Limited	10	-	-	1,809	25.84
ITC Limited	1	14,367	24.67	11,345	33.72
Kansai Nerolac Paints Limited	1	-	-	19,893	91.21



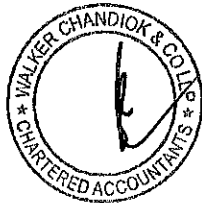


**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Face value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
<b>4 Investments (cont'd)</b>					
<b>(b) Investments in preference shares</b>					
<b>In subsidiaries, unquoted</b>					
<b>Measured at cost (*)</b>					
Basbey Greenview Private Limited	100	430,000	430.00	430,000.00	430.00
Sukhday Greenview Private Limited	100	90,000	90.00	90,000.00	90.00
			<u>520.00</u>	<u>520.00</u>	
(*) Measured at cost in accordance with Ind AS 27					
<b>(c) Investments in Government securities</b>					
<b>Unquoted</b>					
<b>Measured at amortised cost</b>					
Investment in National Savings Certificate (pledged with sales tax authorities)			0.20		0.20
			<u>0.20</u>	<u>0.20</u>	
<b>(d) Investments in Mutual funds</b>					
<b>Unquoted</b>					
<b>Measured at FVTPL</b>					
HDFC FRIF STP Wholesale (Growth)	10	-	-	794,829	258.34
HDFC Top 100 Fund (Growth)	10	-	-	46,353	233.02
HDFC Equity Fund (Growth)	10	49,359	225.93	-	-
ICICI Prudential Multi Asset Fund (Dividend)	10	-	-	3,555,741	750.07
HDFC Corporate Bond Fund (Growth)	10	1,858,147	425.77	7,387,972	1,537.47
Goldman Sachs Liquid Exchange Traded Scheme	1000	4	0.04	4	0.04
			<u>651.74</u>	<u>2,778.94</u>	
<b>Investment through Portfolio Manager</b>					
<b>Unquoted</b>					
<b>Measured at FVTPL</b>					
HDFC Liquid Fund Direct Plan Growth	10	973	38.02	-	-
			<u>38.02</u>	<u>-</u>	
<b>Total investments in Mutual funds</b>			<u>689.76</u>	<u>2,778.94</u>	
			<u>12,771.15</u>	<u>19,544.27</u>	
<b>Other disclosures:</b>					
(a) Aggregate amount of quoted investments and market value thereof			11,561.19		16,245.13
(b) Aggregate amount of unquoted investments			1,209.96		3,299.14
(c) Aggregate amount of impairment in value of investments			-		-





**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>5 Trade receivables</b>		
Unsecured, considered good	294.04	181.16
Less: Credit impaired	(3.75)	(10.68)
	<u>290.29</u>	<u>170.48</u>
<b>(a) Movement in expected credit loss allowance during the period is as follows:</b>		
Balance at the beginning of the year	10.68	26.11
Add: Provision made during the year	-	-
Less: Provision reversed during the year (refer note 16)	(6.93)	(15.43)
Balance at the end of the year	<u>3.75</u>	<u>10.68</u>
<b>6 Cash and cash equivalents</b>		
Balances with banks		
- Current accounts	340.57	310.23
Cash on hand	0.11	0.15
	<u>340.68</u>	<u>310.38</u>
<b>Loans</b>		
<i>(Unsecured, considered good)</i>		
Security deposits	2.10	1.35
	<u>2.10</u>	<u>1.35</u>
<b>8 Other financial assets</b>		
<i>(Unsecured, considered good)</i>		
Dividend receivable	7.37	0.34
Income tax refundable	25.76	25.76
Other receivables	7.85	27.95
	<u>40.98</u>	<u>54.05</u>
<b>9 Other current assets</b>		
Prepaid expenses	8.78	4.58
	<u>8.78</u>	<u>4.58</u>

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**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>10 Partner's capital</b>		
<b>IOTA Mtech Limited</b>		
Balance as at the beginning of the year	4,679.10	4,679.10
Less: Withdrawals during the year	-	-
	<u>4,679.10</u>	<u>4,679.10</u>
<b>Siddhidata Tradecomm Limited</b>		
Balance as at the beginning of the year	467.97	467.97
Less: Withdrawals during the year	(0.06)	-
	<u>467.91</u>	<u>467.97</u>
<b>Lakshmi Niwas Bangur</b>		
Balance as at the beginning of the year	51.99	51.99
Less: Withdrawals during the year	-	-
	<u>51.99</u>	<u>51.99</u>
<b>Total</b>	<u>5,199.00</u>	<u>5,199.06</u>

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**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>11 Deferred tax (assets)/liabilities, net</b>		
<b>Deferred tax liability:</b>		
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	130.77	79.82
Fair valuation on equity instruments through OCI	-	300.34
Fair valuation on mutual funds measured at FVTPL	36.78	232.59
<b>Total deferred tax liabilities</b>	<b>167.55</b>	<b>612.75</b>
<b>Deferred tax assets:</b>		
Alternate minimum tax credit	49.00	-
Provision for employee benefits	-	0.13
Fair valuation on equity instruments through OCI	401.63	-
<b>Total deferred tax assets</b>	<b>450.63</b>	<b>0.13</b>
<b>Deferred tax (assets)/liabilities, net</b>	<b>(283.08)</b>	<b>612.62</b>

**Movement in deferred tax liabilities for year ended 31 March 2019:**

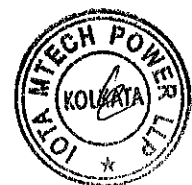
Particulars	As at 01 April 2018	Statement of Profit or Loss	Other comprehensive Income	As at 31 March 2019
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	79.82	-	-	79.82
Fair valuation on equity instruments through OCI	479.99	-	(179.65)	300.34
Fair valuation on mutual funds measured at FVTPL	948.69	(716.10)	-	232.59
<b>Total</b>	<b>1,508.50</b>	<b>(716.10)</b>	<b>(179.65)</b>	<b>612.75</b>
<b>Deferred tax assets for deductible temporary differences on:</b>				
Provision for employee benefits	0.13	-	-	0.13
<b>Total</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.13</b>
<b>Deferred tax liabilities, net</b>	<b>1,508.37</b>	<b>(716.10)</b>	<b>(179.65)</b>	<b>612.62</b>

**Movement in deferred tax liabilities for year ended 31 March 2020:**

Particulars	As at 01 April 2019	Statement of Profit or Loss	Other comprehensive Income	As at 31 March 2020
<b>Deferred tax liabilities for taxable temporary differences on:</b>				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	79.82	50.95	-	130.77
Fair valuation on equity instruments through OCI	300.34	-	(300.34)	-
Fair valuation on mutual funds measured at FVTPL	232.59	(195.81)	-	36.78
<b>Total</b>	<b>612.75</b>	<b>(144.86)</b>	<b>(300.34)</b>	<b>167.55</b>
<b>Deferred tax assets for deductible temporary differences on:</b>				
Alternate minimum tax credit	-	49.00	-	49.00
Fair valuation on equity instruments through OCI	-	-	401.63	401.63
Provision for employee benefits	0.13	(0.13)	-	-
<b>Total</b>	<b>0.13</b>	<b>48.87</b>	<b>401.63</b>	<b>450.63</b>
<b>Deferred tax liabilities, net</b>	<b>612.62</b>	<b>(193.73)</b>	<b>(701.97)</b>	<b>(283.08)</b>

**Note:**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.



**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

12 Other financial liabilities	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Payable to partners for share of profit: (refer note below)		
- IOTA Mtech Limited	9,291.93	14,539.81
- Siddhidata Tradecomm Limited	929.25	1,453.98
- Lakshmi Niwas Bangur	103.25	161.56
Payable for purchase of securities	3.16	-
Other payables	33.85	22.68
	<b>10,361.44</b>	<b>16,178.03</b>

**(a) Movement in partner's share of profit**

Particulars	IOTA Mtech Limited	Siddhidata Tradecomm Limited	Lakshmi Niwas Bangur	Total
Balance as at 1 April 2018	19,142.81	1,914.28	212.70	21,269.79
Add: Total comprehensive income for the year	405.50	40.55	4.51	450.56
Less: Withdrawals during the year	(5,008.50)	(500.85)	(55.65)	(5,565.00)
Balance as at 31 March 2019	<b>14,539.81</b>	<b>1,453.98</b>	<b>161.56</b>	<b>16,155.35</b>
Add: Total comprehensive income for the year	(4,392.88)	(439.29)	(48.81)	(4,880.98)
Less: Withdrawals during the year	(855.00)	(85.44)	(9.50)	(949.94)
Balance as at 31 March 2020	<b>9,291.93</b>	<b>929.25</b>	<b>103.25</b>	<b>10,324.43</b>

**13 Other current liabilities**

Statutory payables	2.68	1.76
	<b>2.68</b>	<b>1.76</b>

**14 Provisions**

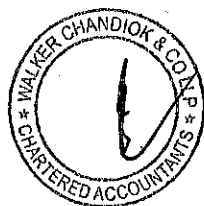
**Current**

Provision for employee benefits:

- Gratuity

-	0.21
<b>-</b>	<b>0.21</b>

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**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>15 Revenue from operations</b>		
Sale of power	333.82	333.25
Generation based incentives	29.24	29.16
Others	1.65	-
	<b>364.71</b>	<b>362.41</b>
<b>16 Other income</b>		
Dividend income	243.57	208.71
Gain on fair valuation of investments carried at FVTPL		
- Realised	421.51	2,217.91
- Unrealised	(496.45)	(2,038.48)
Insurance claims received	-	6.20
Reversal of expected credit loss	6.93	15.43
Miscellaneous Receipt	0.18	-
	<b>175.74</b>	<b>409.77</b>
<b>17 Employee benefits expenses</b>		
Salaries and wages	1.87	5.11
Staff welfare expenses	0.04	0.19
	<b>1.91</b>	<b>5.30</b>

**(a) Defined benefits plans - Gratuity (unfunded)**

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the Balance Sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method.

Aforesaid defined benefit plans typically expose the LLP to actuarial risks such as pay as you go risk, salary risk, investment risk and longevity risk.

Pay as you go risk	For unfunded schemes, financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.
Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality plan of the participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.



## 17 Employee benefits expenses (cont'd)

The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the Balance Sheet for the respective plans:

	Year ended 31 March 2020	Year ended 31 March 2019
<b>(i) Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	0.21	0.08
Current service cost	(0.21)	0.12
Interest cost	-	0.01
<b>Projected benefit obligation at the end of the year</b>	<b>-</b>	<b>0.21</b>
<b>(ii) Components of net cost charged to the Statement of Profit and Loss</b>		
<b>Employee benefits expense:</b>		
- Current service costs	(0.21)	0.12
- Defined benefit costs recognized Statement of Profit and Loss	-	-
<b>Finance costs</b>		
- Interest costs	-	0.01
- Interest income	-	-
<b>Net impact on profit before tax</b>	<b>(0.21)</b>	<b>0.13</b>
<b>(iii) Key actuarial assumptions</b>		
Discount rate	-	7.69%
Salary growth rate	-	8.00%
Retirement age	-	58 years
	<b>As at</b>	<b>As at</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Mortality rate:</b>		
Less than 30 years	-	2%
31-44 years	-	2%
45 years and above	-	2%

## (iv) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
DBO with discount rate + 1%	-	0.18
DBO with discount rate - 1%	-	0.26
DBO with + 1% salary escalation	-	0.26
DBO with - 1% salary escalation	-	0.17
DBO with + 50% withdrawal rate	-	0.20
DBO with - 50% withdrawal rate	-	0.22
DBO with + 10% mortality rate	-	0.21
DBO with - 10% mortality rate	-	0.21

**Methods and assumptions used in preparing sensitivity analysis and their limitations:**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

## (v) Maturity analysis of the benefit payments:

Weighted average duration of the gratuity plan is Nil years (31 March 2019 - 19.41 years). Expected benefits payments for each such plans over the years is given in the table below:

Particulars	As at 31 March 2020	As at 31 March 2019
Year 1	-	-
2 to 5 years	-	0.01
6 to 10 years	-	0.04
More than 10 years	-	1.06



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>18 Finance costs</b>		
Interest on:		
- Loan from related parties	0.03	-
- Other	-	0.32
	<b>0.03</b>	<b>0.32</b>
<b>19 Depreciation expenses</b>		
Depreciation on property, plant and equipment (refer note 3)	104.01	104.01
	<b>104.01</b>	<b>104.01</b>
<b>20 Other expenses</b>		
Rent	0.15	0.15
Rates and taxes	5.03	2.99
Legal and professional expenses	151.22	142.11
Operation and maintenance	34.87	9.28
Insurance charges	5.17	2.73
Travelling and conveyance	-	0.21
Miscellaneous expenses	0.39	0.58
Auditor's remuneration [refer note (a) below]	3.02	3.63
	<b>199.85</b>	<b>161.68</b>
<b>(a) Auditor's remuneration</b>		
Statutory audit	2.43	2.89
Others	0.59	0.74
	<b>3.02</b>	<b>3.63</b>
<b>21 Tax expense</b>		
<b>(a) Income tax in the statement of profit and loss:</b>		
Current tax	70.00	100.00
Deferred tax	(193.73)	(716.10)
Tax for prior years	-	(49.48)
	<b>(123.73)</b>	<b>(665.58)</b>
<b>(b) Income tax balances</b>		
<b>Current tax liabilities</b>		
Opening balance	45.60	30.35
Add: Provision for current year	70.00	100.00
Add: Provision for prior year taxes	-	(50.32)
Less: Refund issued	-	24.57
Less: Advance tax paid	(25.00)	(59.00)
Less: Transferred to assets	(41.00)	-
Less: Taxes paid	<b>49.60</b>	<b>45.60</b>
<b>Current tax assets</b>		
Opening balance	4.75	4.75
Add: Transferred from liability	(41.00)	-
Add: Self assessment tax paid	68.50	-
<b>Closing balance</b>	<b>32.25</b>	<b>4.75</b>



**IOTA Mtech Power LLP****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in ₹ lacs, unless otherwise stated)

**22 Related party disclosures in accordance with Ind AS 24 - Related Party Disclosures****a) Names of related parties and description of relationship**

Relationship	Name of the related party
Key Managerial Personnel (KMP)	Mr. Lakshmi Niwas Bangur (Designated Partner) Mr. Yogesh Bangur (Designated Partner)
Entity having significant control over the enterprise	Iota Mtech Limited
Ultimate Parent	Kiran Vyapar Limited
Enterprises over which KMP/Relatives of KMP have significant influence or control	Sidhidata Tradecomm Limited Placid Limited Samay Industries Limited MB Commercial Co. Limited

**b) Transactions with related parties**

Nature of Transactions	Year ended	Year ended
	31 March 2020	31 March 2019
<u>Withdrawal of capital</u>		
IOTA Mtech Limited	855.00	5008.50
Sidhidata Tradecomm Limited	85.44	500.85
Mr. Lakshmi Niwas Bangur	9.50	55.65
<u>Loan taken</u>		
Sidhidata Tradecomm Limited	35.00	-
<u>Loan taken repaid</u>		
Sidhidata Tradecomm Limited	35.00	-
<u>Interest paid</u>		
Sidhidata Tradecomm Limited	0.03	-
<u>Rent and electricity expenses</u>		
MB Commercial Co. Limited	0.15	0.15
<u>Printing and stationery expenses</u>		
Samay Industries Limited	0.02	-

**c) Balances of related parties**

Nature of Transactions	Year ended	Year ended
	31 March 2020	31 March 2019
<u>Payable to partners for share of profit:</u>		
IOTA Mtech Limited	9,291.93	14,539.81
Sidhidata Tradecomm Limited	929.25	1,453.98
Mr. Lakshmi Niwas Bangur	103.25	161.56





IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

23 Segment reporting

Basis of segmentation:

The LLP has the following segments, which are its reportable segments. These segments deals in two different industries and are managed separately by the LLP.

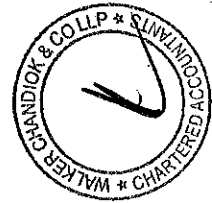
- (a) Investing - Buying and selling of various kinds of securities
- (b) Power generation - Generation of power through windmills at Rajasthan and Maharashtra

Operating segments disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker. The measurement principles of segments are consistent with those used in the significant accounting policies. Inter-segment transactions are determined on an arm's length basis.

Particulars	Year ended 31 March 2020			Year ended 31 March 2019				
	Investing	Power generation	Unallocated	Total	Investing	Power generation	Unallocated	Total
(a) Segment revenues (including other income)	168.63	371.64	0.18	540.45	388.14	377.84	6.20	772.18
(b) Segment results	20.53	226.34	(12.22)	234.65	250.05	262.56	(11.74)	500.87
(c) Reconciliation of segment total comprehensive income:								
Add / (less):								
Tax expenses				123.73				665.58
Other comprehensive income				(5,239.36)				(715.89)
Total comprehensive income as per the statement of profit and loss				(4,880.98)				450.56

Particulars	As at 31 March 2020			As at 31 March 2019				
	Investing	Power generation	Unallocated	Total	Investing	Power generation	Unallocated	Total
(d) Segment assets	12,786.37	2,142.48	683.87	15,612.72	19,572.56	2,122.47	342.25	22,037.28
(e) Segment liabilities	28.25	174.28	10,211.19	10,413.72	20.01	612.75	16,205.46	16,838.22

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**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lacs, unless otherwise stated)

**24 Fair value measurement**

**(a) Category wise classification of financial instruments:**

Particulars	Hierarchy	As at 31 March 2020	As at 31 March 2019
<b>A. Financial assets:</b>			
<b>(i) Carried at amortised cost</b>			
Investments		0.20	0.20
Trade receivables		290.29	170.48
Cash and cash equivalents		340.68	310.38
Other financial assets		40.98	54.05
<b>(ii) Carried at FVTPL</b>			
Investments	Level 1	689.76	2,778.94
Loans	Level 3	2.10	1.35
<b>(iii) Carried at FVTOCI</b>			
Investments	Level 1	11,561.19	16,245.13
<b>(iv) Carried at cost</b>			
Investments	Level 1	520.00	520.00
<b>Total financial assets</b>		<b>13,445.20</b>	<b>20,080.53</b>
<b>B. Financial liabilities</b>			
<b>(i) Measured at amortised cost</b>			
Other financial liabilities		10,361.44	16,178.03
<b>Total financial liabilities</b>		<b>10,361.44</b>	<b>16,178.03</b>

**(b) Fair value hierarchy**

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

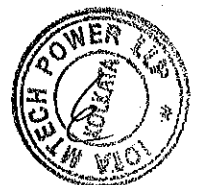
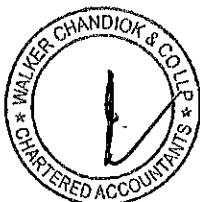
The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Level 1 (Quoted prices in active market)</b>		
<b>Financial assets measured at FVTOCI</b>		
Investments in quoted equity instruments	11561.19	16245.13
<b>Financial assets measured at FVTPL</b>		
Investments in mutual funds	689.76	2,778.94

**(c) Fair value of assets and liabilities measured at cost/amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the LLP does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, trade receivables, other financial assets, borrowings and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments. For short-term borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.



**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lacs, unless otherwise stated)

**25 Financial risk management**

LLP's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. LLP's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the designated partners. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the LLP, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in LLP's risk management objectives and policies need approval of its designated partners.

**(a) Credit risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the LLP. Credit risk arises primarily from financial assets such as other balances with banks, loans and other receivables.

**i) Other financial instruments**

Credit risks from other financial instruments includes mainly cash and cash equivalents. Such risks is managed by the treasury department of the LLP with accordance with LLP's overall investment policy approved by its designated partners. Investments of surplus funds are made in short term debt/liquid mutual funds of rated fund houses having the highest credit rating and in short term time deposits of reputed banks with a very strong financial position. Investment limits are set for each mutual fund and bank deposits. Risk concentration is minimized by investing in a wide range of mutual funds/bank deposits. These investments are reviewed by the designated partners on a regular basis.

The LLP has categorised all its financial assets (except for trade receivables) at low credit risks on account of no past trends of defaults by any parties.

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents and other bank balances, Loans, Investments, Other financial assets	Life time expected credit loss or 12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss
High credit risk		

**Financial assets that are exposed to credit risk (\*)**

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>Low credit risk</b>		
Cash and cash equivalents	340.68	310.38
Other financial assets	40.98	54.05
Investments	12771.15	19544.27
Loans	2.10	1.35
<b>Moderate credit risk</b>		
Trade receivables	294.04	181.16
<b>High credit risk</b>		

(\*) These represent gross carrying values of financial assets, without netting off impairment loss allowance.

**Expected credit losses for financial assets**

As at 31 March 2020:

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	340.68	-	340.68
Other financial assets	40.98	-	40.98
Investments	12771.15	-	12771.15
Loans	2.10	-	2.10
Trade receivables	294.04	3.75	290.29



**IOTA Mtech Power LLP**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ lacs, unless otherwise stated)

**25 Financial risk management (contd.)**

**(a) Credit risk (contd.)**

**Expected credit losses for financial assets (contd.)**

As at 31 March 2019:

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	310.38	-	310.38
Other financial assets	54.05	-	54.05
Investments	19544.27	-	19544.27
Loans	1.35	-	1.35
Trade receivables	181.16	10.68	170.48

**ii) Price risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments and mutual funds. The LLP is exposed to price risk arising mainly from investments carried at fair value through FVTPL or FVOCI which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	Carrying value as at	
	31 March 2020	31 March 2019
Investments carried at FVTPL or FVOCI valued using quoted prices in active market	12,250.95	19,024.07

Particulars	Sensitivity analysis on total comprehensive income upon fluctuation of market prices	
	Increase by 10%	Decrease by 10%
Impact on total comprehensive income for the year ended 31 March 2020	1,225.10	(1,225.10)
Impact on total comprehensive income for the year ended 31 March 2019	1,902.41	(1,902.41)

**(b) Liquidity risk:**

Liquidity risk is the risk that the LLP may not be able to meet its contractual obligations associated with its financial liabilities. The treasury department of the LLP manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The LLP plans to meet the contractual obligations from its internal accruals and also maintains sufficient fund based and non-fund based credit limits with banks. Additionally, surplus funds generated from operations are parked in short term debt or liquid mutual funds and bank deposits which can be readily liquidated when required.

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

Contractual maturity of financial liabilities	Up to 1 year	1 year to 3 year	3 year to 5 year	Total
<b>As at 31 March 2020</b>				
Other financial liabilities	10,361.44	-	-	10,361.44
<b>As at 31 March 2019</b>				
Other financial liabilities	16,178.03	-	-	16,178.03



## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lacs, unless otherwise stated)

## 25 Financial risk management (contd.)

## (c) Capital management

For the purpose of LLP's capital management, capital includes partner's capital and short-term borrowings less cash and cash equivalents. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximise shareholder's value. LLP borrows funds from its group Companies at market rates, as and when required for managing its working capital requirements.

Following table summarizes the capital structure of the LLP.

Particulars		As at	As at
		31 March 2020	31 March 2019
Borrowings	(A)	-	-
Less: Cash and cash equivalents		340.68	310.38
<b>Net borrowings</b>		<b>(340.68)</b>	<b>(310.38)</b>
Total equity	(B)	5,199.00	5,199.06
<b>Total capital (equity + net borrowings)</b>		<b>4,858.32</b>	<b>4,888.68</b>
Debt equity ratio	(A)/(B)	-	-

## 26 Impact of COVID-19 pandemic:

COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in the economic activities. The national lockdown announced on 23 March 2020 affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating huge volatility in the stock markets. As a result, the LLP's business is likely to be impacted by decline in carrying value investments, thereby impacting profitability. The impact of COVID-19 on LLP's financial statements remain uncertain and dependent on extent of spread of the pandemic, steps taken by the Government and central bank to mitigate the economic impact, steps taken by the LLP and the time it takes for economic activities to resume at normal levels as a result of which, actual results may differ.

The employees are permitted to work in accordance with the guidelines issued by the Ministry of Home Affairs (MHA) and the respective state governments. The LLP's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the LLP's internal financial control other than providing remote access to some of its key employees during the lockdown to facilitate work from home.

Based on the current assessment of the potential impact of the COVID-19 on the LLP, management is of the view that the LLP has adequate liquidity to service its obligations and sustain its operations.

The extent to which the current pandemic will impact the operations of the LLP is dependent on the future developments, which are highly uncertain at this point in time. The LLP believes that it has considered all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these financial statements. The impact assessment of COVID -19 is a continuing process given its nature and duration. The LLP will continue to monitor for any material changes to future economic conditions.

As per our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001016N/N500013

Vikram Dhanania

Partner

Membership No. 060568


Place: Kolkata

Date: 13 June 2020

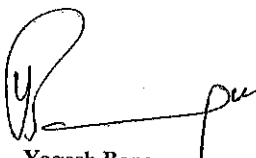


For and on behalf of

IOTA Mtech Power LLP

  
Lakshmi Niwas Bangur  
Designated Partner

Place: Kolkata  
Date: 13 June 2020

  
Yogesh Bangur  
Designated Partner