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B.Chhawchharia & Co

Financial Statements and Auditors' Report

Iota Mtech Power LLP

31 March 2023

INDEPENDENT AUDITOR'S REPORT

To the Partners of **IOTA MTECH POWER LLP**

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of **IOTA MTECH POWER LLP** (*'the LLP'*), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India, of the state of affairs (financial position) of the LLP as at 31 March 2023 and its profit (including other comprehensive income) and cashflow for the year on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by 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 Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs (financial position) and profit (financial performance) of the LLP in accordance with the Indian Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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 wind up the LLP or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 the effectiveness of the LLP's internal control.
- 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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For B. Chhawchharia & Co.
Chartered Accountants
Firm's Registration No.: 305123E



Kshitiz Chhawchharia
Partner

Membership No.: 061087
UDIN: 23061087BGZAZD9278

Place: Kolkata
Date: May 06, 2023



IOTA Mtech Power LLP

Balance Sheet as at 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	50.08	1,063.38
(b) Financial assets			
(i) Investments	4	17,849.93	25,675.06
(c) Deferred tax assets, net	12	-	-
Total non-current assets		17,900.01	26,738.44
Current assets			
(a) Financial assets			
(i) Trade receivables	5	-	201.67
(ii) Cash and cash equivalents	6	96.35	89.46
(iii) Other bank balances	7	281.12	351.39
(iv) Other financial assets	8	847.46	239.12
(b) Current tax assets (net)	19	252.98	282.07
(c) Other current assets	9	0.06	7.37
Total current assets		1,477.97	1,171.08
Total assets		19,377.98	27,909.53
EQUITY AND LIABILITIES			
EQUITY			
(a) Partner's capital	10	5,624.00	5,424.00
Total partner's capital		5,624.00	5,424.00
LIABILITIES			
Non-current liabilities			
(a) Deferred tax liabilities, net	11	727.55	1,018.07
Total non-current liabilities		727.55	1,018.07
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	12	12,994.01	21,454.53
(b) Other current liabilities	13	5.55	8.33
(c) Current tax liabilities (net)	19	26.87	4.60
Total current liabilities		13,026.43	21,467.47
Total equity and liabilities		19,377.98	27,909.54

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

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

B.Chhawchharia & Co
Firm Registration No. 305123E
Chartered Accountants

Kshitiz Chhawchharia

Partner

Membership No. 061087

Place: Kolkata

Date: 06th May 2023

UDIN: 23061087062AZD9278



For and on behalf of
IOTA Mtech Power LLP

Lakshmi Niwas Bangur
Designated Partner

Place: Hyderabad

Date: 06th May 2023

Yogesh Bangur
Designated Partner

IOTA Mtech Power LLP

Statement of Profit and Loss for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
(a) Revenue from operations	14	536.13	600.33
(b) Other income	15	211.10	229.01
Total income		747.25	829.34
EXPENSES			
(a) Purchase	16	532.54	311.84
(b) Depreciation	17	0.15	173.00
(c) Other expenses	18	242.17	292.28
Total expenses		774.86	777.12
Profit before tax		(27.61)	52.22
Add: Prior Period Income		2.82	9.53
Tax expenses			
(a) Current tax	19	40.00	90.00
(b) Deferred tax		227.38	(324.09)
(c) Prior year taxes		29.81	0.17
		297.19	(233.92)
Profit after tax		(321.98)	295.67
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss			
- Fair valuation of equity instruments through other comprehensive income		(2,132.39)	5,321.18
- Income tax relating to items that will not be reclassified to profit or loss		517.90	(541.50)
Total other comprehensive income		(1,614.49)	4,779.68
Total comprehensive income for the year		(1,936.47)	5,075.35

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

B.Chhawchharia & Co
Firm Registration No. 305123E
Chartered Accountants


Kshitiz Chhawchharia
Partner
Membership No. 061087

Place: Kolkata
Date: 06th May 2023

For and on behalf of
IOTA Mtech Power LLP


Lakshmi Niwas Bangur
Designated Partner

Place: Hyderabad
Date: 06th May 2023


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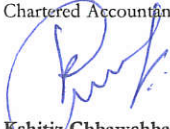


IOTA Mtech Power LLP
Statement of Cash Flows for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	(27.61)	52.22
Adjustments for :		
Depreciation	0.15	173.00
Dividend income	(180.79)	(210.27)
Interest on Income tax Refund	-	(2.22)
Interest on Fixed Deposit	(3.40)	-
Reversal of expected credit loss	-	5.86
Profit/ (loss) on sale of investments	(15.71)	(4.10)
Operating profit before working capital changes	(227.34)	14.49
Adjustments for changes in working capital		
Increase in trade receivables	201.67	111.94
Decrease/ (increase) in other financial assets	(608.34)	(169.52)
Increase in other current assets	7.30	2.64
Increase in other financial liabilities	(39.04)	1.69
(Increase)/Decrease in other current liabilities	(2.78)	2.35
Cash generated from operating activities	(668.52)	(36.39)
Income tax paid (net of refunds)	(14.91)	(338.99)
Net cash used in operating activities	(683.43)	(375.38)
B. Cash flow from investing activities		
Dividend received	180.79	210.27
Interest on Fixed Deposit	3.40	-
Purchase of fixed assets	-	(0.90)
Disposal of Assets	1,013.14	84.20
Sale of investments	8,683.41	6,589.14
Purchase of investments	(2,975.66)	(4,375.50)
Net cash generated from investing activities	6,905.08	2,507.21
C. Cash flow from financing activities		
Contribution of partner in share capital	200.00	225.00
Withdrawal of partners' share of profit	(6,485.00)	(2,100.00)
Net cash used in financing activities	(6,285.00)	(1,875.00)
Net increase in cash and cash equivalents (A+B+C)	(63.37)	256.81
Cash and cash equivalents as at beginning of the year	440.85	184.04
Cash and cash equivalents as at end of the year	377.48	440.85
Cash and cash equivalents comprises of:		
Cash on hand	0.16	0.20
Balances with banks		
- in current accounts	96.19	89.27
- other Bank balances	281.12	351.39
	377.48	440.85

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

B.Chhawchharia & Co
Firm Registration No. 305123E
Chartered Accountants


Kshitiz Chhawchharia
Partner
Membership No. 061087



Place: Kolkata
Date: 06th May 2023


Lakshmi Niwas Bangur
Designated Partner


Yogesh Bangur
Designated Partner

Place: Hyderabad
Date: 06th May 2023

UDIN: 23061087B02A2D9278

IOTA Mtech Power LLP

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(All amounts in ₹ lakhs, unless otherwise stated)

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B.Chhawchharia & Co
Firm Registration No. 305123E
Chartered Accountants

Kshitiz Chhawchharia
Partner
Membership No. 061087

Place: Kolkata
Date: 06th May 2023



(Signature)

Laxmi Niwas Bangur
Designated Partner

Place: Hyderabad
Date: 06th May 2023

(Signature)

Yogesh Bangur
Designated Partner

UDIN: 23061087059242D9278

IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

3 Property, plant and equipment

	Freehold Land	Plant and equipment	Computer & Peripherals	Furniture & Fixture	Total
Gross block					
Balance as at 01 April 2020	62.00	2,093.44	-	-	2,155.44
Additions	-	-	-	-	-
Less: Disposal/Discard	-	-	-	-	-
Add: Acquisitions through business combinatio	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-
Balance as at 31 March 2021	62.00	2,093.44	-	-	2,155.44
Additions	-	-	0.80	0.11	0.90
Less: Disposal/Discard	-	(160.25)	-	-	(160)
Add: Acquisitions through business combinatio	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-
Balance as at 31 March 2022	62.00	1,933.19	0.80	0.11	1,996.09
Additions	-	-	-	-	-
Less: Disposal/Discard	(12.00)	(1,000.72)	(0.32)	(0.10)	(1,013.14)
Add: Acquisitions through business combinatio	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-
Balance as at 31 March 2023	50.00	932.47	0.48	0.01	982.95
Accumulated depreciation					
Balance as at 01 April 2020	-	312.03	-	-	312.03
Depreciation charge for the year	-	104.01	-	-	104.01
Balance as at 31 March 2021	-	416.04	-	-	416.04
Adjustment During the year	-	419.73	-	-	419.73
Less: Disposal/Discard	-	76.05	-	-	76.05
Depreciation charge for the year	-	172.75	0.24	0.01	173.00
Balance as at 31 March 2022	-	932.47	0.24	0.01	932.71
Adjustment During the year	-	-	-	-	-
Less: Disposal/Discard	-	-	-	-	-
Depreciation charge for the year	-	-	0.15	-	0.15
Balance as at 31 March 2023	-	932.47	0.39	0.01	932.87
Net block					
As at 31 March 2021	62.00	1,677.40	-	-	1,739.40
As at 31 March 2022	62.00	1,000.72	0.56	0.10	1,063.38
As at 31 March 2023	50.00	-	0.09	-0.00	50.08

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IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, 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 cotton trading, 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 2023, 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 135 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.

(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 1 April 2021.

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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 customer.

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 authorities.

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.

Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

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.

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)

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2.02 Financial instruments (cont'd)

(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.

(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 derecognised (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.

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2.02 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 inputs that is significant to the measurement as a 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.

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.

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2. Significant accounting policies (cont'd)

2.04 Income Taxes cont...

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.

2.07 Lease accounting

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.

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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, if appropriate.

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 2022
(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
4 Investments		
Non - current		
(a) Investments in Equity instruments		
- Measured at FVTOCI	17,218.09	25,048.43
(b) Investments in Preference shares		
- Investment in subsidiaries		
Measured at cost (*)	520.00	520.00
(c) Investment in Government securities		
- Measured at amortised cost		-
(c) Investment in Mutual funds		
- Measured at FVTPL	111.85	106.63
	<u>17,849.93</u>	<u>25,675.06</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 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022			
5 Trade receivables					
Unsecured, considered good	201.67	211.01			
Less: Transfer	(201.67)	(9.34)			
	<u>201.67</u>	<u>201.67</u>			
Ageing as on March 31, 2023					
PARTICULARS	Unbilled Dues	Less than 6 months	6 months - 1-2 yrs 1 Years	2-3 yrs	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables -considered good	-	-	-	-	-
(iv) Disputed Trade Receivables -considered doubtful	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ageing as on March 31, 2022					
PARTICULARS	Unbilled Dues	Less than 6 months	6 months - 1-2 yrs 1 Years	2-3 yrs	Total
(i) Undisputed Trade receivables – considered good	-	38.14	132.94	30.59	201.67
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables -considered good	-	-	-	-	-
(iv) Disputed Trade Receivables -considered doubtful	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
	<u>-</u>	<u>38.14</u>	<u>132.94</u>	<u>30.59</u>	<u>201.67</u>
(a) Movement in expected credit loss allowance during the period is as follows:					
Balance at the beginning of the year				9.34	3.75
Add: Provision made during the year				-	-
Less: Provision reversed during the year (refer note 16)				192.33	5.59
Balance at the end of the year				<u>201.67</u>	<u>9.34</u>
6 Cash and cash equivalents					
Balances with banks					
- Current accounts				96.19	89.27
Cash on hand				0.16	0.20
				<u>96.35</u>	<u>89.46</u>
7 Other bank balances					
Balances with banks in current account (*)				281.12	351.39
				<u>281.12</u>	<u>351.39</u>
(*) Consists of balances in bank accounts maintained by portfolio managers.					
8 Other financial assets					
<i>(Unsecured, considered good)</i>					
Security deposits				-	1.80
Dividend receivable				3.59	6.93
Income tax refundable				26.13	25.77
Other receivables				16.78	120.42
Slump Sale Consideration				799.46	
Lease Rent receivable				1.50	
Claim Receivable				-	84.20
				<u>847.46</u>	<u>239.12</u>
9 Other current assets					
Prepaid expenses				0.06	7.37
				<u>0.06</u>	<u>7.37</u>

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IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
10 Partner's capital		
IOTA Mtech Limited		
Balance as at the beginning of the year	4,881.60	4,679.10
Add: Contribution during the year	180.00	202.50
Less: Withdrawals during the year		-
	<u>5,061.60</u>	<u>4,881.60</u>
Siddhidata Tradecomm Limited		
Balance as at the beginning of the year	488.16	467.91
Add: Contribution during the year	18.00	20.25
Less: Withdrawals during the year		-
	<u>506.16</u>	<u>488.16</u>
Lakshmi Niwas Bangur		
Balance as at the beginning of the year	54.24	51.99
Add: Contribution during the year	2.00	2.25
Less: Withdrawals during the year		-
	<u>56.24</u>	<u>54.24</u>
Total	<u>5,624.00</u>	<u>5,424.00</u>

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IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ Lacs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
11 Deferred tax (assets)/liabilities, net		
Deferred tax liability:		
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax	(0.02)	(19.19)
Fair valuation on mutual funds measured at FVTPL	15.15	13.94
Total deferred tax liabilities	15.13	(5.25)
Deferred tax assets:		
Alternate minimum tax credit	-	207.00
Fair valuation on equity instruments through OCI	(712.42)	(1,230.32)
Total deferred tax assets	(712.42)	(1,023.32)
Deferred tax (assets)/liabilities, net	727.55	1,018.07

Movement in deferred tax liabilities for year ended 31st March 2023

Particulars	As at 01 April 2021	Statement of Profit or Loss	Other comprehensive Income	As at 31st March 2022
Deferred tax liabilities for taxable temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	155.85	(175.04)	-	(19.19)
Fair valuation on mutual funds measured at FVTPL	12.99	0.95	-	13.94
Total	168.84	(174.09)	-	(5.25)
Deferred tax assets for deductible temporary differences on:				
Alternate minimum tax credit	57.00	150.00	-	207.00
Fair valuation on equity instruments through OCI	(688.82)	-	(541.50)	(1,230.32)
Total	(631.82)	150.00	(541.50)	(1,023.32)
Deferred tax liabilities, net	800.66	(324.09)	541.50	1,018.07

Movement in deferred tax liabilities for year ended 31 March 2022

Particulars	As at 01 April 2022	Statement of Profit or Loss	Other comprehensive Income	As at 31st March 2023
Deferred tax liabilities for taxable temporary differences on:				
Difference between written down value of property, plant and equipment as per books of accounts and Income Tax Act, 1961	(19.19)	19.17	-	(0.02)
Fair valuation on mutual funds measured at FVTPL	13.94	1.21	-	15.15
Total	(5.25)	20.38	-	15.13
Deferred tax assets for deductible temporary differences on:				
Alternate minimum tax credit	207.00	(207.00)	-	-
Fair valuation on equity instruments through OCI	(1,230.32)	-	517.90	(712.42)
Total	(1,023.32)	(207.00)	517.90	(712.42)
Deferred tax liabilities, net	1,018.07	227.38	(517.90)	727.55

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.

12 Other financial liabilities	As at 31 March 2023	As at 31 March 2022
Current		
Payable to partners for share of profit: (refer note below)		
- IOTA Mtech Limited	11,648.13	19,227.46
- Siddhidata Tradecomm Limited	1,164.87	1,922.81
- Lakshmi Niwas Bangur	129.42	213.64
Other payables	51.58	90.62
	12,994.01	21,454.53

(a) Movement in partner's share of profit

Particulars	IOTA Mtech Limited	Siddhidata Tradecomm Limited	Lakshmi Niwas Bangur	Total
Balance as at 01 April 2021	16,927.39	1,692.80	188.08	18,808.27
Add: Total comprehensive income for the year	4,567.82	456.78	50.75	5,075.36
Less: Withdrawals during the year	(1,890.00)	(189.00)	(21.00)	(2,100.00)
Less: Adjustment during the year	(377.76)	(37.78)	(4.20)	(419.73)
Balance as at 31 March 2022	19,227.46	1,922.81	213.64	21,363.90
Add: Total comprehensive income for the year	(1,742.82)	(174.28)	(19.36)	(1,936.47)
Less: Withdrawals during the year	(5,836.50)	(583.65)	(64.85)	(6,485.00)
Less: Adjustment during the year	-	-	-	-
Balance as at 31 March 2023	11,648.13	1,164.87	129.42	12,942.43

13 Other current liabilities

Statutory payables	5.55	8.33
	5.55	8.33

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IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
14 Revenue from operations		
Sale of power	-	262.76
Sale of cotton	536.13	314.59
Generation based incentives	-	22.97
	<u>536.13</u>	<u>600.33</u>
15 Other income		
Dividend income	180.79	210.27
Interest on Late Payment-Jodhpur Discom	-	8.51
Interest on Income Tax Refund	-	2.22
Interest on Fixed Deposit	3.40	-
Lease Rent Received	1.50	-
Discount Recd	9.70	-
Gain on fair valuation of investments carried at FVTPL		
- Realised	10.49	0.05
- Unrealised	5.21	4.05
Miscellaneous receipt	0.01	3.89
	<u>211.10</u>	<u>229.01</u>

IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
16 Purchase		
Cotton Purchase	532.54	311.64
	<u>532.54</u>	<u>311.84</u>
17 Depreciation expenses		
Depreciation on property, plant and equipment (refer note 3)	0.15	173.00
	<u>0.15</u>	<u>173.00</u>
18 Other expenses		
Rent	0.15	0.15
Expected Credit Loss	-	5.86
Rates and taxes	3.40	6.09
Legal and professional expenses	197.02	227.13
Operation and maintenance	-	43.62
Loss on Slump Sale	29.38	-
Brokrage	0.11	-
Discount Allowed	9.70	-
Insurance charges	0.16	5.36
Travelling and conveyance	0.30	0.04
Miscellaneous expenses	0.78	2.79
Auditor's remuneration [refer note (a) below]	1.18	1.24
	<u>242.17</u>	<u>292.28</u>
(a) Auditor's remuneration		
Statutory audit	1.18	1.18
Others	-	0.06
	<u>1.18</u>	<u>1.24</u>



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
19 Tax expense		
(a) Income tax in the statement of profit and loss:		
Current tax	40.00	90.00
Deferred tax	227.38	(324.09)
Prior Period Taxes	29.81	0.17
	<u>297.19</u>	<u>(233.92)</u>
(b) Other Comprehensive Income (OCI) section:		
(i) Items not to be reclassified to profit or loss in subsequent periods :		
Current tax expense/(income) :	517.90	(541.50)
On remeasurement of defined benefit plans		-
(ii) Items to be reclassified to profit or loss in subsequent periods :		
Income tax expense reported in Other Comprehensive Income [(i) + (ii)]	517.90	(541.50)
Income tax expense reported in Statement of Profit & Loss A/c	<u>815.09</u>	<u>(775.41)</u>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 34.94% for financial year ended 31 March 2023 and 34.94% for 31 March 2022 respectively and the reported tax expense in the Statement of Profit or Loss are as follows:

(b) Reconciliation of income tax provision to the amount computed by applying the statutory tax rate:		
Profit before tax	-27.61	52.22
Enacted tax rates in India (%)	34.94%	34.94%
Computed tax expense	-	18.25
Effect of prior period taxes	29.81	0.17
Others	267.38	252.34
Total income tax expense as per the Statement of Profit and Loss	<u>297.19</u>	<u>(233.92)</u>
(b) Income tax balances		
Current tax liabilities		
Opening balance	4.60	8.65
Add: Provision for current year	40.00	-
Less: Advance tax paid		-
Less: Tax Deducted at source	(17.73)	-
Less: Transferred to assets		(4.05)
Less: Taxes paid	<u>26.87</u>	<u>4.60</u>
Current tax assets		
Opening balance	282.07	34.91
Add: Transferred from liability	-	(4.05)
Add: Self assessment tax paid	-	123.00
Less: Refund	-	(4.75)
Add: Advance tax paid	-	200.00
Add: Tax Deducted at source	1.15	22.96
Less: Previous Year Adjustment	(30.24)	-
Less: Provision for current year	-	(90.00)
Closing balance	<u>252.98</u>	<u>282.07</u>



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

20 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 2023	31 March 2022
<u>Withdrawal of Profit</u>		
IOTA Mtech Limited	5,836.50	1890.00
Sidhidata Tradecomm Limited	583.65	189.00
Mr. Lakshmi Niwas Bangur	64.85	21.00
<u>Capital Contribution</u>		
IOTA Mtech Limited	180.00	202.50
Sidhidata Tradecomm Limited	18.00	20.25
Mr. Lakshmi Niwas Bangur	2.00	2.25
<u>Rent and electricity expenses</u>		
MB Commercial Co. Limited	0.15	0.15
<u>Printing and stationery expenses</u>		
Samay Industries Limited	0.03	0.01

c) Balances of related parties

Nature of Transactions	Year ended	Year ended
	31 March 2023	31 March 2022
<u>Payable to partners for share of profit:</u>		
IOTA Mtech Limited	11,648.13	19,227.46
Sidhidata Tradecomm Limited	1,164.87	1,922.81
Mr. Lakshmi Niwas Bangur	129.42	213.64



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

21 Fair value measurement

(a) Category wise classification of financial instruments:

Particulars	Hierarchy	As at	
		31 March 2023	31 March 2022
A. Financial assets:			
(i) Carried at amortised cost			
Trade receivables		-	201.67
Cash and cash equivalents		96.35	89.46
Other bank Balances		281.12	351.39
Other financial assets		847.46	239.12
(ii) Carried at FVTPL			
Investments	Level 1	111.85	106.63
(iii) Carried at FVTOCI			
Investments	Level 1	17,218.09	25,048.43
(iv) Carried at cost			
Investments		520.00	520.00
Total financial assets		19,074.87	26,556.70
B. Financial liabilities			
(i) Measured at amortised cost			
Other financial liabilities		12,994.01	21,454.53
Total financial liabilities		12,994.01	21,454.53

(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 2023	31 March 2022
Level 1 (Quoted prices in active market)		
Financial assets measured at FVTOCI		
Investments in quoted equity instruments	17,218.09	25,048.43
Financial assets measured at FVTPL		
Investments in mutual funds	111.85	106.63

(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 Mrech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

22 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 2023	31 March 2022
Low credit risk		
Cash and cash equivalents	96.35	89.46
Other bank balances	281.12	351.39
Other financial assets	847.46	239.12
Investments	17,849.93	25,675.06
Moderate credit risk		
Trade receivables	0.00	211.01
High credit risk		
	-	-

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

Expected credit losses for financial assets

As at 31 March 2023:

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	96.35	-	96.35
Other bank balances	281.12	-	281.12
Other financial assets	847.46	-	847.46
Investments	17,849.93	-	17,849.93
Trade receivables	-	-	-



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless otherwise stated)

22 Financial risk management (contd.)

As at 31 March 2022:

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	89.46	-	89.46
Other bank balances	351.39	-	351.39
Other financial assets	239.12	-	239.12
Investments	25675.06	-	25675.06
Trade receivables	211.01	9.34	201.67

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 2023	31 March 2022
Investments carried at FVTPL or FVOCI valued using quoted prices in active market	17,329.93	25,155.07

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 2023	1,732.99	(1,732.99)
Impact on total comprehensive income for the year ended 31 March 2022	2,515.51	(2,515.51)

(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
As at 31 March 2023				
Other financial liabilities	12,994.01	-	-	12,994.01
As at 31 March 2022				
Other financial liabilities	21,454.53	-	-	21,454.53



IOTA Mtech Power LLP

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

22 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.


23 Other Regulatory Information :

- (i) The LLP does not have any Benami property, where any proceeding has been initiated or pending against the LLP for holding any Benami property.
- (ii) The LLP does not have any transactions with struck off Companies.
- (iii) The LLP has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The LLP has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the LLP (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The LLP has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the LLP shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The LLP does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vii) The LLP has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (viii) The LLP has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

24 The financial statements are approved for issue by the Board of Directors in its meeting held on 06 May 2023

As per our report of even date

B. Chhawchharia & Co
Firm Registration No. 305123E
Chartered Accountants


Kshitiz Chhawchharia
Partner


Membership No. 061087

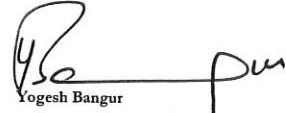
UIN: 23061057 BQ2A2D 9278

Place: Kolkata

Date: 06th May 2023

For and on behalf of
IOTA Mtech Power LLP


Lakshmi Niwas Bangur
Designated Partner


Yogesh Bangur
Designated Partner

Place: Hyderabad

Date: 06th May 2023

