

**August 29, 2022**

The Manager Corporate Relationship Department <b>BSE Limited</b> Floor 25, Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400001	The Manager – Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051
BSE Scrip Code : <b>532341</b>	NSE Symbol: <b>IZMO</b>

Dear Sir/Madam,

**Subject: Submission of Notice of the 27th Annual General Meeting of Izmo Limited alongwith Annual Report for the Financial Year ended March 31, 2022.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”) read with Part A, Para A of Schedule III and Regulation 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the Notice of the **27th Annual General Meeting** of Izmo Limited alongwith Annual Report of the Company for Financial Year ended March 31, 2022.

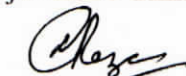
Kindly note the following details:

- 1. Annual General Meeting:** 27th Annual General Meeting (AGM) will be held on Monday, 26th September 2022 at 12:30 PM (IST) through Video Conferencing (“VC”) Or Other Audio Visual Means (“OAVM”).
- 2. Book Closure:** Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 20, 2022 to Monday, September 26, 2022 (both days inclusive) for the purpose of AGM.
- 3. E-Voting:** The remote e-voting period will commence on Friday, September 23, 2022 (9:00A.M. IST) and will end on Sunday, September 25, 2022 (5:00 P.M. IST).
- 4. E-Voting Cut-off date:** Monday, September 19, 2022.

The said Notice which forms part of the Annual Report for the Financial Year ended March 31, 2022 is being sent through e-mails to the shareholders of the Company only at their registered e-mail addresses and the same has also been uploaded on the website of the Company under the web-link <https://bit.ly/izmoltd-annual-report-2021-22>

Kindly take this information on record.

Yours faithfully,  
 for **IZMO Limited**



**Danish Reza**

*Company Secretary and Compliance Officer*

Enc: As Above



**izmo Ltd.**

177/2C, Bilekahalli Industrial Area,  
 Bannerghatta Road, Bangalore-560 076, India

www.izmoltd.com

CIN: L72200KA1995PLC018734



# DRIVING INNOVATION



VIRTUAL AUTOMOTIVE  
SHOWROOM

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DECISION ANALYTICS

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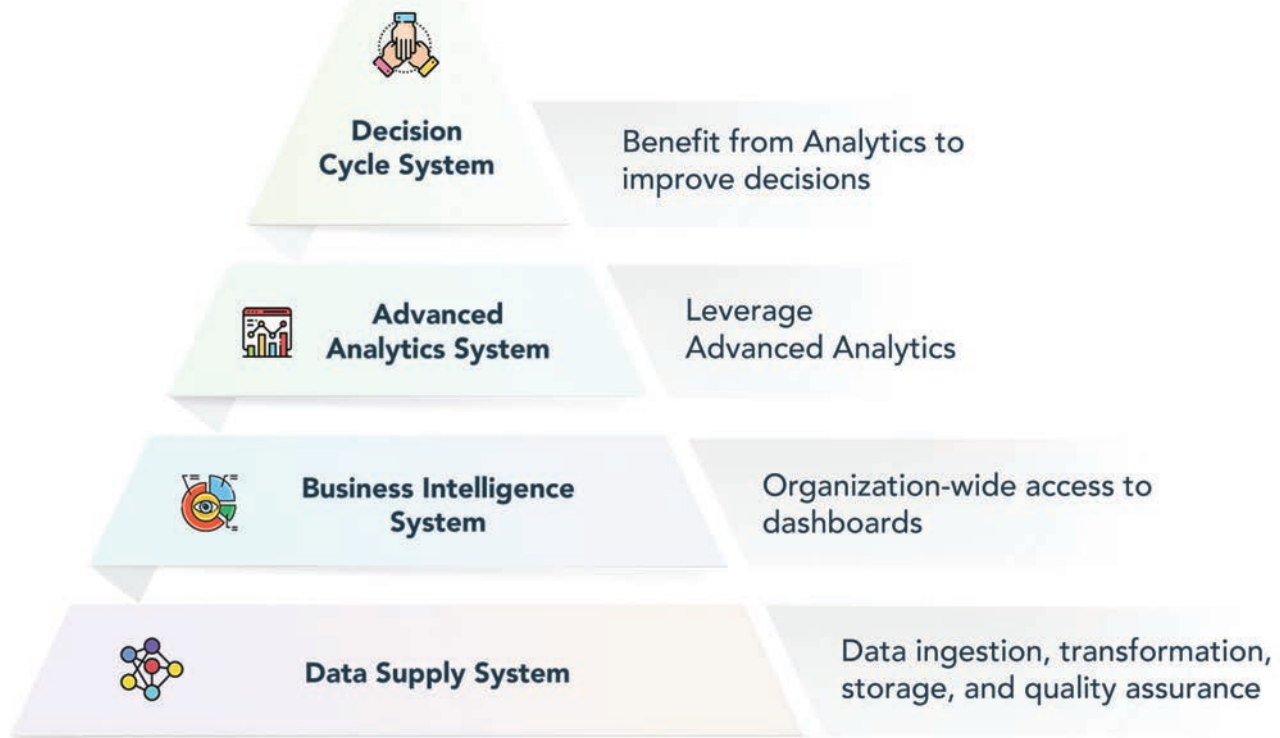
VR AND CGI

**27**  
ANNUAL <sup>TH</sup>  
REPORT  
2021-22

# FDAP

## Enterprise Decision Analytics Platform

Robust, Easy, Affordable



## WarrantyBoost

Increase Your Warranty Rates for both Parts and Labor



Data driven **ANALYSIS**



Statutory **FILING**



Economical **FLAT FEE**



Turnkey **SOLUTION**



Guaranteed **SUCCESS**

## WarrantyMind

Warranty Administration Done Right



Warranty Claims with **DMS INTEGRATION**



Timely Filing of **CLAIMS**



Data Analytics Driven **CLAIMS MANAGEMENT**



Accuracy in **FILING**



OEM-Certified **WARRANTY EXPERTS**

# Corporate Information

## Board of Directors

**Mrs. Shashi Soni**  
Chairperson

**Mr. Sanjay Soni**  
Managing Director

**Mrs. Kiran Soni**  
Wholetime Director

**Mr. Vijay Gupta**  
Director

**Mr. Ramanujam Krishnamurthy**  
Director

**Mr. Vasanth Kumar**  
Director

## Auditor

**Guru Prakash V**  
#297, 1st Floor, 35th Cross, 7th Main,  
Jayanagar 4th Block, Bengaluru - 560011

## Share Transfer Agents

**Cameo Corporate Services Limited**  
"Subramanian Building", 5th Floor, 1,  
Club House Road, Chennai - 02  
Tel: 91-44-28460390 - 94  
Fax: 91-44-28460129  
E-mail: investor@cameoindia.com

## Bankers

**HDFC Bank Limited**  
Bilekahalli Branch, J.P. Nagar, 4th Phase,  
Bengaluru - 78

## Registered & Corporate Office

**izmo Limited**  
#177/2C, Bilekahalli Industrial Area,  
Bannerghatta Road,  
Bengaluru - 560076, India  
Tel : 91-80-67125400 - 5407  
Fax : 91-80-67125408  
Email : info@izmoldtd.com

## Websites

www.izmoldtd.com  
www.izmoinc.com  
www.izmocars.fr  
www.izmocars.es

## India

### Sales & Marketing Offices

#### Delhi

##### izmo Limited

111, 1st Floor, Mercantile House  
Building, 15 K G Marg,  
Connaught Place,  
New Delhi – 110001  
Tel: 91-11-23354009

#### USA

##### Corporate Headquarters San Fransisco

251 Post St. Suite 302 San Francisco,  
CA 94108

##### Photography Studio, Long Beach

3940 E. Gilman Street  
Long Beach, CA 90815  
Tel : 562.597.5740  
Fax : 562.597.9616

##### Marketing Office

1200 Harger Rd. Suite 320,  
Oakbrook, IL 60523

#### Europe

Brussels Diegemstraat 45,  
1800 Vilvoorde, Belgium  
Tel : 032 (2) 751 0359

#### France

69-71 Avenue Pierre grenier 92100  
Boulogne-Billancourt  
Tel : +33 (1) 85 39 07 93

www.izmostock.com  
www.izmostudio.com  
www.izmofx.com  
www.izmocars.eu

## Core Management Team

### U.S.A

**Mr. Tej Soni**  
President of izmocars

**Mr. Chris Daniels**  
Head - Studio Operations

### France

**Mr. Cedric Breton**  
Commercial Director

**Mr. Boris Oliviero**  
Director - Digital Solutions

### India

**Mr. Sarbashish Bhattacharjee**  
Chief Technology Officer

**Mrs. Kiran Soni**  
Chief Financial Officer

**Mr. Danish Reza**  
Company Secretary &  
Compliance Officer

**Mr. Gopi SD**  
Associate Director - Finance &  
Accounts

**Mr. Dipankar Kacharia**  
Head - AOA Division

**Mr. Vinay Narayana**  
Head - Delivery

**Mr. Biplob Kumar Das**  
Head - Human Resource

www.frogdata.com  
www.buyerater.com  
www.izmoweb.in  
www.autobycall.com

# izmoauto

Multilingual Customizable  
Digital Retail Platform

Customized  
Website Design



Multilingual  
Web Platform



Content Driven  
Engagement

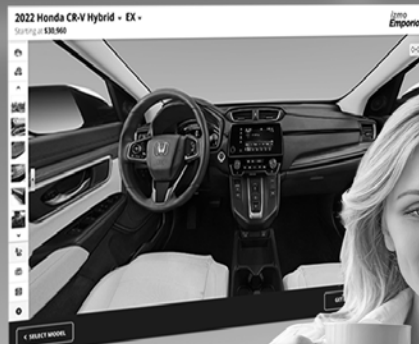
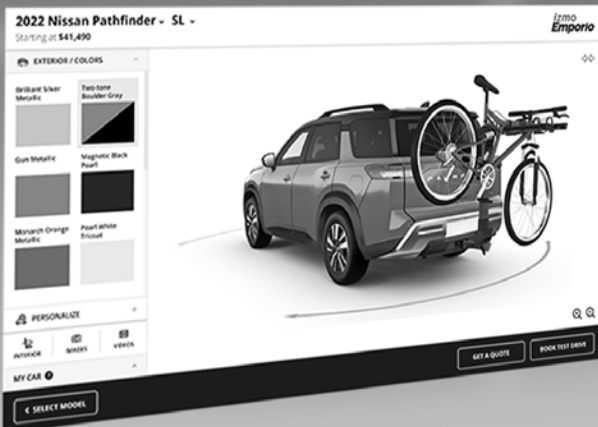
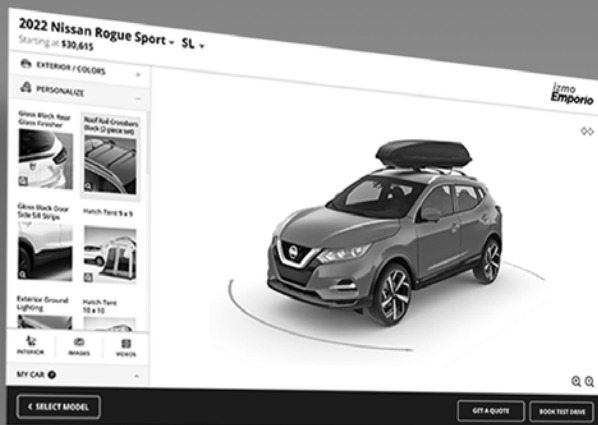


Concierge  
Service



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# Chairperson's address

Dear Shareholders,

This is a day of extreme pleasure as I address my shareholders who have invested in our company with their hard-earned savings. The company looks forward to many more share holders and together, we will grow and prosper as we strive to make our world a better place for everyone.

I am supported by a very sincere and enterprising team. I call them "twinkle twinkle little stars" - stars who have toiled to bring up the company to where we are now. I am very proud of them and their families for supporting them to work from home efficiently during the pandemic crisis, delivering brilliant performance during those difficult days.



I have a vision for izmo – as a company that not only creates great value for shareholders and employees, but helps make the world-at-large a better place too. I am confident that with your continued support, these dreams will come true for all of us. For that, I endeavor to work for you.

Translating this vision into reality, izmo has not only strengthened its customer base but have also launched new products, solutions, and experiences that have the potential to augment automotive retailing globally.

As you read this, apps like izmoEmporio are helping automotive dealers with sparse inventory market their vehicles efficiently using virtual showroom experiences. With automotive production facing a prolonged slowdown that is likely to spill over into the next year,

products like izmoEmporio have the potential to capture markets worldwide, like it's previous iterations.

In line with our vision and strategy, we continue to invest in R&D, product innovation, and a competitive workforce, to stay ahead of the market. Our R&D continues to be focused on our 3-fold strategy – to grow existing products in existing markets, expand new products in existing markets, and introduce existing products in new markets.

Once again, I would like to place on record my great appreciation for the entire team at izmo and all our stakeholders for their relentless dedication and support, helping the Company scale greater heights.

Yours Faithfully,

**Shashi Soni**

Chairperson



Post-covid, the automotive industry is facing new and unprecedented challenges.

The global semiconductor chip shortage continues to force automotive manufacturers to scale down production, leaving automotive dealerships with largely empty lots, high prices, and long waiting lists for popular models.

In the April- June quarter of 2022 alone, US new vehicle sales dropped 21%, compared to the same quarter last year. *With chip manufacturers working at maximum capacity and still not able to meet demand, automotive production needs time to pick up, and dealers with sparse inventories require new ways to sell cars.*

Automotive News, the Detroit based premier weekly trade publication of the automotive industry, reported in an article titled *Tool keeps shoppers on dealership website* that US dealerships like Buckeye Honda is using a new retail car configurator that help dealerships sell cars even when the model is not in inventory. The tool is none other than izmoEmporio, by izmocars.

*“Buckeye Honda’s configurator showed its potential recently when a customer submitted a lead for a vehicle that wasn’t in stock. During the waiting period, the person went back to the store’s website, began toying with accessory options and added a black Honda emblem. The customer ended up buying the vehicle as configured on the site.”*

**Automotive News,**  
July 30, 2022

## **izmoEmporio 3D CGI Virtual Showroom**

izmoEmporio is the world’s first full 3D CGI Virtual Auto Showroom, with very high levels of user engagement driving more sales.

Can we even imagine an auto dealership without a showroom? Just like dealerships, dealer websites need a virtual showroom too, allowing customers to personalize and buy cars. Presently izmoEmporio is the only plug & play virtual showroom available to auto dealers.

## **VREmporio - Virtual Retailing**

VREmporio offers the ultimate virtual car shopping experience in amazing virtual reality environments. VREmporio can be deployed right at the dealership or in kiosks at airports or malls, helping to demonstrate and market vehicles with magical customer experiences.

VR can demonstrate functionality and safety features that is simply not physically possible at a car dealership, like demonstrating the effect of an air bag deploying.

With companies like Meta driving VR adoption, the future is bright for VREmporio.

*izmo*  
**Emporio**



# Data to Decisions Analytics Solution

## **FrogData.**

### **AI Driven Data Analytics**

FrogData, the leading data analytics platform for dealers is one of the fastest growing AI driven innovations in automotive retail analytics. Deploying FrogData results in more deals, higher margins, improved employee and equipment utilization, high inventory turnover, long-term customer loyalty, and much more.

In 2021, U S dealerships serviced more than 271 million repair orders exceeding \$125 billion. Switching warranty repair rates from OEM rates to retail rates alone can make a huge difference to dealership profits, with no extra work. Data analytics is proving to be highly effective in this area, and both WarrantyBoost and WarrantyMind are expected to make a huge difference.

Last year, FrogData introduced FrogBI, a business intelligence solution for auto dealers that provides not just reports, but decision support.

Building on its success in the auto retail space, FrogData is now about to introduce FDAP - the Data-to-Decisions analytics platform for business enterprises.

## The izmoweb Cloud Platform

The izmoweb Responsive web platform that manages all izmo auto retail websites is the most advanced automotive web platform available to auto dealers globally, with unmatched enterprise level functionality that empowers dealerships to scale up and down effortlessly, OEMs and dealer groups can now manage all of their retail websites with just a few clicks.

Intelligent Web Design, izmo's design philosophy combining breathtaking visual design, ease of use, search friendliness, reliability, and scalability into one plug-and-play package, is largely responsible for the success of izmo's auto dealer websites and web apps.

izmo's websites are available in 36 languages, including French and Spanish. This multi-lingual functionality now allows thousands of car dealers to converse with customers and prospects in their own native language.

# Automotive Parts & Accessories Management

## DistrigoBoost/ Parts Velocity/ PartsGorilla

The parts & accessories management solutions of your company has significant traction in Europe, with hundreds of users spanning seven countries including France, Netherlands, Italy, Belgium, Germany, Spain, and Portugal.

PartsGorilla combines an accessories visualization app with a catalog and pricing manager, making it easy for customers to choose accessories and dealers to manage inventory with ease.



# Reputation Management

## **Buyerater. In dealership review platform, review website, and app**

With 70% of prospective customers trusting reviews more than advertisements, dealers need a steady flow of recent reviews to help them reach local customers during this crucial decision-making phase.

The Buyerater review aggregator and in-dealership customer review app allows customers to publish authentic reviews with ease when they are still at the dealership. These reviews are then location-certified and published on the dealer's own review page, and shared on social media.

Presently Buyerater is available in the US, Canada, Spain, France, and India.

## **Top Tier Digital Marketing and Advertising Partner**

Last year, US dealers alone spent \$8.19 billion dollars in advertising, 63.6% of it online. Retail automotive advertising is a fast growing, highly lucrative area. Your company is a top tier, full-spectrum digital marketing and advertising partner in this space. From search marketing and social conversations to paid promotions, izmoRM connects all the dots in the digital marketing roadmap to offer a powerful solution that delivers measurable results.

Every izmoRM customer is serviced by a dedicated team comprising of a Project Manager backed by content specialists, digital marketing experts, social influencers, talented graphic designers, and programmers.

Our advanced web analytics and customer insights ensure that customers are always on top of the game.





# Management Discussion and Analysis

## Segment-wise Performance

**Your company consolidated and expanded its reach and penetration across key segments globally.**

### **Visual Media**

The visual media division of your company has studios in Long Beach, USA and Brussels, Belgium, state-of-the-art image processing facilities in Bangalore, India, and clients operating in 32 countries including the USA, Canada, Colombia, Chile, Brazil, Peru, Belgium, France, Germany, Italy, Netherlands, Portugal, Russia, Spain, Switzerland, Austria, Czech Republic, Denmark, Finland, Greece,

Hungary, Luxembourg, Morocco, Norway, Poland, Romania, Sweden, Slovakia, South Africa, China, Japan, and India.

Presently, izmo is serving:

- The world's top corporations
- Automotive OEMs and Portals
- Companies in automotive related businesses like leasing, rental, etc.
- Media
- Video Game Developers
- Ad Agencies and creative studios
- Retail clients

The visual media and marketing solutions offered by izmo play a key role in the global automotive retail transformation.

### **Global CGI Vehicle Visualizer Platform and Kinetic CGI**

Your company continues to expand and grow its CG business under the izmofx branding, with a major CG 3D WebGL visualizer platform for automotive clients and a Kinetic CGI solution that has breakthrough potential in transforming virtual retail.

Computer Generated Imagery (CGI) is versatile, and offers possibilities far beyond the realm of traditional photography. izmofx is leading the CGI wave in automotive retailing.

### **CG Assets for Leading Global Video Game Developers**

Your company continues to serve the video game segment with CG assets. izmo's clients include one of the world's top game developers. izmo is also expanding izmofx into a leading CG art resource for video game companies.

Your company continues to develop its consumer products CG line. Negotiations are on with leading Agencies to supply CG assets.

## Kinetic CGI

Kinetic CGI has the potential to transform online retail, and izmo expects to make major strides in this area.

## Intellectual Property Rights

Measures taken to protect the intellectual property of izmo continued to produce results in this financial year.

## Rental Car and Leasing Industry Solutions

The izmo Rental Car and Leasing Industry Solutions continued to dominate the market, and major rental car companies worldwide are izmo clients. The world's largest online travel portals use izmo images and 75% of all global rental car listings are powered by izmocars.

CGI based production has further enabled izmo to expand global model coverage in markets outside of the regions served by izmo's studios. We now cover most automotive models in key markets worldwide, except China.

# Websites and Portals

## Premier automotive web solutions provider in France

Your company is the premier auto retail solutions provider in France.

izmo is presently dominating French auto retail, serving prominent retail groups. Apart from delivering retail websites to dealers belonging to



prominent automotive OEMs, izmo has direct partnerships with two global OEMs and also delivered and continue to operate an OEM automotive portal for new cars.

## Spain

izmo worked in partnership with a prominent OEM to create a used car portal that has huge market potential in the country. With a new local partnership gaining ground, we are all set to make big strides in Spain.

## Italy

Your company has opened its account in Italy and we expect to see significant market traction in the coming years.

# Industry Structure and Developments

## USA

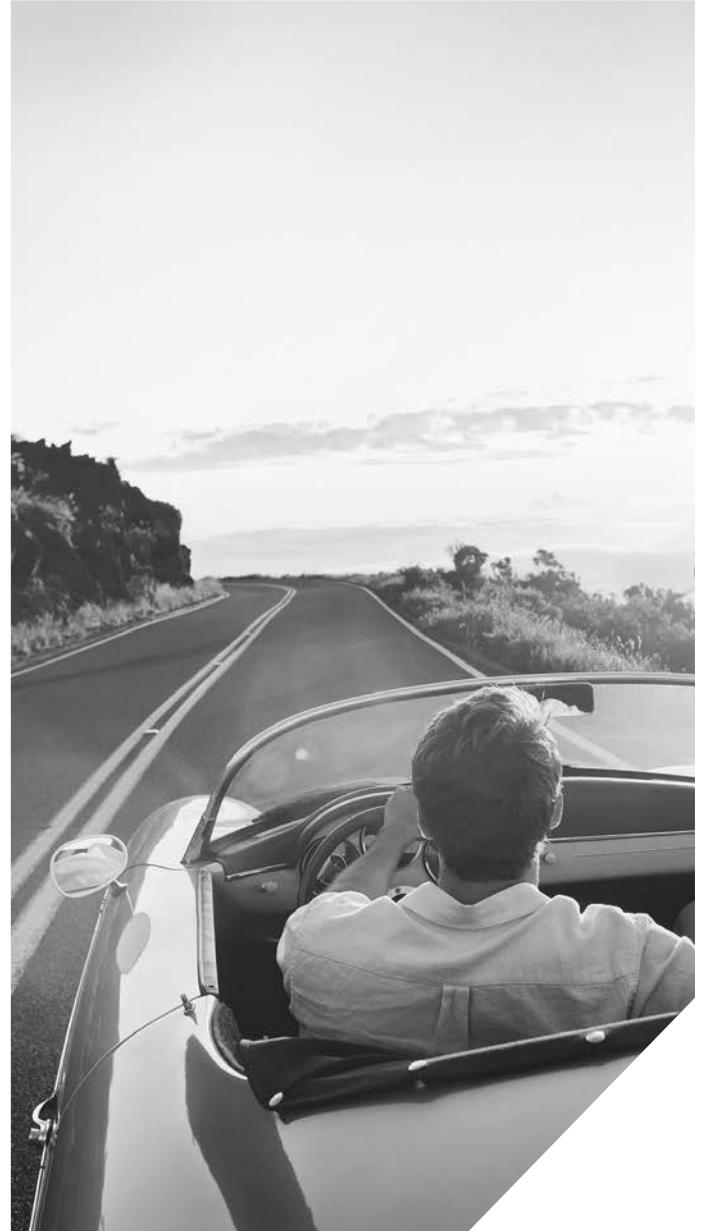
Automotive sales in the US is facing a dip again, with production levels dropping due to microchip shortages. In 2021, the 16,676 franchised light-vehicle dealers sold 14.9 million light-duty vehicles valued at \$1.18 trillion, per NADA (National Association of Automotive Dealers) statistics. EVs and alternative-fuel powertrains are now a sizable trend, accounting for 9.5% of sales.

Customer shopping preferences are decisively shifting online, and faced with sparse inventories, dealers need new ways to compete and win market-share. This is one reason why izmo's virtual showroom solutions, WebGL vehicle configurators, data analytics solutions, responsive dealer websites, digital marketing, reputation management, and parts and accessories management solutions are expected to gain significant traction in the coming financial year.

## European Union

Vehicle sales continued to fall in Europe, hit by persistent supply chain issues including microchip shortages and rising inflation. New car registrations reported a downslide of 17% in June.

In Europe, your company operates in France, Italy, Belgium, Portugal and Spain. izmo continues to be the premier auto dealer website and marketing solutions provider dominating the French retail market, serving



dealers and groups belonging to 36 OEMs.

## India

Belying global trends, Indian auto dealers registered a 118% growth in sales last June, selling 2,55,397 vehicles, as compared to 1,16,927 in June 2020.

With online showrooms serving dealers belonging to 13 OEM brands, izmocars India continues to be a leading car retail solutions provider in India.



# izmo: a long trail of innovation

izmoEmporio, FrogBI Analytics, FDAP Decision Analytics, WarrantyBoost, WarrantyMind, PartsGorilla, CGI, and VR are among the latest in a long series of trend-setting market innovations from izmo, starting with izmoflix ver.1 that introduced the interactive automotive marketing experience to U S consumers as early as 2003.

To this day, izmo remains invested in its global market leadership in the automotive retail space.

Meanwhile, izmo's vehicle retail solutions continue to be the first choice of the world's leading automotive retailers and portals, from the Americas to Europe to Asia.

## The India Advantage

The India advantage of high-end human

resources right from IP to support services is a strategic advantage that greatly supports the organic growth of your company.

Unlike other players in the market, the India component is not merely another cost-cutting measure for izmo – it is integral to the performance culture of the company, built into its corporate DNA.

## Opportunities and Threats

To begin with, izmo is a blue ocean company that creates value out of breakthrough innovation and not price-competition. Our company owns deep domain expertise in all its areas of operations.

Between these two, the entry barriers to any competition is quite formidable, and potential competitors in areas like AI and Data analytics, CGI, VR, Imagery, Parts and Accessories Configurators,



etc. are unlikely to be price-competitive for a long period of time.

Presently your company is exploring the newest opportunities in its operating space, namely virtual retailing, data analytics and CGI/VR/AR. Previous experience tells us that companies who enter the market arena at the commencement of the bell curve are the ones likely to reap the richest dividends.

The only possible threat to the company is new ground-breaking innovation, which is extremely unlikely, given that your company never ceases to explore new opportunities.

## Outlook

Having reported significant improvements in terms of revenue, and profits, we share a positive outlook for the year ahead.

izmo is in the process of introducing breakthrough products like 3D virtual vehicle configurators in the US and EU markets, and we expect very positive results in the months to come.

## Risks and Concerns

Your company doesn't foresee any major risks in our operating space.

However, izmo is a global company operating in 3 continents, and major currency fluctuations may impact our bottom-line, either positively or negatively.

## Internal Control System

izmo has in place adequate Internal Control Systems commensurate to its size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational

information, complying with applicable statutes, safe guarding the assets from unauthorized use or loss, extending transactions with proper operation and ensuring compliance of corporate policies.

Internal Control is supplemented by regular management review, documented policies and procedures, and internal audits. The Company has an Audit Committee, details of which have been provided in the Corporate Governance report. The Audit Committee reviews Audit Reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up implementation of corrective actions.

The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems in the Company and keeps the Board informed of its major observations from time to time.

## Human Resources

izmo has 306 employees on payroll as on March 31, 2022. Employee relations remained satisfactory during the period under review.

The Company would like to record its appreciation to its employees and their whole hearted support and co-operation.

## Financial Performance with respect to Operational Performance

Discussion on financial performance with respect to operational performance is available in detail in the beginning pages of the Board's Report of this Annual Report.

## Dear Members,

Your Directors are pleased to present the 27th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

### Consolidated financial statements of accounts for the year ended 31st March, 2022.

Rs. in lakhs

Particulars	2021-22	2020-21
Revenue from Operations	13,243.12	11,614.31
Other Income	550.23	2,279.81
<b>Total Revenue</b>	<b>13,793.35</b>	<b>13,894.12</b>
Direct cost of operations	81.40	218.74
(Increase)/Decrease in Stocks/WIP	--	--
Employee Benefit Expenses	5,653.98	4,675.94
Financial Expenses	46.82	87.22
Depreciation	1,247.78	2,206.11
Other Expenses	5,145.23	4,022.30
<b>Total Expenses</b>	<b>12,175.21</b>	<b>11,210.31</b>
Profit/ (Loss) before Tax & Exceptional Item	1,618.14	2,683.81
Exceptional or Extraordinary Items	--	--
Profit/ (Loss) before Tax	1,618.14	2,683.81
Provision for Taxation	(33.40)	(3.65)
MAT Credit/Taxes of earlier years	3.17	(4.60)
Deferred Tax	15.87	(9.70)
Profit / (Loss) after Tax	1,603.78	2,665.86
Other Comprehensive Income	(3.38)	(2.51)
<b>Total Comprehensive Income for the year</b>	<b>1,600.40</b>	<b>2,663.35</b>

## Performance on a Consolidated Basis

The Company's performance in FY21-22 has shown a significant improvement over the previous year. On a consolidated basis, the revenue from operations has increased by nearly 15% whereas operating profit has also crossed Rs. 11 crores. The Company has achieved higher sales in all the geographical regions it operates in. This trend is likely to continue in the current year as well.

Other income has been lower than the previous year as recovery from legal suits dropped in FY 21-22 as compared to the previous year. We expect this revenue stream to continue in the current year as legal suits have been filed against several large corporations for violation of the company's copyright on its images.

The Data Analytics division FrogData is growing very rapidly. The division is growing at the rate of more than 150% yoy. Its Artificial Intelligence (AI) driven product suite has delivered strong ROIs to its customers. FrogData has one of the most powerful AI engines built inside its product.

The Company's CGI division is being expanded at a rapid pace as the company receives significantly larger orders from its gaming customers. The company has added nearly 30 people to its CGI team, taking the total strength to 45. This division is expected to become a major revenue and profit generator in the years to come.

The Company has launched izmoEmporio in the NADA 2022 Auto Show held in February, 2022. This is a unique product offering in the market and is expected to significantly enhance the customer base of the company in all geographies.

Total expenses have increased as compared to the previous year as the company has given sizeable pay hikes to its employees to retain good talent. The overall number of employees has also increased substantially.

The company's Indian entity has become debt free as of March 31st, 2022 in India. The entire debt has been paid from internal accruals.

The company's other expenses have increased as a result of legal expenses incurred for fighting lawsuits for trademark infringement resulting in large amounts being recovered from defaulting companies.

## Stand Alone Financials

Rs. in lakhs

Particulars	2021-22	2020-21
Revenue from Operations	2,979.31	2,730.72
Other Income	116.32	123.06
<b>Total Revenue</b>	<b>3,095.63</b>	<b>2,853.78</b>
Direct cost of operations	81.40	218.74
(Increase)/Decrease in Stocks/WIP	--	--
Employee Benefit Expenses	2,339.89	1,859.11
Financial Expenses	33.10	81.30
Depreciation	109.26	101.95
Other Expenses	516.19	566.80
<b>Total Expenses</b>	<b>3,079.84</b>	<b>2,827.90</b>
Profit/ (Loss) before Tax & Exceptional Item	15.79	25.88
Exceptional or Extraordinary Items	--	--
Profit/ (Loss) before Tax	15.79	25.88
Provision for Taxation	(24.72)	(3.65)
MAT Credit/ Taxes of earlier years	3.17	(4.60)
Deferred Tax	15.87	(9.70)
Profit / (Loss) after Tax	10.11	7.93
Total Other Comprehensive Income	(3.38)	(2.51)
<b>Total Comprehensive Income for the period</b>	<b>6.73</b>	<b>5.42</b>

## Performance

The Company's sales on a standalone basis has shown an increase of nearly 10% over the previous year. This has been achieved despite the entire staff working from home during the year.

## Analysis of Expenses

Employee benefit expenses have shown a sizeable increase over the previous year. This is primarily due to the annual salary hike given to the employees as well as addition of new employees. Attrition in the IT industry has increased significantly in the last year. However, due to our employee friendly policies, we are still able to maintain it at around 13-14% , much less than the industry average.

Financial expenses have reduced significantly as the company has steadily reduced its debt. The company's high cost debt in India has been totally paid of in FY 21-22.

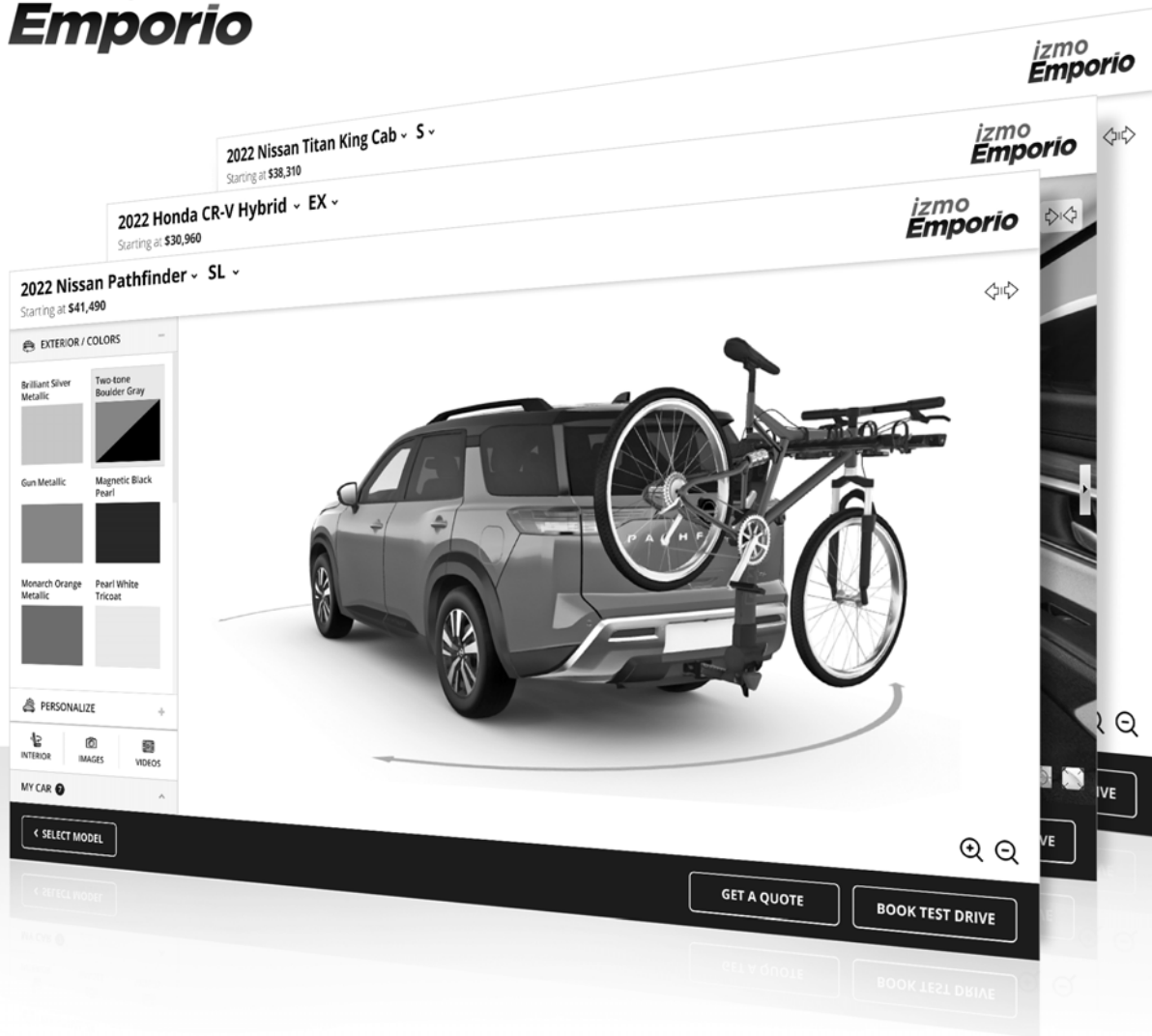
The company's other expenses have decreased slightly as compared to the previous year.

## Profitability

The company's profitability has improved slightly due to an improvement in revenues, sharp reduction in Direct cost of operations and a slight decrease in other expenses. This has partially offset the sharp increase in employee costs.

## Dividend

In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profits into the system and regret inability to recommend dividend.



## DETAILS OF SIGNIFICANT CHANGES

### Key Financial Ratios

As per Listing Regulations, the Company is required to give details of significant changes (Change of 25% or more as compared to the immediately previous Financial Year) in key sector - specific financial ratio.

S.No.	Particulars	FY 2021-22	FY 2020-21	% Change	Detailed Explanation for change (Where the change is 25% or more as compared to the immediately previous financial year)
1	Revenue (Rs. In Lakhs)	2979.31	2730.72	9%	Not Applicable
2	Net Profit	10.11	7.93	27%	The increase in net profit is due to increase in revenue and reduction in tax expenses during the year.
3	EBITDA	158.15	209.13	-24%	Not Applicable
4	Return on Net worth	0.06%	0.05%	27%	The increase is due to increase in revenue and reduction in tax expenses during the year.
5	EPS (Basic)	0.08	0.06	33%	The increase is due to increase in net profit in current FY 2021-22
6	EPS (Diluted)	0.08	0.06	33%	The increase is due to increase in net profit in current FY 2021-22
7	Debtor Turnover Ratio	5.98	1.86	221%	Increased due to significant reduction in Trade receivables on account of customer collection during Previous FY ( 2020-21).
8	Interest Coverage Ratio	4.78	2.57	86%	The increase is due to reduction in Interest on account of repayment of term loan in full during the year.
9	Current Ratio	1.28	1.15	11%	Not Applicable
10	Debt Equity Ratio	0.004	0.035	-87%	The reduction is mainly due to repayment of term loan in full during the year.
11	Operating Profit Margin (%)	5.31%	7.66%	-31%	The Reduction is due to increase in employee benefit cost during the year.
12	Net Profit Margin (%)	0.34%	0.29%	17%	Not Applicable

**Note:** "Not applicable" mentioned wherever changes is not 25% or more under "Detailed Explanation for Change" column.

# NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH (TWENTY SEVENTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF IZMO LIMITED (THE "COMPANY") WILL BE HELD ON **MONDAY, 26th DAY OF SEPTEMBER, 2022 AT 12:30 PM** IST THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

## **ORDINARY BUSINESS:**

### **Item No. 1: Adoption of Accounts:**

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with Report of the Auditor's and the Board of Directors' thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with Auditors' Report thereon.

Members are requested to consider and pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**, the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Auditors' and the Boards of Directors thereon, along with relevant annexure, be and are hereby received, considered, approved and adopted.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient, to give effect to this resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

### **Item No. 2: Re-appointment of director who retires by rotation:**

To re-appoint Mr. Sanjay Soni (DIN:00609097), who retires by rotation, and being eligible, offers himself for re-appointment.

Members are requested to consider and pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Sanjay Soni (DIN:00609097), who retires by rotation, and being eligible, offers himself for re-appointment, as director liable to retire by rotation.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient to give effect to this resolution(s)."

### **Item No.3: Appointment of Statutory Auditor:**

To appoint Mr. Ramaswamy Vijayanand, Chartered Accountant (Membership No.: 202118), as the Statutory Auditor of the Company, in place of retiring Statutory Auditor Mr. Guru Prakash V, Chartered Accountant (Membership No.: 228938) to hold office from conclusion of 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting and fix the remuneration.

Members are requested to consider and pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015 "SEBI Listing Regulations" as amended from time to time including any statutory modification (s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, and pursuant to recommendation of Audit Committee and Board of Directors of the Company ("the Board"), approval of the members of the Company be and hereby accorded for appointment of Mr. Ramaswamy Vijayanand, Chartered Accountant (Membership No.: 202118), to hold office of Statutory Auditor of the Company, from the conclusion of 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting to be held in the year 2027 for conducting audit of Financial Statements of the Company for a period of 5(five) consecutive years starting from FY 2022-23 to FY 2026-27 on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditors"

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to vary, alter, enhance or widen the remuneration payable to the Statutory Auditors, for the said tenure, from time to time, pursuant to the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT,** the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/or expedient to give effect to this resolution(s)."

#### **SPECIAL BUSINESS:**

#### **Item No.4: Re-appointment of Mrs. Shashi Soni (DIN: 00609217) as Whole Time Director of the Company:**

Members are requested to consider and pass the following Resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of Companies Act, 2013 ("the Act") and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 along with other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), also read with the Articles of Association of the Company and pursuant to the recommendations and / or approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company (the "Board") accorded at their respective meetings held on August 11, 2022, and subject to such other approval(s), permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities, in granting such approvals, permission and sanctions, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mrs. Shashi Soni (DIN: 00609217) as Whole Time Director of the Company for a period of three years with effect from 01st October, 2022 to 30th September, 2025 on such remuneration as set out below:

1. Mrs. Shashi Soni - Whole Time Director with effect from 01st October, 2022 for a period of 3 years.
2. Salary of Rs. 1, 75,000/- (Rupees One Lakhs Seventy-Five Thousand only) per month.
3. Commission not more than 1% of the net profits of the Company.
4. Unless the context otherwise requires, the perquisites are classified into three categories "A", "B" and "C" as follows:

#### **Category "A":**

The expenditure incurred by the Company on providing furnished residential accommodation for the Appointee shall be subject to a ceiling of 50% (Fifty percent) of the Appointee's salary over and above 10% payable by the Appointee salary.

#### **Alternatively:**

In case, the Company provides the accommodation, the Company shall deduct 10% of the salary of the Appointee.

## **Alternatively:**

In case, no accommodation is provided by the Company, the Appointee shall be entitled to House Rent Allowance, subject to a ceiling of 50% (Fifty percent) of salary payable to the Appointee.

## **Explanation:**

- I. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962, as amended from time to time. However, such expenditure shall be subject to a ceiling of 10% (Ten percent) of the Appointee's annual salary each year.
- II. Medical Reimbursement: Expenses incurred for the Appointee and her family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- III. Leave Travel Concession: For Appointee and her family once in a year, while on leave, in accordance with the rules and regulations applicable to senior managers of the Company from time to time.
- IV. Personal Accident Insurance: Premium not to exceed Rs. 4,000/- (Rupees Four Thousand only) per annum.

## **Explanation:**

For the purpose of category "A", Family means: Spouse, dependent children and dependent parents of the Appointee.

## **Category "B":**

- I. Contribution to Provident Fund, Superannuation Fund and Annuity Fund: These will be in accordance with the schemes applicable to senior managers of the Company from time to time and will not be included in the computation of ceiling on perquisites mentioned above to the extent they either singly or put together are not taxable under the Income Tax Act, 1961, as amended from time to time.
- II. Gratuity: In accordance with the rules and regulations applicable to senior managers of the Company from time to time but not exceeding half month's salary for each completed year of service.
- III. Encashment of Leave at the end of the tenure: In accordance with the rules and regulations applicable to the senior manager of the Company from time to time, the monetary equivalent of such encashment leave shall not be included in the computation of the ceiling on perquisites.

## **Category "C":**

Provision of car for the use of Company's business and telephone at residence shall not be considered as perquisites. Personal long-distance calls and use of car for personal use shall be billed to the Appointee.

## **MINIMUM REMUNERATION:**

In the event of absence or inadequacy of profits in any Financial Year during the tenure of her appointment, the Whole Time Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Whole Time Director shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013, as may be in force for the time being.

Further, in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mrs. Shashi Soni be suitably amended to give effect to such modification, relaxation or variation with or without any further reference to the Company in General Meeting.

## NOTICE

**RESOLVED FURTHER THAT** either party can give three months' notice in the event of termination of the said post/ arrangement.

**RESOLVED FURTHER THAT** in the event of Mrs. Shashi Soni ceasing to be the Whole time Director due to any causes whatsoever, she shall not be eligible for any compensation for loss of office.

**RESOLVED FURTHER THAT** the Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

By order of the Board  
For Izmo Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097

Place: Bengaluru  
Date: August 11, 2022

## NOTES

1. In view of the continuing COVID- 19 Pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated, June 15, 2020, Circular No. 39/2020 dated December 31, 2020 and Circular No. 20/2021 dated December 08, 2021 in relation to "Clarification on passing of Ordinary and Special Resolution by the Companies under Companies Act, 2013 read with rules made thereunder, through Video Conferencing (VC) or Other Audio Visual Means (OAVM)" (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") and in compliance with the provisions of the Companies Act, 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this AGM is being convened to be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at a common venue and accordingly, the **27th Annual General Meeting (the "AGM")** of the Company will be held through VC or OAVM in compliance with the aforesaid circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). The registered office of the Company shall be deemed to be the venue for the AGM.
2. Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. In terms of the MCA Circulars and SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, **the requirement of sending proxy forms to holders of securities as per provisions of section 105 of the act read with regulation 44(4) of the listing regulations, has been dispensed with.** Therefore, the facility to appoint proxy by the members will not be available and consequently, the proxy form, attendance slip and route map are not annexed to this notice convening the 27th Annual General Meeting of the Company (the "notice").
4. Pursuant to Section 113 of the Act and Rules framed there under, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at syed1948@gmail.com with a copy marked to company.secretary@izmoltd.com
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB / CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents ("RTA") Cameo Corporate Services Limited ("CCSL") for assistance in this regard.
6. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with CCSL in case the shares are held by them in physical form.
7. Members are requested to notify changes, if any pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to CCSL if the shares are held by them in physical form along with their addresses specifying full address in block letters with PIN code to the Company's Registrar and Share Transfer Agents("the RTA") at the following address: Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Anna Salai, Chennai, Tamil Nadu - 600002.

8. In terms of the provisions of the Companies Act, 2013 and Rules made there under and Articles of Association of the Company, Mrs. Sanjay Soni (DIN: 00609097), Managing Director of the Company retires by rotation and being eligible offers himself for reappointment. A brief resume of Mr. Sanjay Soni along with the nature of his expertise are given herewith and forms part of the notice convening the Annual General Meeting.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. In Compliance with aforesaid Circulars issued by MCA and SEBI Circular dated May 12, 2020, the Notice along with the Annual Report of the Company for the Financial Year ended March 31, 2022, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or Depository Participants or the Registrar and Share Transfer Agent (the "RTA"), i.e. M/s Cameo Corporate Services Limited ("CCSL"). Members may also note that the Notice and Annual Report for 2021-22 will also be available on the Company's website [www.izmoltd.com](http://www.izmoltd.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively where shares of the Company is listed and on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., Central Depository Services (India) Limited (CDSL), viz., [www.evotingindia.com](http://www.evotingindia.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

- i. **In case shares are held in physical mode** please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com)
- ii. **In case shares are held in demat mode**, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com).

If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- iii. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- iv. **In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.**

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CCSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM

13. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before September 21, 2022 through e-mail on [company.secretary@izmold.com](mailto:company.secretary@izmold.com). The same will be replied by the Company suitably.

#### 14. VOTING THROUGH ELECTRONIC MEANS (REMOTE E-VOTING AND E-VOTING DURING AGM)

- i. In Compliance to Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 the Company has engaged the services of CDSL to provide remote e-Voting facility during the AGM to all the eligible members to enable them to cast their votes electronically in respect of the businesses to be transacted at the meeting.
- ii. The remote e-voting period will commence on **Friday, September 23, 2022 (9:00A.M. IST) and will end on Sunday, September 25, 2022 (5:00 P.M. IST)**. During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Monday, September 19, 2022, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by CDSL for voting thereafter.
- iii. Only those Members, who will be present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who have cast their votes by remote e-Voting may attend the meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 19, 2022 being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date.
- iv. The Board of Director has appointed **Mr. Syed Shahabuddin (Membership Number: ACS4121 and COP Number: 11932)**, Practicing Company Secretary or failing whom, such other practicing company secretary as the Board of Directors of the Company may appoint as the scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting.
- vi. The Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.izmold.com](http://www.izmold.com)) and on the e-Voting website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed.
- vii. Members holding shares in physical mode or whose e-mail addresses are not registered may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at [company.secretary@izmold.com](mailto:company.secretary@izmold.com) or to the RTA at [jessy@cameoindia.com](mailto:jessy@cameoindia.com) :
  - a. Scanned Copy of a signed request letter, mentioning name, folio number/DP Id, Client Id and number of shares held and complete postal address;
  - b. Self-attested scanned copy of PAN Card; and

- c. Self-attested scanned copy of valid address proof (like Aadhar card/Latest Electricity Bill/Latest Telephone Bill/ Passport/Voter ID Card/ Bank Passbook particulars) of members as registered against their shareholding.
- viii. Members who hold shares in physical mode and who already have valid e-mail address registered with the company, the RTA need not take any further action in this regard.

**Instructions to cast votes through remote e-Voting, through e-Voting system during the AGM and Joining Annual General Meeting are annexed below:**

The remote e-voting period begins on Friday, September 23, 2022 (9:00A.M. IST) and will end on Sunday, September 25, 2022 (5:00 P.M. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 19, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 19, 2022.

The detailed process to vote electronically on CDSL e-Voting system consists of “Two Steps” which are mentioned below:

**A. Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode:**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail Id with their DPs in order to access e-Voting facility.

Type of Shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ul style="list-style-type: none"> <li>i. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company's name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>ii. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL.</b></p>	<ul style="list-style-type: none"> <li>i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>ii. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>iii. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending an OTP on registered Mobile No. &amp; Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ul>



<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with NSDL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

**How to Log-in to CDSL e-Voting website?**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
<b>PAN</b>	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the Izmo Limited on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company at the email address viz; [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **15. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## 16. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com)/ [jessy@cameoindia.com](mailto:jessy@cameoindia.com)
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) or alternatively please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com) / [jessy@cameoindia.com](mailto:jessy@cameoindia.com)

For any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## 17. RAISING OF QUESTION OR SEEKING CLARIFICATION:

- i. AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance for smooth conduct of the AGM but not later than **5:00 P.M. (IST) Wednesday, September 21, 2022**, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com) and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.
- ii. Members willing to express their views or ask questions or seek any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company in advance. Those who wanted registered themselves as speaker may do so by sending their requests from **Wednesday, September 14, 2022 (9:00 A.M. IST) to Wednesday, September 21, 2022 (5:00 P.M. IST)** at [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com) from their registered e-mail addresses mentioning their names, folio numbers / demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
- iii. The Company's Register of Members and Share Transfer Book shall remain closed, from Tuesday, **September 20, 2022 to Monday, September 26, 2022 (both days inclusive)** for the purpose of AGM.

18. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents may be re- submitted for transfer even after April 1, 2019 provided it is submitted along with the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

## NOTICE

19. All documents referred to in the Notice shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com) from their registered e-mail addresses mentioning their names and folio numbers /demat account numbers.

By order of the Board  
For IZMO Limited

Place: Bengaluru  
Date: August 11, 2022

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
READ WITH THE SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND SEBI  
(LODR) REGULATIONS, 2015****Item No.3: Appointment of Statutory Auditors:**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is not required as per Section 102 of the Act. The Members at the twenty-second Annual General Meeting ("AGM") of the Company held on September 20, 2017, had approved the appointment of Mr. Guru Prakash V, Chartered Accountant (Membership No.: 228938), as Statutory Auditors of the Company, to hold office till the conclusion of the twenty-seventh AGM ("this AGM"). Mr. Guru Prakash V, Chartered Accountant (Membership No.: 228938) will complete his present term on conclusion of this AGM in terms of the same. The remuneration payable to Mr. Guru Prakash V including reimbursement of expenses payable for the financial year 2021-22 is Rs. 4.00 Lakhs, details of which are given in Note No. 30 of the Notes to Financial Statements for the financial year ended March 31, 2022.

The Board of Directors of the Company (the "Board") at its meeting held on August 11, 2022, based on the recommendations of the Audit Committee, have recommended the appointment of Mr. Ramaswamy Vijayanand, Chartered Accountant (Membership No.: 202118), in terms of Section 139 of the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (as amended) on such terms including remuneration, reimbursement of expenses (if any) as may be fixed and determined by the Board of Directors of the Company in consultation with the said Auditor.

Mr. Ramaswamy Vijayanand, Chartered Accountant (Membership No.: 202118) have consented to the proposed appointment and have confirmed his eligibility for the same. He has further confirmed that his appointment, if made, would be within the limits laid down by or under the authority of the Act. He has also confirmed that he is not disqualified for the proposed appointment under the Act, including under Section 141 of the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are as under:

- A. Proposed fees payable to the Statutory Auditor(s):** Rs. 4.00 lakhs (plus taxes) which includes tax audit fees, statutory audit and annual certification charges. Fees will be generally billed in a manner consistent with the progress of audit / engagements.
- B. Terms of appointment:** Appointment as Statutory Auditors of the Company from the conclusion of 27th AGM for a period of 5 (five) consecutive years till the conclusion of the 32nd AGM of the Company, to carry out Audit of the Financial Statements (Standalone / Consolidated), Annual Financial Results, Limited Review of the Unaudited Quarterly Financial Results, Tax Audit, etc., of the Company.
- C. In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:** There is no material change in the fee payable to Mr. Ramaswamy Vijayanand, Chartered Accountant (Membership No.: 202118) from that of Mr. Guru Prakash V, Chartered Accountant (Membership No.: 228938) The proposed remuneration is commensurable with the size of the Company and nature of its business. The proposed remuneration is determined based on the recommendation of the Audit Committee which peruses the industry benchmarks in general, profile of the firm, scope of audit and other relevant factors.

**D. Basis of recommendation for appointment:** The Board of Directors and the Audit Committee, at their respective meetings held on August 11, 2022, have considered various parameters like capability to serve a widespread business landscape as that of the Company, audit experience in the retail industry, technical knowledge, governance standards, etc., and found Mr. Ramaswamy Vijayanand, Chartered

Accountant suitable for this appointment and accordingly, recommend the same.

**E. Credentials of the Statutory Auditor(s) proposed to be appointed:** Mr. Ramaswamy Vijayanand is a qualified Chartered Accountant (Membership No.: 202118). He is holding Certificate of Practice issued by Institute of Chartered Accountant of India since July 1992 and have been practicing over 29 years. He is also a Fellow Member of the Institute.

He is having a team of over 15 Members including 3 Qualified Chartered Accountants. The range of services, provided by him includes Statutory Compliance, Statutory, Internal & Tax Auditing, Accountancy, Corporate Finance and Financial Consulting.

None of the Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested, financially or otherwise, in the Resolution No. 3 as contained in the Notice.

#### **Item No.4: Re-Appointment of Mrs. Shashi Soni (DIN: 00609217) as Whole Time Director of the Company**

Mrs. Shashi Soni is one of the initial Directors and Chairperson of your Company and has been actively involved with affairs of the Company from the beginning. She was re-appointed as Whole-time Director of the Company for a term of 3 years with effect from 1st October, 2019 to 30th September, 2022, with such terms and conditions as mentioned in the resolution. She was instrumental in the significant growth of the Company and has good amount of experience in the line of the business.

In compliance with the provisions of the Companies Act, 2013 (as amended) (the "Act") and the Rules framed there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"), Articles of Association and Nomination and Remuneration Policy of the Company, the Board of Directors of the Company (the "Board"), based on the recommendation of Nomination and Remuneration Committee (NRC) at their respective meetings held on August 11, 2022 has re-appointed Mrs. Shashi Soni as Whole-time Director of the Company, liable to retire by rotation, for a further period of 3 (three) consecutive years commencing from October 01, 2022 to September 30, 2025 or till the date of expiry of the tenure of her service with the Company, whichever is earlier subject to the approval of the members of the Company with such terms and conditions as mentioned in the aforesaid resolution.

Pursuant to Section 196(3) of the Companies Act, 2013, inter alia, provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole-time Director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, (the Act) the Companies (Appointment and Qualification of Directors), Rules, 2014, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, and the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, and with such terms and conditions as mentioned in the aforesaid resolution for reappointing Mrs. Shashi Soni being age more than 70 years Chairperson and Whole-time Director, requires approval of the members by passing special resolution.

Keeping in view that Mrs. Shashi Soni has vast experience in the industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to reappoint Mrs. Shashi Soni as Whole-time Director.

## NOTICE

This may be deemed to be an abstract under Section 190 of the Companies Act, 2013 of the terms and conditions of appointment of Mrs. Shashi Soni as Whole time Director.

Disclosure under Secretarial Standard-2 is annexed to this Notice.

Your Board recommends passing of resolution specified under item No.4 as special resolution.

In terms of the provisions of the Act, Mrs. Shashi Soni has confirmed that she is not disqualified and further confirming that she is not debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to re-appoint her as a director in any company.

The proposed resolution as contained in the Notice provides that the Board will have a liberty to vary the terms and conditions of the appointment and remuneration of Mrs. Soni as mentioned herein or under the Agreement entered, from time to time, as it may deem fit and necessary and as may be agreed to by and between Mrs. Shashi Soni and the Board.

The Board, on the recommendation of the Nomination and Remuneration Committee, approved remuneration of Rs. 1, 75,000/- per month for Mrs. Shashi Soni, subject to approval of the Members.

The aforesaid remuneration of Mrs. Shashi Soni falls within the ceiling limits as specified under Section 197 and other applicable provisions of the Act and Rules framed there under read with Schedule V to the Act.

Mr. Sanjay Soni and Mrs. Kiran Soni are deemed to be interested in the transaction mentioned under Item No. 4, Apart from Mr. Sanjay Soni and Mrs. Kiran Soni none of the persons are directly or indirectly interested or concerned, financially or otherwise, in the resolutions as set out under Item No. 4.

The Board recommends the Resolution No. 4 as Special Resolution for approval by the Members of the Company.



**DISCLOSURES REQUIRED TO BE GIVEN PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND REVISED SECRETARIAL STANDARDS ON GENERAL MEETINGS(SS-2) ISSUED BY ICSI:**

Particular	Mr. Sanjay Soni	Mrs. Shashi Soni
Age	53 Years	81 Years
Qualifications	Graduate in Commerce and has undertaken extensive studies in IT related field for the last over one decade. He has undergone Post Graduate Program from the Indian Institute of Management (IIM-B), Bengaluru.	Graduate.
Experience and brief resume of the director and nature of expertise in specific functional areas	Mr. Sanjay soni has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. He is being promoter and managing director has been involved in the Management and headed the company since its incorporation. He has wide exposure to International Finance and banking and has authored books on related fields.	Mrs. Shashi Soni has about 45 years of business experience in diverse industries such as Entertainment, Industrial Gases and Transportation. She has vast knowledge of business and expertise in dealing with HR and Administrative matters.
Terms and conditions of Appointment / re-appointment and details of remuneration sought to be paid	As per resolution 1	As per resolution 4
Remuneration last drawn	Rs. 7,98,600/- Rupees Seven Lakh Ninety-Eight Thousand Six Hundred only) per month.	Rs. 1,50, 000/- Rupees One Lakh Fifty Thousand only) Per Month
Date of first appointment on the Board	01.04.1999	01.06.2001
Shareholding in the company (as on 31.03.2022)	550661 Shares	1559411 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Sanjay Soni (MD) is son of Mrs. Shashi Soni (WTD) and Spouse of Mrs. Kiran Soni (CFO)	Mrs. Shashi Soni (WTD) is mother of Mr. Sanjay Soni (MD) and Mother-in-law of Mrs. Kiran Soni (CFO & WTD).
The number of Meetings of the Board attended during the year	No. of Board Meetings held: 4 Attended: 4	No. of Board Meetings held: 4 Attended: 4
Directorships, Membership/ Chairmanship of Committees of other Boards	Directorship in 1. D'gipro Design Automation and Marketing Private Limited 2. SI2 Microsystems Private Limited 3. Hughes Precision Manufacturing Private Limited	Directorship in 1. Deep Heritage Private Limited.
Listed entities from which resigned in the past three years	None	None
In case of Independent Directors, Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	NA	NA

## NOTICE

Following are details of Mr. Sanjay Soni Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies (along with listed entities from which the person has resigned in the past three years)		
Sl. No.	Name of the Company	Director/ Resigned
1.	Izmo Limited	Director

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
NA			

Following are details of Mrs. Shashi Soni Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies (along with listed entities from which the person has resigned in the past three years)		
Sl. No.	Name of the Company	Director/ Resigned
1.	Izmo Limited	Director

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
NA			

By order of the Board  
For IZMO Limited

Place: Bengaluru  
Date: August 11, 2022

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097

## SHARE CAPITAL

The Authorized Share Capital of your Company as on March 31, 2022 stood at Rs. 18,00,00,000 divided into 18000000 equity shares of Rs.10/- each. The Issued Share Capital of your Company is Rs. 13,35,88,730 divided into 13358873 equity shares of Rs.10/- each and the Subscribed and Paid-up Share Capital is Rs. 13,35,88,730 divided into 13358873 equity shares of Rs.10/- each, fully paid up.

## DIVIDEND

In order to augment the ongoing expansion programs, the Directors have decided to plough back the profits into the system and regret inability to recommend dividend.

## TRANSFER TO RESERVE

Your Directors does not propose to carry any amount to reserves, during the financial year ended March 31, 2022.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

In light of the aforesaid provisions, the Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the annual return as on March 31, 2022 is available on the Company's website at <https://www.izmoltd.com/shareholding-pattern-en-in.htm>

## NUMBER OF MEETINGS OF THE BOARD

During the year under review 4 (Four) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms part of this Report.

## BOARD COMMITTEES

Detailed composition of the Board committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this Report.

# Board's Report

There have been no instances where the Board has not accepted any recommendation of any of the Committees of the Board.

## STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent in terms of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, 2015 as on March 31, 2022:

1. Mr. Ramanujam Krishnamurthy
2. Mr. Vijay Gupta
3. Mr. Vasanth Kumar

The Company has received Certificate of Independence from the Independent Directors inter- alia, pursuant to Section 149 of the Companies Act, 2013, and under Listing Regulations confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company. The said Certificate(s) were taken on record by the Board, at its meeting held on May 28, 2022.

## AUDIT COMMITTEE

The Board of Directors of the Company has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors and the Board. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made there under and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Board of Directors of your Company has adopted Nomination and Remuneration Policy (Policy) for identification, selection and appointment of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel (SMP) and other employees, in terms of provisions of the Companies Act, 2013 and Listing Regulations, as amended from time to time. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015.

Your Board, on the recommendations of the Nomination and Remuneration Committee appoints Director(s) of the Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of three years. Independent Directors of the Company are appointed to hold their office for a term of upto five consecutive years on the Board of your Company. Based on their eligibility for re-appointment, the outcome of their performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of upto five consecutive years, subject to the approval of the Members of the Company. The same is available on the Company's website on <https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

## DISCLOSURES ON REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

Details as required under Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), are annexed to this Board's Report and marked as **Annexure-C** and **Annexure-D**.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

The Directors confirm that –

- a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there were no material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at March 31, 2022 and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022.

## EXPLANATION AND COMMENTS BY THE BOARD ON EVERY QUALIFICATION/RESERVATION/ADVERSE REMARK/DISCLAIMER BY THE AUDITORS IN THEIR REPORTS

The statutory Auditor's Report and Secretarial Audit Report do not contain any qualification, disclaimer, reservation or adverse remark or disclaimer.

Secretarial Audit Report as issued by the Secretarial Auditor is annexed to this Report and marked as **Annexure – E**.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loan granted are mentioned in the Note No. 35 of Notes to the Standalone financial statement pursuant to Section 186 (4) read with Companies (Meetings of Board and its Powers) Rules, 2014. The details of guarantee given and security provided by the Company are stated in Note. No.42 of Notes to the Standalone financial statement. Full particulars of investments made are stated in Note No.7 to the standalone financial statement.

## RELATED PARTY TRANSACTIONS

All related party transactions as referred in Section 188(1) of the Companies Act, 2013 read with the rules made there under that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee. Requisite approval of the Audit Committee is obtained on periodic basis for the transactions which are repetitive in nature or otherwise. The actual transactions entered into pursuant to the approval so granted are placed at quarterly meetings of the Audit Committee.

Your directors draw attention of the members to Note. No. 35 of notes to the financial statement which sets out related party disclosures.

The Company has formulated a Policy on related party transactions. This policy approved by the Board is uploaded on the Company's website on the below link: <https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

## MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Company has not entered any material transaction with related parties during the year under review which requires reporting in Form AOC 2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the requisite disclosure in this regard is given in this report as **Annexure-A**.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on March 31, 2022 to which the financial statements relate and the date of this report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In compliance with the provisions of Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended), information on conservation of energy, technology absorption, foreign exchange earnings and outgo of the Company during the year under review are mentioned below.

### A. CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. The provisions relating to disclosure of details regarding energy consumption, both total and per unit of production are not applicable as the Company is engaged in the service sector and provides IT and IT related services.

Efforts has been made to ensure optimal usage of energy, avoid wastage and conserve energy. As an ongoing process the Company continues to undertake the energy conservation measures to minimize the usage of energy. Below are some of our conscious efforts in energy conservation:

- Installing LED lights which reduces electricity consumption.
- Continuous monitoring of floor areas after normal working hours and switching off lights.
- Periodic UPS and AC maintenance to ensure efficient working of equipment.
- Replacing old monitors with energy efficient Laptop's which lead to significant reduction in energy consumption.

- Migrating from in-house computing infrastructure to cloud leading to significant energy and cost savings.
- Efforts in removing dead loads during weekends. (Turn Off/Plug out Heating elements of vending machines, turn off Lighting circuits, ensure all manual operating loads are cut off etc).

## B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT (R&D)

The Company uses the latest technology available in modern technology applications. Indigenous technology available is continuously being upgraded to improve overall performance. The Company has a dedicated team of technically competent personnel who relentlessly work on technology up gradation and development related fields.

Research and Development continues to be given very high priority in Software Technology in the area of telecommunications, and hardware technology in the area of embedded systems.

## C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year, the details of Foreign Exchange transactions were:

(Amount in Rs.)

Foreign exchange earnings and outgo		FY 2021-22	FY 2020-21
a.	Foreign exchange earnings	27,78,83,589	23,96,20,246
b.	CIF Value of Imports	1,89,700	4,37,823
c.	Expenditure in foreign currency	11,30,080	9,06,475

## RISK MANAGEMENT

A detailed report on Risk Management is included in Management Discussion and Analysis which forms part of this report.

## CORPORATE SOCIAL RESPONSIBILITY

It is not mandatory for your company to constitute a CSR Committee as it does not fall under the criteria mentioned in Section 135 of Companies Act 2013.

## EVALUATION OF BOARD AND ITS COMMITTEES

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

# Board's Report

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of the business.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Board of Directors of your Company comprised of six Directors, viz., three Executive Directors and three Independent Directors including two women Directors. Pursuant to the provision of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjay Soni (DIN: 00609097) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

The Board of Directors at its meeting held on February 14, 2022, subject to approval of the shareholders, approved the re-appointment of Mr. Sanjay Soni (DIN-00609097) as the Managing Director of the Company for a further period of three years with effect from April 01, 2022, and appointment of Mr. Vasanth Kumar (DIN: 03570216) as Additional Director (Non-Executive, Independent) of the Company, further to be appointed as Independent Director for a period of five years with effect from February 14, 2022 subject to the approval of shareholders and on such terms and condition as decided by the board.

Mr. Perur Phaneendra ceased to be Independent Director of the Company with effect from January 31, 2022, due to his sudden demise. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure as Independent Director of the Company.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Pursuant to the provisions of Section 203 of the Act, Mr. Sanjay Soni, Managing Directors, Mrs. Kiran Soni, Whole Time Director & Chief Financial Officer and Mr. Danish Reza, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company as on March 31, 2022.

## DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2022.

## PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS

All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company, containing requisite information for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report, which forms part of this Report.



## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## MAINTENANCE OF COST RECORDS

The maintenance of Cost Record has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

## INTERNAL FINANCIAL CONTROL

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

## SUBSIDIARY COMPANIES

Your Company along with subsidiaries provides software solutions and services globally. Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 (as amended), a statement containing the salient features of Financial Statements of the aforesaid Subsidiaries (including highlights of their performance and contribution to the overall performance of the Company) has been provided in Form AOC-1 annexed as **Annexure-B** which forms part of this Annual Report.

The Company has framed policy for determining material subsidiaries as per requirement of explanation to Regulation 16 (1) (c) in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, has uploaded the same on company's website: <https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

The Audited Consolidated Financial Statements (CFS) of your Company for the financial year ended March 31, 2022, prepared in compliance with the provisions of Ind-AS issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs (MCA), Government of India also form part of this Annual Report.

## PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Statement showing ratio of the remuneration of each director to the median employee's remuneration pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed with this report as **Annexure-C**

The statement showing the names of the top ten employees in terms of remuneration drawn for the year ended March 31, 2022 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as annexed with this report as **Annexure-D**.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 of the Act and Rules framed there under read with Regulation 22 of the Listing Regulations, your Company has established a vigil mechanism to report genuine concerns. The Policy provides for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The policy is uploaded on the website of the Company at [www.izmoltd.com](http://www.izmoltd.com) and is available at the link <https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report is given as a separate section in this Annual Report and is annexed to this Report.

## AUDIT AND AUDITORS

### Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the provision of Companies (Audit and Auditors) Rules, 2014, Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) was appointed as the Statutory Auditors of the Company for a consecutive period of 5 (five) years from conclusion of the 22nd AGM held in the year 2017 until conclusion of the 27th AGM of the Company scheduled to be held in the year 2022. His term comes to an end in the ensuing AGM. The reports given by the Auditors on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, form part of this Annual Report and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports.

### Reporting of frauds by Auditors

During the year under review, there have been no instances of fraud reported by the Auditors to the Audit Committee of the Board, pursuant to Section 143(12) of the Act and the Rules made thereunder.

The Board has placed on record its sincere appreciation for the services rendered by Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938), as Statutory Auditors of the Company.

### Secretarial Auditor:

Pursuant to Section 204 of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board at its meeting held on February 14, 2022 appointed Mr. Syed Shahabuddin, (ICSI Membership No.ACS 4121 and C.P. No. 11932) Company Secretaries, having office at 85/2, Muniswamappa Road, 01st Cross Road, J C Nagar, Bangalore-560006 as the Secretarial Auditor of the Company to conduct the Secretarial Audit for financial year ended March 31, 2022.

The report of the Secretarial Audit as received from Mr. Syed Shahabuddin in the prescribed Form MR-3 is annexed herewith to the Board Report and marked as **Annexure-E** and does not contain any qualification, reservation, adverse remark or disclaimer given by the Auditors in their Reports.

The Secretarial Compliance Report as received from Mr. Syed Shahabuddin, the Secretarial Auditor of the Company, as per the requirement of SEBI (LODR) 2015 is annexed herewith to the Board Report and marked as **Annexure-F**.

## Internal Auditors

The Board had appointed Mr. M. Venkatesha, Chartered Accountant having Membership No.: 232131 as Internal Auditors of the Company pursuant to Section 138 of the Companies Act, 2013 for the F.Y. 2021-22 and he has completed the internal audit as per scope given by the Audit Committee for the financial year 2021-22.

## CORPORATE GOVERNANCE

The Company continues to benchmark itself with the best-of-the-class practices as far as corporate governance standards are concerned. The Company has complied with the requirements provided in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance report on the various requirements under the said clause along with the Practicing Company Secretary certification thereof is provided in the corporate governance section of this report at **Annexure G**.

## SIGNIFICANT AND MATERIAL LITIGATIONS / ORDERS

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on March 31, 2022, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's Report and Financial Statements which form part of this Annual Report.

## EMPLOYEES STOCK OPTION PLAN

Currently, the Company has two Employees Stock Option Schemes namely 'Employee Stock Option Plan 2013' and 'Employee Stock Option Plan 2016'.

### 1. Employee Stock Option Plan 2016

With regards to Employee Stock Option Plan 2016, we have obtained only the approval from the shareholders of the company by passing the special resolution on the AGM held on 10th September, 2016 and further course of action and approval from the various regulatory will be obtained with due course of time with the direction/approval from the Board of director/committee. Hence, further disclosure with regards Section 62 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 & other disclosure with regard to clause 14 of SEBI (Share Based Employee Benefits) Regulation, 2014 does not arise as on this report date.

## 2. Employee Stock Option Plan 2013

Disclosures for the financial year ended March 31, 2022 regarding Employee Stock Option Plan 2013 in terms of Companies (Share Capital and Debenture) Rules, 2014 are as below:

Particulars	Employee Stock Option Plan 2013			
	(F.Y 2021-22)	(F.Y 2020-21)	(F.Y 2019-20)	(F.Y 2018-19)
Option granted	NIL	225000	NIL	NIL
Option vested	274400	205800	NIL	320600
Option exercised	167200	124500	NIL	245500
The total no. of shares arising as a result of exercise of option	167200	124500	NIL	245500
Options lapsed/cancelled during the year	107200	81300	NIL	75100
The exercise price	<b>Rs. 10 /-</b>	<b>Rs. 10 /-</b>	<b>Rs. 10 /-</b>	<b>Rs. 10 /-</b>
Variation of terms of options	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.
Money realized by exercise of options	Rs. 16,72,000	Rs. 12,45,000	NIL	Rs. 24,55,000
Total no. of options in force	499400	499400	480200	480200
<b>EMPLOYEES WISE DETAILS OF OPTION GRANTED</b>				
Key Managerial Personnel (KMP)	No options were granted to KMPs during the year under review	No options were granted to KMPs during the year under review	No options were granted to KMPs during the year under review.	No options were granted to KMPs during the year under review.
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL	NIL	NIL	NIL
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL	NIL	NIL	NIL

Disclosure on ESOPs details of options granted, shares allotted on exercise, etc. as required under Employee Benefits Regulations read with SEBI circular no. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015 are available on the Company's website: <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

#### Internal Complaints Committee (ICC)

Your Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the organization.

The Company has in place an Anti-Sexual Harassment Policy, inter-alia, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also complied with the provision relating to the constitution of Internal Complaints Committee (ICC) to redress complaints. The following is the summary of complaints received and disposed off during the year under review: The Policy is also available in the website of the Company at <https://www.izmold.com/policies-and-code-of-conduct-en-in.htm>

Number of complaints received and disposed off - Nil

### ACKNOWLEDGEMENTS

The Board places on record its appreciation of the contribution of Associates at all levels, customers, Business and technology partners, vendors, investors, Government Authorities and all other stakeholders towards the performance of the Company during the year under review.

Place: Bangalore  
Date: August 11, 2022

By order of the Board  
for IZMO Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1,  
Airport Road, Bangalore-560017

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## ANNEXURE-A

### FORM NO. AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis : **No**
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts/arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Date(s) of approval by the Board, if any:
  - (f) Amount paid as advances, if any:

Form shall be signed by the persons who have signed the Board's report.

Place: Bangalore  
Date: August 11, 2022

By order of the Board  
for IZMO Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9, Prestige Casablan  
Apartments, 12/1,  
Airport Road, Bangalore-560017

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## ANNEXURE-B

## Form AOC-I

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES,  
PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013  
FOR THE FINANCIAL YEAR 2021-22**

## Part "A" : Subsidiaries

S No.	Particulars	Europe Subsidiary	US Subsidiary	Singapore Subsidiary	France Subsidiary	Frog Data Subsidiary	Groupe izmo
1	Sl.No.	1	2	3	4	5	6
2	Name of the Subsidiary	Izmo Europe BVBA	Izmo Inc.,	Midrange Software Pte Ltd	Izmo France SARL	Frog Data LLC	Groupe izmo
3	Reporting period	Apr'21 to Mar'22	Apr'21 to Mar'22	Apr'21 to Mar'22	Apr'21 to Mar'22	Apr'21 to Mar'22	Apr'21 to Mar'22
4	a) Reporting Currency	Euros	USD	SGD	Euros	USD	Euros
	b) Exchange rate as on 31.03.2022	84.66	75.81	56.06	84.66	75.81	84.66
5	Share Capital	111,413,004	1,527,501,830	55,123,998	3,195,320	6,504,410	8,680,881
6	Reserves & Surplus	9,398,168	969,647,172	(41,884,876)	(3,836,827)	(152,790,621)	(2,757,254)
7	Total Assets	146,907,478	2,702,892,008	132,032,706	110,325,611	57,014,403	6,334,736
8	Total Liabilities	26,096,306	205,743,006	118,793,584	110,967,118	203,300,614	411,109
9	Investments	-	37,721,008	70,564,619	-	-	3,195,320
10	Turnover	116,656,122	640,453,280	-	242,357,612	197,322,494	230,203
11	Profit before Taxation	2,543,727	150,286,178	(1,980,415)	3,719,273	5,983,981	(317,465)
12	Provision for Taxation	-	-	-	867,860	-	-
13	Profit after Taxation	2,543,727	150,286,178	(1,980,415)	2,851,413	5,983,981	(317,465)
14	Proposed Dividend	-	-	-	-	-	-
15	% of Shareholding	100% along with our Subsidiary	100%	100%	100% held by Groupe izmo, step down susidiary	100% held by our US subsidiary	100% held by our US subsidiary

**Note:** 1. Name of the Subsidiary which is yet to commence operations : NIL

2. Name of the Subsidiaries which have been liquidated or sold during the year : NIL

Place: Bangalore  
Date: August 11, 2022

By order of the Board  
for IZMO Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9, Prestige Casablan  
Apartments, 12/1,  
Airport Road, Bangalore-560017

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## ANNEXURE-C

Statement Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the financial year ended March 31, 2022.

### Ratio of Managerial Remuneration

Sl. No.	Particulars	Explanation
i.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:	20.49:1 (Sanjay Soni) 4.23:1 (Shashi Soni) 7.05:1 (Kiran Soni)
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	10 % Increase in remuneration of Managing Director. 8.77% increase in remuneration of Company Secretary. There is no increase in remuneration of Chief Financial officer.
iii.	The percentage increase in the median remuneration of employees in the financial year:	2.59% (Decrease in median remuneration of employees)
iv.	The number of permanent employees on the rolls of company:	315 employees
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	4.28%: 8.79% Note: After a long time, increase in Managing Director remuneration was considered from FY 2019-20 for 3 consecutive years. His last increase was made in FY 2006-07.
vi.	Affirmation that the remuneration is as per the remuneration policy of the company:	The remuneration of directors, senior management and employees is as per the Remuneration Policy of the company.

Place: Bengaluru

Date: August 11, 2022

By order of the Board  
For Izmo Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments  
12/1, Old Airport Road,  
Bengaluru – 560 017

Sd/-  
Shashi Soni  
Chairperson and Whole time Director  
DIN: 00609217  
Address: Flat No. 9  
Prestige Casablanca Apartments  
12/1, Old Airport Road,  
Bengaluru – 560 017



## Annexure-D

Statement Under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the financial year ended March 31, 2022

## TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR

Sl No	Name	Designation	Remuneration received in INR	Qualification & Experience (No. of years)	Date of commencement of employment in the Company	Age	Last employment held by such employee, before joining the company	Whether any such employee is relative of any Director	The percentage of equity shares held by the employee in the company
1	Sanjay Soni	Managing Director	90,63,120	B.Com & MBA (26.9)	08-09-1995	54.2	NA	Yes	4.12
2	Sarbhashish Bhattacharjee	Chief Technology Officer	80,30,618	B.Sc & BCA (24.01)	10-Jul-2014	49.9	Megalon Group	No	0.00
3	Srinivasan Vaidyanathan	Vice President – Operations	65,80,833	MS (22.4)	12-Apr-2021	47.1	NEC corporation India Pvt Ltd	No	0.00
4	Venkoba Rao Dagudu	Senior Technical Architect	45,11,550	MCA (16.2)	19-Jan-2015	39.9	Infosys Limited	No	0.07
5	Akula Satya Kiran	Manager-Engineering	43,34,058	B-Tech (20.10)	24-Sep-2007	45.4	Kbase IT Solutions	No	0.07
6	Dipankar Kacharia	Director -Operations	34,85,117	B.A (20.4)	27-May-2014	44.3	Wipro Technologies	No	0.00003
7	Vinay Narayana	Delivery Manager	31,61,038	MS (16.1)	12-Jan-2015	39.2	Educomp Learning Pvt. Ltd.	No	0.03
8	Ganesh Kumar B	Director of Engineering	31,02,483	M.E (21.0)	09-Jun-2021	45.5	Wipro Tech	No	0.00
9	Kiran Soni	Whole Time Director - Chief Financial Officer	30,96,540	CA (26.9)	08-Sep-1995	54.7	NA	Yes	12.89
10	Praveen Vinayak Pandit	Manager- Data Engineering	25,30,175	B.Com & MBA (25.6)	18-Apr-2002	49.1	Black Global Solutions	No	0.06

## Notes:

- Remuneration as shown above includes salary, allowances, bonus, Company's contribution to the provident fund, gratuity and superannuation fund and other perquisite value calculated as per Income Tax Rules, wherever applicable.
- The above details are of employees, who are on permanent basis, located in India.

Place: Bengaluru  
Date: August 11, 2022

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No.9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

By order of the Board  
for IZMO Limited  
  
Sd/-  
Shashi Soni  
Chairperson and Whole time Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road Bengaluru-560017

## ANNEXURE-E

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: **31st March, 2022**

To:  
The Members  
IZMO LIMITED  
#177/2C Billekahalli Industrial Area,  
Bannerghatta Road,  
Bengaluru 560076

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IZMO Limited (Hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the Financial Year ended on March 31, 2022 (hereinafter referred to as "the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company had not obtained any External Commercial Borrowing during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period);
  - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (vi) Other laws applicable specifically to the Company namely:
- Information Technology Act, 2000 and the rules made thereunder.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1) on meetings of the Board of Directors and Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into with both the Stock Exchanges (BSE & NSE).

I have not examined compliance by the Company with respect to applicable financial laws like direct and indirect tax laws, since the same have been subject to review by statutory auditors and other designated professionals.

During the audit period, the Company has complied with the provisions of the Acts Rules, Regulations, Guidelines, etc., mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the Certificate of Compliance furnished by the Managing Director, CFO and Company Secretary of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules and regulations.

# Board's Report

I further report that based on the management representation of the Company during the audit period, there was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.

**NOTE: Due to Covid-19 pandemic situation, I have conducted ONLY online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.**

Place: Bangalore

Date: 26.05.2022

Syed Shahabuddin  
Company Secretary  
Membership No: 4121  
Certificate of Practice No: 11932  
UDIN: A004121D000396141

## ANNEXURE-F

### Secretarial Compliance Report of IZMO Limited for the year ended March 31, 2022

I have examined:

- (a) all the documents and records made available to us and explanation provided by IZMO Limited ("the listed entity");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

- (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
- (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

## Board's Report

- (j) Based on the above examination, I hereby report that, during the Audit Period:
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matters specified below: NA
  - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records;
  - (c) The following are the details of actions taken against the listed entity/ its promoters/ directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: NA
  - (d) There was no action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
  - (e) ~~The action taken by the listed entity to comply with the observation made in previous reports has been enclosed as Annexure.~~

Place: Bangalore  
Date: 26.05.2022

Syed Shahabuddin  
Company Secretary  
Membership No: 4121  
Certificate of Practice No: 11932  
UDIN: A004121D000396238

**NOTE: Due to Covid-19 pandemic situation, I have conducted ONLY online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.**

## ANNEXURE-G

## CORPORATE GOVERNANCE REPORT

## 1. Company's Corporate Governance Philosophy

Corporate Governance is a set of systems, policies and practices deep-rooted in the Company's philosophy to ensure that the affairs are being managed in a way which affords accountability, transparency, fairness in all its transactions with all its stakeholders. The Company believes that good governance practices stem from the culture and mind-set of the organization. Effective corporate governance is the strong foundation on which commercial enterprises are built and succeed. The Company's philosophy of Corporate Governance, that of timely disclosures, transparent accounting policies and a strong and Independent Board, goes a long way in preserving all stakeholders' interest, while maximizing long-term shareholder worth.

A report, inter-alia, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended March 31, 2022 is given below:

## 2. Board of Directors:

## A. Size and Composition of Board:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience.

Good Governance cannot be imposed from the outside. It must come from within hence the Board of Directors, at the apex of a Company's corporate governance structure, is the key factor to ensure highest standards of corporate governance. Their contribution is immensely important for ensuring appropriate directions with regard to leadership, vision, strategy, policy making, monitoring and achieving greater levels of performance. The Company's Board of Directors is characterized by Independence, professionalism, transparency in decision making and accountability. It comprises optimum combination of Executive and Non-Executive Directors, each of whom adds value and brings independent view in the decision making process. As per statutory requirements, Company has duly constituted Board is consisting an optimum mix of Executive, Non-executive & Independent Directors.

As on March 31, 2022 the Board comprises of Six(6) Directors, three of which is Executive Directors and three are Independent non-executive Directors. The Company has executive chairperson from the Promoter Group.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding directorships/committee positions have been made by all the Directors.

## B. Board Meetings:

The Board of Directors of the Company met 4(Four) times during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	June 12, 2021	2	August 14, 2021
3	November 13, 2021	4	February 14, 2022

The necessary quorum was present for all the meetings.

## Corporate Governance Report

### C. The composition of the Board as on March 31, 2022, along with attendance of Board/AGM during the year are given below:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022, are given herein below. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Sl. No.	Name of the Director	Category	Date of Appointment	Date of Cessation	Attendance in Board Meetings during 2021-22	Attendance in last AGM as on September 20,2021.
1	Mrs. Shashi Soni	Chairperson Whole-Time Director Promoter	01.10.2010	-	4	Yes
2	Mr. Sanjay Soni	Managing Director Executive Director Promoter	01.04.2007	-	4	Yes
3	Mrs. Kiran Soni	Whole-Time Director Chief Financial Officer Promoter	19.08.2020	-	3	Yes
4	Mr. Perur Phaneendra	Non-Executive Independent Director	30.09.2014	31.01.2022	3	Yes
5	Mr. Ramanujam Krishnamurthy	Non-Executive Independent Director	30.09.2014	-	4	Yes
6	Mr. Vijay Gupta	Non-Executive Independent Director	23.07.2004	-	4	No
7	Mr. Vasanth Kumar	Non-Executive Independent Director	14.02.2022	-	0	No



## Corporate Governance Report

Sl. No.	Name of Director	No of Board of Directors or committees, in which a director is a member or chairperson as on March 31, 2022.			
		Name of Company	Directorships	Committee	
				Member	Chairman
1	Mr. Sanjay Soni	Izmo Limited (Listed Company)	Managing Director	NIL	NIL
		D'gipro Design Automation and Marketing Private Limited	Director		
		SI2 Microsystems Private Limited	Director		
		Hughes Precision Manufacturing Private Limited	Director		
2	Mrs. Shashi Soni	Izmo Limited (Listed Company)	Chairperson Whole Time Director	NIL	NIL
		Deep Heritage Private Limited	Director		
3	Mrs. Kiran Soni	Izmo Limited (Listed Company)	Chief Financial officer w Whole Time Director	NIL	NIL
4	Mr. Ramanujam Krishnamurthy	Izmo Limited (Listed Company)	Non-Executive Independent Director	3	3
		Pioneer Distilleries Limited (Listed Company)	Non-Executive Independent Director	3	1
5	Mr. Vijay Gupta	Izmo Limited (Listed Company)	Non-Executive Independent Director	3	NIL
		Aries Gases Private Limited	Director	NIL	NIL
6	Mr. Vasanth Kumar	Izmo Limited (Listed Company)	Non-Executive Independent Director	3	NIL
		Otco International Limited	Non-Executive Independent Director	2	1
		VP Corporate Services Private Limited	Director	NIL	NIL

**D. Number of Board Meetings:**

Four board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

June 12, 2021; August 14, 2021; November 13, 2021 and February 14, 2022.

The necessary quorum was present for all the meetings.

**E. Relation:**

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors is related to each other except Mrs. Shashi Soni is the mother of Mr. Sanjay Soni and Mrs. Kiran Soni is wife of Mr. Sanjay Soni.

# Corporate Governance Report

## F. Details of Shares Held:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022, is available on the Company's website at <https://www.izmoltd.com/shareholding-pattern-en-in.htm>

## G. Meeting of Independent Director:

During the year under review, one meeting of the Independent Directors was held on June 12, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Web link of Familiarization programme imparted to Independent Directors:

<https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

## I. The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- i. **Knowledge** - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,
- ii. **Behavioural Skills** - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,
- iii. **Strategic thinking and decision making,**
- iv. **Financial Skills,**
- v. Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business

E. The Board of Directors confirms that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (LODR) 2015 regulations and are independent of the management.

## 3. Committees of the Board:

There are three (3) Board Committees as on March 31, 2022, which comprises of all statutory committees, details of which are as follows:

### A. Audit Committee

#### (i) Composition:

The Audit Committee is comprised of the following three independent Directors as per Regulation 18 of SEBI (LODR) 2015 and section 177 of the Companies Act, 2013. The composition of Audit committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Peru Phaneendra	Chairman (Cessation on 31.01.2022)
2	Mr. Ramanujam Krishnamurthy	Member (Appointed Chairman of the Committee with effect from 14.02.2022)
3	Mr. Vijay Gupta	Member
4	Mr. Vasanth Kumar	Member (Appointed on 14.02.2022)

All the Members have relevant finance exposure.

## Corporate Governance Report

### (ii) Audit Committee Meetings:

The Audit Committee has met 4 times during the year under review. The said meetings were held on June 12, 2021; August 14, 2021; November 13, 2021 and February 14, 2022.

Sl. No	Audit Committee Members	No. of meeting held	No. of meeting attended
1	Mr. Peru Phaneendra	4	3
2	Mr. Ramanujam Krishnamurthy	4	4
3	Mr. Vijay Gupta	4	4
4	Mr. Vasanth Kumar (Appointed on 14.02.2022)	4	0

The Chairman of the Audit Committee was present at the 26th Annual General Meeting held on September 20, 2021.

### (iii) Terms of Reference:

Your Company's Audit Committee has been discharging its obligations uniformly.

- To oversee the Company's financial reporting process and examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend the appointment/ re-appointment remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- To review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval; with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Scrutiny of inter corporate loans and investments;
- To review the functioning of the Whistle Blower Mechanism;

# Corporate Governance Report

- To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- Discuss with the Internal Auditors any significant findings for follow-up thereon;
- To review the quarterly, half yearly and annual financial statement before submission to the Board of Directors;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Carrying out any such other functions as may be prescribed from time to time under the Companies Act and SEBI Listing Regulations

The Committee shall also meet the Management team and review the operations, new initiatives and performance of the business units. The Minutes of the Audit Committee would be circulated to the Board, discussed and taken note of.

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

## B. Nomination and Remuneration Committee

### (i) Composition:

The composition of the Committee complies, inter-alia, with the requirements of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

The composition of Nomination and Remuneration Committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Peru Phaneendra	Chairman (Cessation on 31.01.2022)
2	Mr. Ramanujam Krishnamurthy	Member (Appointed Chairman of the Committee with effect from 14.02.2022)
3	Mr. Vijay Gupta	Member
4	Mr. Vasanth Kumar	Member (Appointed on 14.02.2022)

### (ii) Meetings:

The Nomination and Remuneration Committee has met 4 times during the year under review. The said meetings were held on June 12, 2021; August 14, 2021; November 13, 2021 and February 14, 2022.

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Sl. No	Nomination & Remuneration Committee	No. of meeting held	No. of meeting attended
1	Mr. Peru Phaneendra	4	3
2	Mr. Ramanujam Krishnamurthy	4	4
3	Mr. Vijay Gupta	4	4
4	Mr. Vasanth Kumar (Appointed on 14.02.2022)	4	0

## Corporate Governance Report

### (iii) Terms of Reference:

To review, assess and recommend the appointment and remuneration of executive Directors and senior employees of the Company from time to time, periodically review the remuneration package of the Directors/KMP and recommend suitable revision to the Board.

### (iv) Role of the Committee:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Carry out evaluation of every director's performance;
- Identifying the employees eligible for Stock options;
- To recommend the board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- To recommend the board, all remuneration, in whatever form, payable to senior management;
- Carrying out any other such functions as are mentioned in the terms of reference of the Nomination and remuneration committee as per Regulation 19 of the Listing Regulations;

### (v) Nomination and Remuneration Policy:

The Company's policy inter-alia, on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the Act is available on the website of Company at <https://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

### (vi) Performance evaluations of independent directors:

The performance evaluations of independent directors have been done by the entire board of directors, provided that in this evaluation the directors who are subject to evaluation did not participate.

### (vii) Remuneration of Directors:

- Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee within the limit as prescribed under the Companies Act, 2013.
- The Non-Executive Directors are paid sitting fees of Rs. 40,000/- for each meeting of the Board & Audit Committees and Rs. 10,000 for other committee meetings.
- Details of remuneration paid to Executive Directors, Managing Director and KMP are disclosed in Annual Return which is available at <https://www.izmoltd.com/shareholding-pattern-en-in.htm>
- Details of Shareholding pattern of Executive Directors and Non-Executive Directors are disclosed in Annual Return which is available at <https://www.izmoltd.com/shareholding-pattern-en-in.htm>
- None of the directors whether executive or non executive are granted with ESOP.

# Corporate Governance Report

## C. Stakeholders' Relationship Committee

- (i) The Company's Stakeholders Relationship is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. Committee addresses the issues related to stake holders and is comprised of three independent directors.

Sl. No	Name of Director	Designation
1	Mr. Peru Phaneendra	Chairman (Cessation on 31.01.2022)
2	Mr. Ramanujam Krishnamurthy	Member (Appointed Chairman of the Committee with effect from 14.02.2022)
3	Mr. Vijay Gupta	Member
4	Mr. Vasanth Kumar	Member (Appointed on 14.02.2022)

- (ii) Stakeholders' Relationship Committee has met 4 times during the year under review. The said meetings were held on June 12, 2021; August 14, 2021; November 13, 2021 and February 14, 2022.
- (iii) Mr. Danish Reza, Company Secretary has designated as Compliance Officer.
- (iv) Number of Shareholder's Complaints received so far- Nil
- (v) Number not solved to the satisfaction of shareholders- Nil
- (vi) Number of pending complaints- Nil
- (vii) There were no pending complaints as on March 31, 2022.

## 4. General Body Meeting:

### A. Following are the details of the last three Annual General Meetings:

Year	Venue	Date	Time (IST)
2018-19	Bharatiya Vidya Bhavan Race Course Road	25.09.2019	9.30 AM
2019-20	Video Conferencing ("VC") Or Other Audio Visual Means ("OAVM") pursuant to the MCA Circular	28.09.2020	12:30 PM
2021-22	Video Conferencing ("VC") Or Other Audio Visual Means ("OAVM") pursuant to the MCA Circular	20.09.2021	12:30 PM

## Corporate Governance Report

### B. Special resolutions passed in the previous 3 AGMs.

Financial Year	Resolutions Passed	Date of passing special resolution
2018-19	Re-appointment of Mr. Sanjay Soni as Managing director of the company; Re-appointment of Mrs. Shashi Soni as Chairperson and Whole time Director of the company; Re-appointment of Mr. Ramanujan Krishnamurthy as Non-Executive Independent Director of the Company; Re-appointment of Mr. Ramanujan Krishnamurthy as Non-Executive Independent Director of the Company; Re-appointment of Mr. Perur Phaneendra as Non-Executive Independent Director of the Company; Re-appointment of Mr. Vijay Gupta as Non-Executive Independent Director of the Company;	25.09.2019
2019-20	Appointment of Mrs. Kiran Soni as Whole Time Director of the Company;	28.09.2020
2021-22	NIL	20.09.2021

### C. Postal Ballot:

There was no Postal Ballot conducted during the Financial Year 2021-22.

### D. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during Financial Year 2021-22.

## 5. Means of Communication:

- The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such Financial Express/Vartha Bharati in terms of the Listing Regulations.
- Pursuant to the requirements of the Act and the SEBI Listing Regulations the official press releases, and presentations made to institutional investors and analysts are disseminated to stock exchanges and as well displayed on the Company's website at <https://www.izmoltd.com/investor-presentation-en-in.htm> .Further, the Company hosts earnings call with the Investors/ Analysts after publishing its quarterly results and the details of the earnings call are uploaded on the stock exchanges. The recording and transcripts of the earnings call with the investors/analysts are also uploaded on the Company's website.
- The investors can contact the Company on the email id [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com).
- Investor complaints are processed at the Securities and Exchange Board of India in a centralized web-based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their status.
- The Company has, as per Green initiatives taken by Ministry of Corporate Affairs, invited the members to register their e-mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the members along with explanatory statement(s) thereto, Balance Sheets, Board's Reports, Auditor's Reports etc., can be sent to them in electronic mode.

# Corporate Governance Report

## 6. General Shareholders Information:

### A. Annual General Meeting:

The Annual General Meeting of the Company will be held on Monday, the 26th day of September 2022 at 12.30 P.M through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) pursuant to the MCA Circular dated May 5, 2020, read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, and December 08, 2021 and as such there is no requirement to have a venue for the AGM.

Dates of book closure: The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, September 20, 2022, to Monday, September 26, 2022 (both days inclusive).

### B. Financial Year:

April 01, 2021, to March 31, 2022

### C. Dividend:

In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profit into the system and regret inability to recommend dividend for the financial year 2021-22.

### D. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following stock exchanges:

<b>Bombay Stock Exchange Limited</b> Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 (BSE)	<b>National Stock Exchange of India Limited,</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051 (NSE)
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### E. Scrip Code at:

The National Stock Exchange of India Ltd – **IZMO**

BSE Limited – **532341**

ISIN - **INE848A01014**

Corporate Identity Number (CIN) of the Company: **L72200KA1995PLC018734**



## Corporate Governance Report

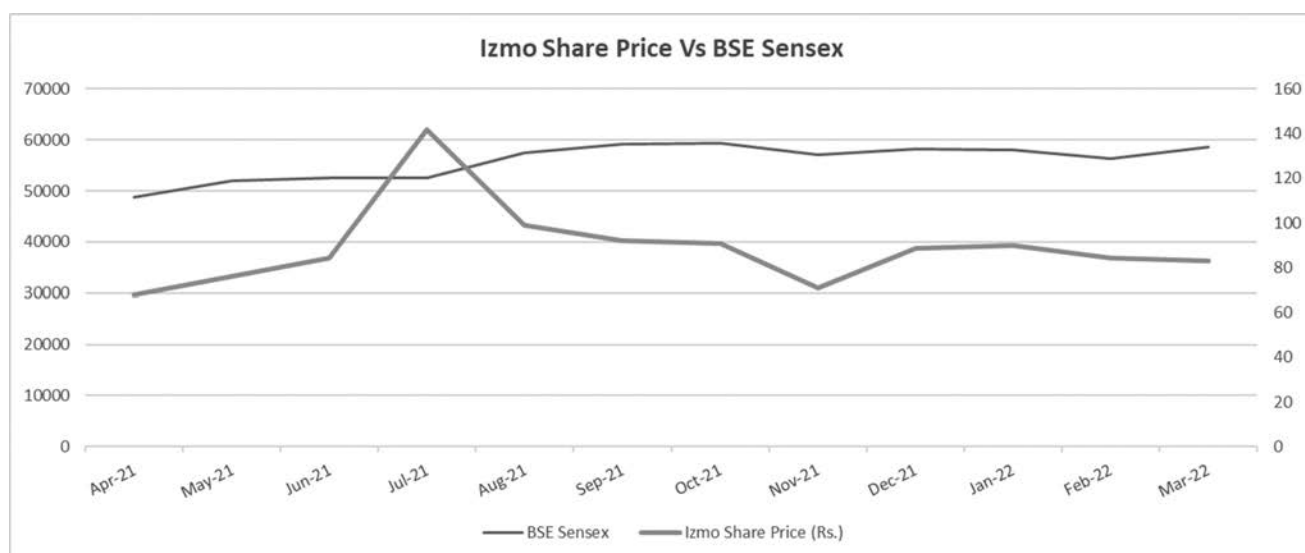
### F. Market Price Data:

High/Low, Number of shares traded during each month in the F.Y-2021-22:

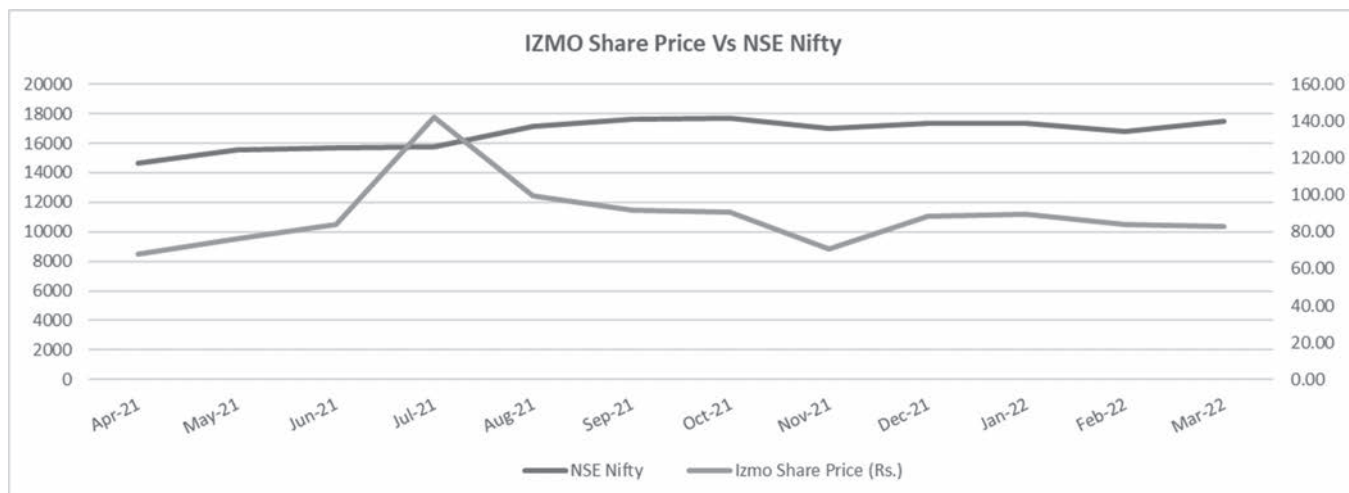
Month	BSE				NSE			
	High INR	Low INR	Close INR	Total Traded Quantity	High INR	Low INR	Close INR	Total Traded Quantity
Apr-21	77	49.1	68	5549	76.40	49.70	68.15	2350908
May-21	91.95	69.85	76.2	6022	92.40	69.00	76.15	2682957
Jun-21	95.05	72.45	84.1	9110	95.00	74.00	84.25	3687347
Jul-21	141.8	81	141.8	15233	142.10	81.15	142.10	6535286
Aug-21	148.85	89	98.9	11332	149.20	89.00	99.35	4670891
Sep-21	104	87.5	91.95	4149	102.50	89.45	91.60	1228368
Oct-21	101.15	86.45	90.7	3845	100.85	85.30	90.75	987125
Nov-21	98	64.7	70.85	7837	98.00	64.60	70.70	2165578
Dec-21	99.55	68.85	88.4	8370	99.85	70.00	88.35	3068254
Jan-22	105	86.5	89.85	6651	104.15	87.20	89.70	2914425
Feb-22	103.8	78	84.1	7682	103.10	77.15	84.15	2465137
Mar-22	95.45	79.2	83.15	4475	92.05	78.90	83.15	1061789

Source-Websites: BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) & The National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com))

### G. A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as NIFTY during the year 2021-22 is as below:



# Corporate Governance Report



## A. Registrar and Share Transfer Agent and Address for correspondence:

M/s. Cameo Corporate Services Limited is acting as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Share Registrar and Transfer Agents at the address given below:-

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agents. Members may also write to the Compliance Officer at the Registered Office of the Company as stated below:

<p><b>M/s Cameo Corporate Services Limited</b>            "Subramanian Building", 5th Floor,            1, Club House Road, Chennai – 600 002            Tel: 044-28460390/95            Fax: 044-28460129            Email: investor@cameoindia.com</p>	<p><b>Mr. Danish Reza</b>            Company Secretary &amp; Compliance Officer            P.O. Box 7620, 177/2C, Bilekahalli Industrial Area            Bannerghatta Road, Bangalore – 560 076            Tel : +91-80-6712 5400 to 5409            Fax : +91-80-6712 5425            Email: company.secretary@izmoltd.com</p>
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## I. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2022 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Stakeholder Relationship Committee of the Company is authorised to considers requests for transfers, transmission of shares, issue of duplicate certificates, issue of certificates on split /consolidation / renewal etc. and the same are processed and delivered within 15 days of lodgment if the documents are complete in all respects. Pursuant to Regulation 40(9) of the Listing Regulations read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is obtained. The Company files these Certificates with the stock exchanges on timely basis.

## Corporate Governance Report

### B. Distribution Schedule: As of March 31, 2022 the distribution of the Company's shareholding was as follows:

SL. NO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 5000	14078	85.0737	1710790	12.8063
2	between 5001 and 10000	1238	7.4812	1003690	7.5132
3	between 10001 and 20000	616	3.7225	943199	7.0604
4	between 20001 and 30000	201	1.2146	507180	3.7965
5	between 30001 and 40000	100	0.6043	361783	2.7081
6	between 40001 and 50000	85	0.5136	400517	2.9981
7	between 50001 and 100000	118	0.713	888676	6.6523
9	100001 and Above	112	0.6768	7543038	56.4646
<b>Total</b>		<b>16548</b>	<b>100</b>	<b>13358873</b>	<b>100</b>

### K. Categories of equity shareholding as on March 31, 2022:

Category	Number of Equity Shares	Percentage of Holding
Promoter & Promoter Group	3832624	28.69
Other Entities of the Promoter Group	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutions, States and Central Government	-	-
Alternate Investment Funds	42500	0.32
Foreign Portfolio Investor (Corporate)	144872	1.08
Individual Shareholder holding Nominal Share Capital Up to Rs. 2 lakhs.	5609031	41.99
Individual Shareholder holding nominal Share Capital in excess of Rs. 2 lakhs.	2367704	17.72
Bodies Corporate	286225	2.14
Clearing Members	62373	0.47
Directors and their Relatives	232524	1.74
ESOP/ESOS/ESPS	109863	0.82
Hindu Undivided Family	314084	2.35
IEPF	64360	0.48
NRI-Non- Repeat	59104	0.44
NRI-Repeat	233609	1.75
<b>GRAND TOTAL</b>	<b>13358873</b>	<b>100</b>

### L. Dematerialization of shares and liquidity:

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 98.47 percent of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE848A01014. The status of dematerialization of shares as on March 31, 2022 is as under:

# Corporate Governance Report

Description	No. of Shareholders	No. of Shares	% of Total Shares
CDSL	9843	7535312	56.406794
NSDL	6257	5619371	42.064708
Physical	448	204190	1.528497
<b>TOTAL</b>	<b>16548</b>	<b>13358873</b>	<b>100</b>

## M. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity:

As of March 31, 2022, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments, which are likely to have an impact on the equity of the Company.

## N. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

### OTHER DISCLOSURES:

1. The disclosure with respect to materially significant related party transactions are given in Note No. 35 of notes to Standalone financials statement.
2. There was neither non-compliance by the Company nor penalties/strictures imposed on the Company by Stock Exchange(s) / the SEBI / any Statutory Authority, on any matter relating to Capital Markets, during the last three years.

During the Financial Year 2020-2021, the Company was required to have atleast six directors on its Board with effect from 01.04.2020 pursuant to Regulation 17 (1) (c) of the SEBI (LODR) Regulations, 2015. But, had only five directors on Board till 19.08.2020 as the Company was unable to appoint the sixth Director due to the impact of the Pandemic of COVID-19. The Board of Directors on 19.08.2020 appointed Mrs. Kiran Soni as Additional Director of the Company, thereby complying with the aforesaid requirement.

3. Details of establishment of vigil mechanism, whistle blower policy, has already given in the Directors report and we affirm that no personnel has been denied access to the audit committee.
4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2021-22. The Board feels there is no requirement for non-mandatory requirements under Part E of Schedule II of the Listing Regulations.
5. Web link where policy for determining 'material' subsidiaries and dealing with related party transactions is <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
6. Web link where policy on dealing with related party transactions <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
7. The Company does not have any exposure to commodity price risk. Further, the Company manages the foreign exchange risk as per the Board approved policy. The foreign exchange and hedging details form part of the Notes to Accounts.
8. Mr. Syed Shahabuddin (The Company Secretary in practice) has issued certificate that none of the directors on

## Corporate Governance Report

the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority annexed with this report as **Annexure- H**.

9. There have been no instances where the Board has not accepted any recommendation of any of the Committees of the Board during the F.Y 2021-22.
10. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

(Rs.)

<b>Payment to Statutory Auditors</b>	<b>FY 2021-22</b>
Statutory Audit	3,00,000
Other Services including reimbursement of expenses	1,50,000
<b>Total</b>	<b>4,50,000</b>

11. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.
12. The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2021-22. The non-mandatory requirements under Part E of Schedule II of the Listing Regulations, which is not required for the time being to be complied.
13. We complied with the disclosure of corporate governance requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LO DR), Regulations, 2015 as applicable with regards to Corporate Governance.
14. The Company has obtained a certificate from a Practicing Company Secretary on compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations and is annexed with this report as **Annexure-K**
15. Declaration by the Managing Director under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct is annexed with this report as **Annexure-I**

## Annexure-H

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:  
The Members of  
IZMO LIMITED  
#177/2C Billekahalli Industrial Area  
Bannerghatta Road Bangalore - 560076

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IZMO Limited having CIN: L72200KA1995PLC018734 and having registered office at #177/2C Billekahalli Industrial Area Bannerghatta Road Bangalore - 560076 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sanjay Soni	00609097	01/04/2007
2	Shashi Soni	00609217	01/10/2010
3	Vijay Gupta	00929401	23/07/2004
4	Ramanujam Krishnamurthy	06940830	30/09/2014
5	Vasanth Kumar	03570216	14/02/2022
6	Kiran Soni	08836616	19/08/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru  
Date: August 11, 2022

Signature:  
Syed Shahabuddin  
Company Secretary  
Membership No: 4121  
Certificate of Practice No: 11932  
UDIN: A004121D000803095

## ANNEXURE-I

### Declaration by the Managing Director under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct

I do hereby confirm that pursuant to Regulation 26(3) of the Listing Regulations, the Company has obtained from all members of the Board and Senior Management Personnel, affirmation that they have complied with Company's Code of Conduct for the Financial Year March 31, 2022.

Place: Bengaluru  
Date: August 11, 2022

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9, Prestige  
Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

## ANNEXURE-J

### MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17(8)

To,  
The Board of Directors  
IZMO LIMITED

I Sanjay Soni, Managing Director (MD) and Kiran Soni, Whole- Time Director and Chief Financial Officer (CFO) of the company, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards, applicable laws and regulations.
- B. We further state, to the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year ended March 31, 2022, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify those deficiencies.
- D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee that :
- (i) there is no significant changes in internal control over financial reporting during the year;
  - (ii) there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  - (iii) there is no significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting

Place: Bengaluru  
Date: August 11, 2022

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments,  
12/1, Airport Road,  
Bangalore-560017

Sd/-  
Kiran Soni  
Whole-time Director &  
Chief Financial Officer  
DIN: 08836616  
Address: Flat No. 9,  
Prestige Casablanca Apartments,  
12/1, Airport Road,  
Bangalore-560017



## ANNEXURE-K

### PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
IZMO Limited  
Bangalore

I have examined the compliance of conditions of Corporate Governance by IZMO Limited, CIN- L72200KA1995PLC018734 for the year ended 31st March 2022, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 24, 27 Schedule II, Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further I also state that during the Financial Year 2021-22 the Company has not received any complaint from investor. I further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore  
Date: August 11, 2022

Syed Shahabuddin  
Company Secretary  
Membership No: A4121  
Certificate of Practice No: 11932  
UDIN: A004121D000803128

## Independent Auditor's Report

To the Members of Izmo Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

I have audited the accompanying standalone financial statements of **Izmo Limited** ('the Company'), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive Income), the statement of changes in Equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

I have conducted my audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of my report. I am Independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to my audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters ("KAM") are those matters that, in my professional judgment, were of most significance in my audit of the standalone financial statements of the current period. These matters were addressed in the context of my audit of the standalone financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### Description of Key Audit Matters

##### 1. (a) Adoption of Ind AS 115 – Revenue from Contracts with customers

As described in Note 2(f)(i) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the asis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.

##### 1. (b) Auditor's Response

My audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), include –

- Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard.
- Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams.

## Independent Auditor's Report

To the Members of Izmo Limited

- Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard.
- Evaluated the cumulative effect adjustments as at 1 April 2021 for compliance with the new revenue standard; and
- Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

### 2. (a) Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. The estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

Refer Notes Note 2(f)(i) and 23 to the Standalone Financial Statements.

### 2. (b) Auditor's Response

The Company has majority of Time and Material Contracts, where the revenue is determined based on the Milestones defined in the contracts based on Purchase Order.

I have verified the Contracts with the purchase order, and they are in line with the requirements.

My audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and which prevents unauthorized changes to recording of efforts incurred.

- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

### 3. (a) Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes Refer Notes 2(i), 42 & 44 to the standalone Financial Statements.

### 3. (b) Auditor's Response

- Obtained details of completed tax assessments and demands for the year ended March 31, 2022, from management.
- Read and analyzed selected key correspondences, external legal opinions / consultations by management for key uncertain tax positions.
- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and
- Assessed management's estimate of the possible outcome of the disputed cases.

### Emphasis of Matter

As more fully described in Note. 42 & 44 to the Standalone Financial Statements and in Point 3 of key Audit Matters, The Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

My opinion is not modified in respect of this matter.

## Independent Auditor's Report

To the Members of Izmo Limited

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility for the Audit of the Standalone Financial Statements.

My objectives are to obtain reasonable assurance about whether the standalone 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone 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 my 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. Under Section 143(3) (i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

## Independent Auditor's Report

To the Members of Izmo Limited

- 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the Books of account.
  - d) In my opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the company as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

## Independent Auditor's Report

To the Members of Izmo Limited

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of my information and according to the explanation given to me, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me. As required by Section 143(3) of the Act, I report that:

- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2022 on its financial position in its financial statements – Refer Note 42 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons

or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

### Guru Prakash V

Chartered Accountant  
M. No: 228938

Place: Bangalore

Date: 28<sup>th</sup> May, 2022

UDIN: 22228938AJUJXV9266

## Independent Auditor's Report

To the Members of Izmo Limited

### Annexure A to the Independent Auditor's Report:

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of **Izmo Limited** of even date)

i. In respect of the Company's Property, Plant and Equipment and Intangible assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification to cover all the items of its Property, Plant and Equipment in a phased manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.

c) Based on my examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to me, I report that, the title in respect of self constructed building and title deed of immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a) In my opinion and according to the information and explanations given to me, the inventories have been verified by the management at reasonable intervals in relation to size of the Company and nature of business and no material discrepancies were noticed on physical verification.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to one company during the year, details of the loan is stated in sub-clause (a) below.

(a)

A. Based on the audit procedures carried on by me and as per the information and explanations given to me, the Company has not granted any loans to subsidiaries.

B. Based on the audit procedures carried on by me and as per the information and explanations given to me, the Company has granted loans to a party other than subsidiaries as below:

Particulars	Amount (₹ in Lacs)
Aggregate amount during the year – Others	37
Balance outstanding as at balance sheet date -Others	139.75

(b)

According to the information and explanations given to me and based on the audit procedures conducted by me, I am of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

## Independent Auditor's Report

To the Members of Izmo Limited

- (c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has not been stipulated and there were no repayments or receipts during the year.
- (d) According to the information and explanations given to me and on the basis of my examination of the records of the Company, since the repayment schedule is not maintained I am unable to comment on this sub clause.
- (e) According to the information and explanations given to me and on the basis of my examination of the records of the Company, since there were no repayment schedule prescribed, I am unable to comment on this sub clause.
- (f) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has given loans repayable on demand or without specifying any terms or period of repayment to an entity in which key managerial persons of the company are interested.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to me, in respect of statutory dues:
- a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to me, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to me, the following dues of income tax and Karnataka Value Added Tax have not been deposited by the Company on account of disputes:

Particulars	Related Parties Amount (₹ in Lacs)
Aggregate amount of loans/advances in the nature of loans	
-Repayable on demand (A)	Nil
-Agreement does not specify any terms or period of repayment (B)	139.75
Total (A+B)	139.75
Percentage of loans/advances in nature of loans to the total loans	100%

- iv. According to the information and explanations given to me and on the basis of my examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.



**Independent Auditor's Report**

To the Members of Izmo Limited

Name of the statute	Nature of dues	Amount (in INR)	Amount Paid Under Protest (in INR)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	Nil	Nil	F.Y 2004-05 (A.Y 2005-06)	Assessing officer to give effect to the ITAT order
Income Tax Act, 1961	Transfer Pricing	1,27,40,080	NIL	F.Y 2008-09 (A.Y 2009-10)	Rectification filed with the Assessing officer; Appeal filed with the High Court
Income Tax Act, 1961	Transfer Pricing	3,67,50,932	70,00,000	F.Y 2009-10 (A.Y 2010-11)	Assessing Officer to give effect to the ITAT order; Appeal filed with the High Court
Income Tax Act, 1961	Transfer Pricing	3,09,10,300	NIL	F.Y 2010-11 (A.Y 2011-12)	Assessing Officer to give effect to the ITAT order; Appeal filed with the High Court
Income Tax Act, 1961	Income Tax and Transfer Pricing	2,28,85,010	NIL	F.Y 2011-12 (A.Y 2012-13)	CIT Appeals
Income Tax Act, 1961	Income Tax	84,23,520	NIL	F.Y 2012-13 (A.Y 2013-14)	Assessing Officer to give effect to CIT (Appeals) order
Income Tax Act, 1961	Income Tax and Transfer Pricing	5,10,33,800	1,02,06,761	F.Y 2013-14 (A.Y 2014-15)	CIT Appeals
Income Tax Act, 1961	Income Tax	1,47,04,667	NIL	F.Y 2016-17 (A.Y 2017-18)	CIT Appeals

viii. According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix.

- a) According to the Information and explanations given to me and on the basis of examination of books of accounts. The Company has been repaying the loans as per the agreed terms during the F.Y 2021-22
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- c) According to the information and explanations given to me by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix) (c) of the Order is not applicable.
- d) According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

## Independent Auditor's Report

To the Members of Izmo Limited

- f) According to the information and explanations given to me and procedures performed by me, I report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x.
- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or Optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi.
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to me by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In my opinion and according to the information and explanations given to me, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- a) Based on information and explanations provided to me and my audit procedures, in my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) I have considered the internal audit reports of the company issued till date for the period under audit.
- xv. In my opinion and according to the information and explanations given to me, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- a) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) In my opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and my knowledge of the Board of Directors and Management plans and based on my examination of the evidence supporting the

**Independent Auditor's Report**

To the Members of Izmo Limited

assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In my opinion and according to the information and explanations given to me, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**Guru Prakash V**

Chartered Accountant

M. No: 228938

Place: Bangalore

Date: 28<sup>th</sup> May, 2022

UDIN: 22228938AJUJXV9266

## Annexure - B to the Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of **Izmo Limited** of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **IZMO Limited** ("the Company") as of March 31, 2022 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

operated effectively in all material respects.

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

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting. Meaning of Internal Financial Controls Over Financial Reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

## Annexure - B to the Auditors' Report

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

### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Guru Prakash V

Chartered Accountant

M. No: 228938

Place: Bangalore

Date: 28<sup>th</sup> May, 2022

UDIN: 22228938AJUJXV9266

**Balance Sheet**

As at March 31,2022

(Amount in Rs.)

Particulars		Note No.	As at March 31,2022	As at March 31,2021
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	29,459,953	22,690,977
	(b) Capital work-in-progress	4	-	1,551,204
	(c) Investment Property	5	17,290,903	18,372,139
	(d) Other Intangible assets	6	14,421,293	17,003,019
	(e) Financial assets			
	(i) Investments	7	1,600,938,496	1,600,938,496
	(f) Deferred tax assets	8	5,751,171	4,164,468
	(g) Other non-current assets	9	47,394,063	44,796,082
	<b>Total Non-current assets</b>		<b>1,715,255,879</b>	<b>1,709,516,385</b>
	<b>Current assets</b>			
	(a) Inventories	10	495,402	495,402
	(b) Financial assets			
	(i) Trade receivables	11	29,781,156	69,944,410
	(ii) Cash and cash equivalents	12	15,220,577	5,979,258
	(iii) Other financial assets	13	60,202,534	56,938,767
	<b>Total Current assets</b>		<b>105,699,669</b>	<b>133,357,837</b>
	<b>TOTAL ASSETS</b>		<b>1,820,955,548</b>	<b>1,842,874,222</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' funds</b>			
	(a) Share capital	14	133,588,730	131,916,730
	(b) Other equity	15	1,572,745,056	1,566,126,726
	<b>TOTAL EQUITY</b>		<b>1,706,333,786</b>	<b>1,698,043,456</b>
<b>II.</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	16	4,102,672	4,869,668
	(b) Provisions	17	27,745,420	24,338,833
	<b>Total Non-current liabilities</b>		<b>31,848,092</b>	<b>29,208,501</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables			
	(i) micro and small enterprises, and	18	280,224	144,272
	(ii) other than micro and small enterprises	18	15,578,991	7,502,173
	(ii) Other Financial Liabilities	19	41,889,675	79,453,471
	(b) Provisions	20	3,849,546	3,163,411
	(c) Other current liabilities	21	18,703,417	24,994,388
	(d) Current Tax Liabilities (Net)	22	2,471,817	364,550
	<b>Total Current liabilities</b>		<b>82,773,670</b>	<b>115,622,265</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,820,955,548</b>	<b>1,842,874,222</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
 Managing Director  
 DIN: 00609097  
 Place: Bangalore  
 Date: 28th May, 2022

**Shashi Soni**  
 Chairperson  
 DIN: 00609217

**Kiran Soni**  
 Chief Financial Officer

**Danish Reza**  
 Company Secretary

**Guru Prakash.V**  
 Chartered Accountant  
 Membership No. 228938

**Statement of Profit and Loss**

For the Year ended March 31, 2022

(Amount in Rs.)

	Particulars	Note No.	Current Year		Previous Year	
I	Revenue from operations	23		297,931,008		273,072,070
II	Other income	24		11,631,721		12,306,023
III	<b>Total revenue (I + II)</b>			<b>309,562,729</b>		<b>285,378,093</b>
IV	<b>Expenses:</b>					
	Purchases of stock in trade	25	8,139,879		21,874,470	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	26	-		-	
	Employee benefits expense	27		8,139,879		21,874,470
	Finance costs	28		233,989,334		185,910,681
	Depreciation and amortization expense	29		3,310,210		8,130,144
	Other expenses	30		10,926,023		10,195,528
				51,618,328		56,679,572
				307,983,774		282,790,395
	Less: expenses capitalised			-		-
	<b>Total expenses</b>			<b>307,983,774</b>		<b>282,790,395</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>1,578,955</b>		<b>2,587,698</b>
VI	Exceptional Items			-		-
VII	<b>Profit before extraordinary items and tax (V-VI)</b>			<b>1,578,955</b>		<b>2,587,698</b>
VIII	Extraordinary items			-		-
IX	<b>Profit before tax (VII-VIII)</b>			<b>1,578,955</b>		<b>2,587,698</b>
X	Tax expense:					
	Current tax		2,471,817		364,550	
	Taxes of earlier years		-		459,922	
	MAT Credit		(317,022)		-	
	Deferred tax		(1,586,703)	568,092	970,089	1,794,561
XI	<b>Profit for the year from continuing operations (IX - X)</b>			<b>1,010,863</b>		<b>793,137</b>
XII	Profit/(loss) from discontinuing operations			-		-
XIII	Tax expense of discontinuing operations			-		-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV	<b>Profit/(Loss) for the year (XI-XIV)</b>			<b>1,010,863</b>		<b>793,137</b>
XVI	<b>Other comprehensive income</b>					
	<b>(i) Items that will not be reclassified to profit or loss</b>					
	a) Remeasurements of the defined benefit plans		(337,794)		(250,850)	
	b) Taxes on above		-		-	
	<b>(ii) Items that may be reclassified to profit or loss</b>					
	a) Mark to Market of Investments		-		-	
	b) Taxes on above		-	(337,794)	-	(250,850)
XVII	<b>Total Comprehensive Income (XV + XVI)</b>			<b>673,069</b>		<b>542,287</b>
XVIII	Earning per equity share before and after exceptional item:					
	Basic (in ₹)	32		0.08		0.06
	Earning per equity share before and after exceptional item:					
	Diluted (in ₹)	32		0.08		0.06
	(Paid up value per share)			10.00		10.00
	<b>Significant accounting policies and notes attached form an integral part of the financial statements</b>					

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

## Cash Flow Statement

For the Year ended March 31, 2022

(Amount in Rs.)

	Particulars	March 31, 2022	March 31, 2021
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	<b>1,241,161</b>	<b>2,336,848</b>
	Adjustments for:		
	Depreciation	10,926,023	10,195,528
	Interest Expense	3,310,210	8,130,144
	Interest Income	(993,905)	(711,742)
	Rental Income	(5,107,762)	(6,750,258)
	Profit on Sale of Assets	-	(135,592)
	Employee stock option expenses	5,945,261	(1,216,453)
	Amortisation of deferred Interest on rent deposited paid	-	111,613
	Interest income on rent deposits paid	-	(132,792)
	<b>Operating Profit Before Working Capital Changes</b>	<b>15,320,988</b>	<b>11,827,296</b>
	Movements in Working Capital :		
	(Increase)/Decrease in Trade Receivables	40,163,254	153,530,608
	(Increase)/Decrease in Inventories	-	-
	(Increase)/Decrease in short term Loans and Advances	(5,861,748)	15,200,096
	Increase/(Decrease) in Current Liabilities and Provisions	(29,442,008)	(147,147,389)
	<b>Cash Generated from Operations</b>	<b>20,180,486</b>	<b>33,410,612</b>
	Direct Taxes paid (Net of Refunds)	(2,471,817)	(364,550)
	Taxes of earlier years	-	(459,922)
	MAT Credit	317,022	-
	<b>Net cash from Operating Activities</b>	<b>18,025,691</b>	<b>32,586,140</b>
<b>B.</b>	<b>Cash Flows from Investing Activities</b>		
	Purchase of Fixed Assets	(14,032,036)	(26,968,114)
	Capital Work-in-Progress	1,551,204	19,368,232
	Proceeds from Sale of Fixed Assets	-	372,887
	Rental Income	5,107,762	6,750,258
	Interest Received	993,905	711,742
	<b>Net cash used in Investing Activities</b>	<b>(6,379,165)</b>	<b>235,005</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Repayment of Long Term Borrowings	(766,997)	(40,050,829)
	Proceeds from issue of equity share capital (net of expenses)	1,672,000	1,245,000
	Interest paid	(3,310,210)	(8,130,144)
	<b>Net Cash used in Financing Activities</b>	<b>(2,405,207)</b>	<b>(46,935,973)</b>
	<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>9,241,320</b>	<b>(14,114,827)</b>
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>5,979,258</b>	<b>20,094,085</b>
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>15,220,577</b>	<b>5,979,258</b>
	<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	Balances with Scheduled Banks		
	- In Current Account	6,665,150	5,786,151
	- In EEFC Account	8,355,449	-
	Cash on Hand	27,978	21,107
	Deposit with Bank	172,000	172,000
	<b>TOTAL</b>	<b>15,220,577</b>	<b>5,979,258</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938



## Notes to Financial Statements

For the Year ended March 31, 2022

### 1. BACKGROUND:

IZMO LIMITED ("the Company") was incorporated on 08th September, 1995. The Company is engaged in interactive marketing solutions. The company offers hi-tech automotive e-retailing solutions.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### b) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

### c) PROPERTY, PLANT AND EQUIPMENT:

#### (i) Tangible assets:

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

#### (ii) Intangible assets:

Intangible assets are accounted at cost of acquisition less depreciation /amortization.

#### (iii) Depreciation & Amortization:

- a. Depreciation on PPE bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in Schedule II of the Act.
- b. Intangible assets are amortized over a period of 2-5 years

#### (iv) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item

## Notes to Financial Statements

For the Year ended March 31, 2022

will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives and is recognised in the statement of profit and loss. Depreciable investment properties have been ascribed a useful life in the range of 30 years.

### d) INVESTMENTS:

- (i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.
- (ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

### e) INVENTORIES:

- (i) Inventories does not include spare parts, servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised).
- (ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.
- (iii) Work in progress is valued at works cost or net realizable value whichever is lower.
- (iv) Finished goods are valued at works cost or net realizable value whichever is lower.
- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

### f) REVENUE RECOGNITION:

Revenue is recognized to an extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Revenue from Contract with Customer: Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring

promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements / arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts / right of return, using the expected value method.

A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned. The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

- (ii) Interest income is recognized on time proportion basis.
- (iii) Dividend income is recognized, when the right to receive the dividend is established.
- (iv) Rental income is recognized on time proportion basis.

### g) EMPLOYEE BENEFITS:

#### (i) Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service

## Notes to Financial Statements

For the Year ended March 31, 2022

### (ii) Post employment benefits:

#### a. Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid / payable under the scheme are recognized during the year in which employee renders the related service.

#### b. Defined benefit plans:

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized in the statement of other comprehensive income in the year they arise. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.

#### c. Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the

statement of profit and loss in the year in which the arise.

### (iii) Share Based Payments:

Share-based compensation benefits are provided to employees via the IZMO Limited Employee Stock Option Plan

The fair value of options granted under the Employees' Stock Option Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### h) FOREIGN CURRENCY TRANSACTIONS:

- (i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.
- (ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the

## Notes to Financial Statements

For the Year ended March 31, 2022

exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.

- (iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

### i) TAXES ON INCOME:

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115JB of the Income Tax Act, 1961 after taking cognizance of excess/short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets / liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement"

### j) BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

### k) PROVISIONS AND CONTINGENT LIABILITIES:

- i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

- ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

### l) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

### m) FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### (i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## Notes to Financial Statements

For the Year ended March 31, 2022

### (ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

### (iii) Financial assets at fair value through other comprehensive income (FVTOCI)

All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

Financial assets at fair value through profit or loss (FVTPL) Financial assets which are not classified in any of the categories above are fair value through profit or loss.

### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### n) IMPAIRMENT:

#### (i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other

financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### (ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

### o) LEASES:

#### (i) Operating leases

##### Where the Company is Lessee:

- 1) The Company's lease asset classes primarily consist of lease rentals for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract 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 Company assesses whether:
  - (i) the contract involves the use of an identified asset
  - (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease
  - (iii) the Company has the right to direct the use of the asset.
- 2) At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

## Notes to Financial Statements

For the Year ended March 31, 2022

- 3) Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
  - 4) Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
  - 5) The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.
- (ii) Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to its operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other financial liabilities. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liabilities included in Non-current liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### p) SEGMENT REPORTING

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

## Notes to Financial Statements

For the Year ended March 31, 2022

### 3. Property plant and equipment: Tangible assets

(Amount in Rs.)

Particulars	Land	Computers	Plant & Machinery	Office Equipments	Electrical Installations	Furniture and fittings	Leasehold Improvements	Motor vehicles	Total
<b>Gross Block:</b>									
Balance as at 31 March 2020	4,674,279	59,371,119	6,958,701	7,886,834	10,099,729	6,927,779	8,397,020	14,713,614	119,029,076
Additions	-	1,324,807	-	295,925	1,108,956	939,467	-	2,379,523	6,048,678
Disposals	-	237,295	-	-	-	-	-	2,175,000	2,412,295
Balance as at 31 March 2021	4,674,279	60,458,631	6,958,701	8,182,759	11,208,685	7,867,246	8,397,020	14,918,137	122,665,459
Additions	-	8,240,370	-	560,462	286,000	-	-	3,325,000	12,411,832
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	4,674,279	68,699,001	6,958,700	8,743,221	11,494,685	7,867,246	8,397,020	18,243,137	135,077,291
<b>Accumulated depreciation:</b>									
Balance as at 31 March 2020	-	54,741,225	6,808,933	7,116,732	7,700,598	5,156,751	8,217,483	7,305,434	97,047,156
Depreciation charge for the Year	-	2,287,895	19,854	311,049	532,474	330,965	37,801	1,582,289	5,102,327
Disposals	-	-	-	-	-	-	-	2,175,000	2,175,000
Balance as at 31 March 2021	-	57,029,120	6,828,788	7,427,781	8,233,072	5,487,716	8,255,284	6,712,723	99,974,483
Depreciation charge for the FYE 31.03.2022	-	2,787,294	19,854	267,064	499,612	341,294	37,801	1,689,938	5,642,857
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	59,816,414	6,848,642	7,694,844	8,732,683	5,829,010	8,293,085	8,402,661	105,617,340
<b>Net block:</b>									
Balance as at 31 March 2021	4,674,279	3,429,511	129,913	754,979	2,975,613	2,379,530	141,736	8,205,414	22,690,977
Balance as at 31 March 2022	4,674,279	8,882,587	110,058	1,048,377	2,762,002	2,038,236	103,935	9,840,476	29,459,953

#### Additional information:

- Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.
- The company doesn't have title deeds which are held other than in the company's name as at the balance sheet date.

## Notes to Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

	Particulars	As at March 31, 2022	As at March 31, 2021
<b>4.</b>	<b>Intangible Assets under development:</b>		
	a) Software	-	1,551,204
	<b>Total</b>	-	1,551,204

### Intangible assets under development aging schedule:

(Amount in Rs.)

Intangible assets under development		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress (CY)	-	-	-	-	-
	Projects in progress (PY)	1,551,204	-	-	-	1,551,204
2	Projects temporarily suspended (CY)	-	-	-	-	-
	Projects temporarily suspended (PY)	-	-	-	-	-

### 5. Investment Property

(Amount in Rs.)

Particulars	Building at Whitefield
<b>Gross block:</b>	
Balance as at 31 March 2020	49,178,564
Additions	-
Balance as at 31 March 2021	49,178,564
Additions	-
<b>Balance as at 31 March 2022</b>	<b>49,178,564</b>
<b>Accumulated depreciation:</b>	
Balance as at 31 March 2020	29,725,189
Amortisation charge for the Year	1,081,236
Balance as at 31 March 2021	30,806,425
Amortisation charge for the year	1,081,236
<b>Balance as at 31 March 2022</b>	<b>31,887,661</b>
<b>Net block:</b>	
Balance as at 31 March 2021	18,372,139
<b>Balance as at 31 March 2022</b>	<b>17,290,903</b>

- i) Fair market value of Building at Rs. 28,65,50,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on 31st March, 2020 and the Company is of the opinion that the fair value as on 31st March, 2022 will also be the same.
- ii) The Company has not revalued its Property, Plant and Equipment(including Right-ofUse Assets) ,intangible assets and investment property as at the balance sheet date.



## Notes to Financial Statements

For the Year ended March 31, 2022

### 6. Other Intangible Assets

(Amount in Rs.)

Particulars	Computer software	Intellectual property	Total
<b>Gross block:</b>			
Balance as at 31 March 2020	107,397,571	200,076,188	307,473,759
Additions	20,919,436	-	20,919,436
Balance as at 31 March 2021	128,317,007	200,076,188	328,393,195
Additions	1,620,204	-	1,620,204
<b>Balance as at 31 March 2022</b>	<b>129,937,211</b>	<b>200,076,188</b>	<b>330,013,399</b>
<b>Accumulated amortisation:</b>			
Balance as at 31 March 2020	107,302,023	200,076,188	307,378,211
Amortisation charge for the year	4,011,965	-	4,011,965
Balance as at 31 March 2021	111,313,988	200,076,188	311,390,176
Amortisation charge for the year	4,201,929	-	4,201,929
<b>Balance as at 31 March 2022</b>	<b>115,515,917</b>	<b>200,076,188</b>	<b>315,592,105</b>
<b>Net block:</b>			
Balance as at 31 March 2021	17,003,019	-	17,003,019
<b>Balance as at 31 March 2022</b>	<b>14,421,293</b>	<b>-</b>	<b>14,421,293</b>

### 7. Non current investments:

(Amount in Rs.)

Details of investments / Name of the Company	As at March 31, 2022			As at March 31, 2021		
	No. of shares	Face value	Amount	No. of shares	Face value	Amount
<b>a) Investments in equity Instruments:</b>						
1) Subsidiaries: (Other than Trade, Unquoted carried at cost) Fully paid up						
i) Investment in Equity Shares of Midrange Software Pte Ltd, Singapore	1,904,915	SGD 1	55,123,998	1,904,915	SGD 1	55,123,998
ii) Investment in Equity Shares of Izmo Inc (Formerly Logix Americas Inc.,)	150,000	USD 1	1,456,937,211	150,000	USD 1	1,456,937,211
iii) Investment in Equity Shares of Logix Microsystems Inc., USA	65,500	USD 1	3,071,845	65,500	USD 1	3,071,845
iv) Investment in Equity Shares of Izmo Europe BVBA, Belgium	1,359,093	EURO 1	88,877,287	1,359,093	EURO 1	88,877,287
<b>Total</b>			<b>1,604,010,341</b>			<b>1,604,010,341</b>
Less: Provision for diminution in value of investments			(3,071,845)			(3,071,845)
<b>Total</b>			<b>1,600,938,496</b>			<b>1,600,938,496</b>

## Notes to Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>8. Deferred tax Assets (Net):</b>		
<b>a) Deferred tax liability:</b>		
i) On account of depreciation on fixed assets ( other than land)	-	-
ii) On account of fair valuation of investments	-	-
<b>Total</b>	-	-
<b>b) Deferred tax asset:</b>		
i) On account of depreciation on fixed assets (other than land)	5,751,171	4,164,468
ii) On account of timing differences in recognition of expenditure	-	-
<b>Total</b>	<b>5,751,171</b>	<b>4,164,468</b>
<b>Net Deferred tax (liability)/asset</b>	<b>5,751,171</b>	<b>4,164,468</b>
<b>9. Other non current assets:</b> (unsecured and considered good)		
a) Balances with revenue authorities	18,462,664	18,852,175
b) Advance payment of tax (net)	17,206,399	14,218,907
c) Capital advances	11,725,000	11,725,000
	<b>47,394,063</b>	<b>44,796,082</b>
Less: Allowance for bad and doubtful receivables	-	-
<b>Total</b>	<b>47,394,063</b>	<b>44,796,082</b>

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>10. Inventories:</b>		
a) Finished goods	495,402	495,402
<b>Total</b>	<b>495,402</b>	<b>495,402</b>
<b>11. Trade receivables:</b>		
a) Trade receivables exceeding six months	7,419,421	3,707,304
b) others	22,361,735	66,237,106
	29,781,156	69,944,410
Less: Allowance for doubtful receivables	-	-
<b>Total</b>	<b>29,781,156</b>	<b>69,944,410</b>

**Notes to Financial Statements**

For the Year ended March 31, 2022

**Additional Information**

(Amount in Rs.)

1) Trade Receivables ageing schedule:							
Particulars	Outstanding for following periods from due date of payment						Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	22,361,735	1,938,677	5,424,692	56,052	-	-	29,781,156
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>22,361,735</b>	<b>1,938,677</b>	<b>5,424,692</b>	<b>56,052</b>	<b>-</b>	<b>-</b>	<b>29,781,156</b>
2) Breakup of above:							
a) Secured, considered good						-	-
b) Unsecured, considered good						29,781,156	69,944,410
c) Doubtful						-	-
<b>Total</b>						<b>29,781,156</b>	<b>69,944,410</b>
Less: Allowance for expected credit loss							
<b>Total</b>						<b>29,781,156</b>	<b>69,944,410</b>
3) i) Debts due by directors or other officers of the company							
						-	-
ii) Amounts due by private companies in which directors of the Company are directors						10,083,973	5,714,363
<b>Total</b>						<b>10,083,973</b>	<b>5,714,363</b>
4) Also refer Note No. 43, in this regard.							
<b>12. Cash and Cash Equivalents:</b>							
Cash and cash equivalents:							
a) Balances with banks						-	-
- in other accounts						15,192,599	5,958,151
b) Cash on hand						27,978	21,107
<b>Total</b>						<b>15,220,577</b>	<b>5,979,258</b>
<b>13. Other Financial Assets:</b>							
a) Loans and advances						33,238,147	29,189,355
b) Security Deposits						6,233,175	6,110,720
c) Bank deposits with more than 12 months maturity						-	-
d) Others						20,731,212	21,638,692
						<b>60,202,534</b>	<b>56,938,767</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others							
<b>Total</b>						<b>60,202,534</b>	<b>56,938,767</b>

## Notes to Financial Statements

For the Year ended March 31, 2022

### Additional information:

#### 1) Disclosures of Promoters, Directors, KMPs & Related parties :

(Amount in Rs.)

Types of Borrower		Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	
a)	Promoters	-	-	-
b)	Directors	-	-	-
c)	KMPs	-	-	-
d)	Related Parties	-	-	-
<b>Additional information:</b>				
1)	Breakup of above:			
	a) Secured, considered good		-	-
	b) Unsecured, considered good		60,202,534	56,938,768
	c) Doubtful		-	-
	<b>Total</b>		<b>60,202,534</b>	<b>56,938,768</b>
	Less: Allowance for doubtful advances for advance paid to suppliers and others		-	-
	<b>Total</b>		<b>60,202,534</b>	<b>56,938,768</b>
2)	i) Debts due by directors or other officers of the company		-	-
	ii) Amounts due by private companies in which directors of the Company are directors		16,216,399	12,038,344

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Rs.	Nos.	Rs.
<b>14. Share capital:</b>				
Authorized:				
Equity shares of Rs. 10/- each	18,000,000	180,000,000	18,000,000	180,000,000
	18,000,000	180,000,000	18,000,000	180,000,000
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each				
At the beginning of the year	13,191,673	131,916,730	13,067,173	130,671,730
Issued during the year				
- by way of conversion of loan into fully paid up equity shares	-	-	-	-
- by way of Employee Stock Options	167,200	1,672,000	124,500	1,245,000
At the close of the year	13,358,873	133,588,730	13,191,673	131,916,730
<b>Total carried to Balance Sheet</b>		<b>133,588,730</b>		<b>131,916,730</b>

**Notes to Financial Statements**

For the Year ended March 31, 2022

**a) Particulars of equity share holders holding more than 5% of the total number of equity share capital:**

Particulars		As at March 31, 2022		As at March 31, 2021	
		Nos.	Percentage	Nos.	Percentage
(i)	Sanjay Soni	-	-	2,771,613	21.01%
(ii)	Shashi Soni	1,559,411	11.67%	687,787	5.21%
(iii)	Kiran Soni	1,722,552	12.89%	-	-

**Disclosure of Promoters Shareholding Pattern:**

Shares held by promoters at the end of the year 2021-22				% Change during the year 2021-22
Sl. No.	Promoter name	As at March 31, 2022		
		No. of Shares	%of total shares	
(i)	Sanjay Soni	550,661	4.12%	-16.89%
(ii)	Shashi Soni	1,559,411	11.67%	6.46%
(iii)	Kiran Soni	1,722,552	12.89%	10.43%
<b>Total</b>		<b>3,832,624</b>	<b>28.69%</b>	<b>0.00%</b>
<b>b)</b>	<b>Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2022) pursuant to contracts without payment being received in cash</b>			
Particulars		As at March 31, 2022		As at March 31, 2021
Shares issued upon conversion of borrowings (No. of Shares)				-

## Notes to Financial Statements

For the Year ended March 31, 2022

### Note : 15 Other Equity

(Amount in Rs.)

Particulars	Other Equity						Other Comprehensive Income			Total Other equity
	Share premium	General Reserve	Retained earnings	ESOP outstanding account	Total (A)	Mark to Market of Investment	Items that will be reclassified to profit or loss	Items that will not be reclassified to profit or loss	Total(B)	
<b>Total as at March 31 2020</b>	<b>1,489,474,620</b>	<b>6,339,532</b>	<b>51,912,680</b>	<b>13,307,840</b>	<b>1,561,034,672</b>	-	<b>5,766,220</b>	<b>5,766,220</b>	<b>5,766,220</b>	<b>1,566,800,892</b>
Add/(Less): Loss for the Year	-	-	793,137	-	793,137	-	-	-	-	793,137
Add/(Less): On account of new issue	-	-	-	-	-	-	-	-	-	-
Add: Employee stock option expenses	-	-	-	(1,216,453)	(1,216,453)	-	-	-	-	(1,216,453)
Add/(Less): Issue of shares under ESOP scheme	4,313,925	-	-	(4,313,925)	-	-	-	-	-	-
Add/(Less): Ind AS adjustments *	-	-	-	-	-	-	(250,850)	(250,850)	(250,850)	(250,850)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	-	-	-
<b>Total as at March 31 2021</b>	<b>1,493,788,545</b>	<b>6,339,532</b>	<b>52,705,817</b>	<b>7,777,462</b>	<b>1,560,611,356</b>	-	<b>5,515,370</b>	<b>5,515,370</b>	<b>5,515,370</b>	<b>1,566,126,726</b>
Add/(Less): Loss for the Year	-	-	1,010,863	-	1,010,863	-	-	-	-	1,010,863
Add/(Less): On account of new issue	-	-	-	-	-	-	-	-	-	-
Add: Employee stock option expenses	-	-	-	5,945,261	5,945,261	-	-	-	-	5,945,261
Add/(Less): Issue of shares under ESOP scheme	7,002,080	-	-	(7,002,080)	-	-	-	-	-	-
Add/(Less): Ind AS adjustments *	-	-	-	-	-	-	(337,794)	(337,794)	(337,794)	(337,794)
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	-	-	-
<b>Total as at March 31 2022</b>	<b>1,500,790,625</b>	<b>6,339,532</b>	<b>53,716,680</b>	<b>6,720,643</b>	<b>1,567,567,480</b>	-	<b>5,177,576</b>	<b>5,177,576</b>	<b>5,177,576</b>	<b>1,572,745,056</b>

\* Ind-AS Reclassification.

**Notes to Financial Statements**

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Liabilities</b>		
<b>16. Borrowings:</b>		
<b>I) Secured loans:</b>		
a. Loan from Banks/Financial institutions	7,663,803	59,487,610
Less: Current maturities on loan from banks	3,561,131	54,617,942
<b>Total Borrowings</b>	<b>4,102,672</b>	<b>4,869,668</b>
<b>II) Unsecured loans:</b>		
a) Deferred Payment Liabilities	-	-
Less: Current maturities	-	-
<b>Total Borrowings</b>	<b>4,102,672</b>	<b>4,869,668</b>
<b>Additional information:</b>		
1) Details of security for secured loans:		
Vehicle Loan from bank / financial institution secured against the hypothecation of the respective vehicles purchased	7,663,803	7,820,943
Term loan from Financial Institution is secured against immovable property and second charge on moveble assets and personal guarantee by Promoter Directors.	-	51,666,667
2) Terms of repayment of term loans and others		
From Bank:		
i) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% / 8.93%per annum and repayable in 60 equal monthly instalments.	-	-
ii) Term Loan carries floating interest rate linked to SBI -3 year MCLR rate.	-	-
3) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.	-	-
4) The company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period as at the balance sheet date.	-	-
5) Period and amount of continuing default as on Balance sheet date		
i) In respect of Loan repayment and Interest:	-	-
<b>Particluars</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
<b>Term Loans</b>		
- from Banks	-	-
- from Others	-	-

## Notes to Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non - Current Liabilities</b>		
<b>17. Provisions:</b>		
a) For employee defined benefit plans	18,797,064	16,601,691
b) For employee compensatory absences	8,948,356	7,737,142
<b>Total</b>	<b>27,745,420</b>	<b>24,338,833</b>

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Liabilities</b>		
<b>18. Trade payables:</b>		
a) Total outstanding dues of micro and small enterprises	280,224	144,272
b) Total outstanding dues other than micro and small enterprises	15,578,991	7,502,173
<b>Total</b>	<b>15,859,215</b>	<b>7,646,445</b>

### Additional Information:

#### Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) MSME	280,224	-	-	-	280,224
(ii) Others	15,574,731	-	4,260	-	15,578,991
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>15,854,955</b>	<b>-</b>	<b>4,260</b>	<b>-</b>	<b>15,859,215</b>

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The disclosures as required under section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises is as below:



**Notes to Financial Statements**

For the Year ended March 31, 2022

(Amount in Rs.)

SI No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Principal amount due and remaining unpaid	280,224	144,272
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>19.</b>	<b>Other Financial Liabilities:</b>		
	a) Current maturities of secured loan from bank	3,561,131	54,617,942
	b) Advance from customers	30,473,571	16,496,845
	c) Refundable Security deposits from Lessee	7,854,973	8,338,684
	<b>Total</b>	<b>41,889,675</b>	<b>79,453,471</b>
<b>20.</b>	<b>Provisions:</b>		
	a) Provision for short term compensated absences	1,276,324	1,036,869
	b) Provision for Gratuity	2,573,222	2,126,542
	<b>Total</b>	<b>3,849,546</b>	<b>3,163,411</b>
<b>21.</b>	<b>Other current liabilities:</b>		
	a) Accrued Expenses and other liabilities	10,462,576	19,641,534
	b) Statutory Dues	4,107,435	3,338,496
	c) Deferred Income	4,133,406	2,014,358
	<b>Total</b>	<b>18,703,417</b>	<b>24,994,388</b>
<b>22.</b>	<b>Current Tax Liabilities (Net):</b>		
	a) Provision for tax (net of advance tax)	2,471,817	364,550
	<b>Total</b>	<b>2,471,817</b>	<b>364,550</b>

## Notes to Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>23. Software Sales &amp; Services:</b>		
- Domestic	20,047,419	33,451,824
- Exports	277,883,589	239,620,246
<b>Total</b>	<b>297,931,008</b>	<b>273,072,070</b>
<b>24. Other income:</b>		
a) Interest Income	993,905	711,742
b) Maintenance Charges Income	-	700,552
c) Miscellaneous Income	4,930,054	3,175,087
d) Profit on sale of Assets	-	135,592
e) Rental Income	5,107,762	6,750,258
f) Interest income on rent deposits paid	-	132,792
g) Support Service Income	600,000	700,000
<b>Total</b>	<b>11,631,721</b>	<b>12,306,023</b>
<b>25. Cost of Purchase:</b>		
a) Custom Duty	-	-
b) Cost of Purchase for Resale	8,139,879	21,874,470
<b>Total</b>	<b>8,139,879</b>	<b>21,874,470</b>
<b>26. Changes in inventories of stock in trade:</b>		
Stocks at the end of the year		
a) Trading goods		
Stock in Trade	495,402	495,402
<b>Total</b>	<b>495,402</b>	<b>495,402</b>
Less: Stocks at the beginning of the year		
a) Trading goods		
Stock in Trade	495,402	495,402
	<b>495,402</b>	<b>495,402</b>
<b>Total</b>	<b>-</b>	<b>-</b>
<b>27. Employee benefit expenses:</b>		
a) Salaries , wages and bonus	217,248,005	177,392,750
b) Contribution to provident and other funds	7,027,745	6,610,372
c) Gratuity	3,290,079	3,002,252
d) Staff welfare expenses	816,038	372,610
e) Reclassification of Actuarial gains/ losses	(337,794)	(250,850)
f) Employee stock option expenses	5,945,261	(1,216,453)
<b>Total</b>	<b>233,989,334</b>	<b>185,910,681</b>
<b>28. Finance costs:</b>		
a) Interest expense	3,310,210	8,130,144
<b>Total</b>	<b>3,310,210</b>	<b>8,130,144</b>
<b>29. Depreciation and amortization:</b>		
a) Depreciation	6,724,094	6,183,563
b) Amortization of intangible assets	4,201,929	4,011,965
<b>Total</b>	<b>10,926,023</b>	<b>10,195,528</b>

**Notes to Financial Statements**

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>30. Other expenses:</b>		
a) Advertisement Expenses	203,520	232,640
b) Payment to auditors		
- as auditor	300,000	300,000
- for taxation and other matters	100,000	100,000
c) Bank Charges	660,110	851,994
d) Bad Debts Written-Off	5,771,972	15,522,336
e) Business Promotion Charges	1,121,005	584,635
f) Postage and Communication Expenses	3,754,709	3,373,277
g) Foreign Exchange Loss	730,157	2,379,497
h) Hire charges	903,254	1,074,560
i) Insurance	170,589	221,268
j) Listing Fees	601,545	676,397
k) Miscellaneous Expenses	355,051	260,603
l) Office Expenses	1,191,772	928,316
m) Power & Fuel	2,384,172	2,686,826
n) Printing & Stationery	137,970	142,349
o) Professional Fees	5,984,037	3,715,532
p) Rates & Taxes	804,487	787,502
q) Rent	15,390,434	13,657,048
r) Repairs & Maintenance Buildings	582,397	707,497
s) Repairs & Maintenance Others	2,738,977	1,920,146
t) Security Charges	1,138,358	1,139,165
u) Sitting fees	1,100,000	1,200,000
v) Travelling & Conveyance	4,456,782	3,183,368
w) Vehicle Maintenance	985,215	865,630
x) Water charges	51,813	57,373
y) Amortisation of deferred interest on Rent deposit paid	-	111,613
<b>Total</b>	<b>51,618,328</b>	<b>56,679,572</b>

## Notes to Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>31. Additional Information:</b>		
<b>a) Value of Imports calculated on CIF basis:</b>		
i) Purchases of Stock in Trade	189,700	437,823
ii) Capital goods	-	-
<b>b) Expenditure in foreign currency:</b>		
i) Purchases	189,700	437,823
i) Foreign travel	940,380	468,652
<b>c) Details of non-resident shareholdings</b>		
i) Number of nonresident share holders	231	145
ii) Number of shares held by nonresident shareholders	292,713	411,011
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
<b>d) Earnings in foreign exchange:</b>		
i) Software Exports & Consultancy	277,883,589	239,620,246

Particulars	2021-22	2020-21
<b>32. Earnings per share:</b>		
(Basic and diluted)		
Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
<b>(a) Before exceptional item</b>		
Profit for the year after tax expense	1,010,863	793,137
Weighted average number of equity shares	13,317,188	13,067,173
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	0.08	0.06
<b>(b) After exceptional item</b>		
Profit for the year after tax expense	1,010,863	793,137
Add: Preference dividend payable including dividend tax	-	-
<b>Total</b>	<b>1,010,863</b>	<b>793,137</b>
Weighted average number of equity shares	13,317,188	13,067,173
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	0.08	0.06
(*) Effect of potential equity shares is antidilutive		

**Notes to Financial Statements**

For the Year ended March 31, 2022

**33. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":****(a) Defined Contribution Plan:**

Contribution to defined contribution plan are recognized as expense for the year are as under:

(Amount in Rs.)

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to provident & pension funds	7,027,745	6,610,372

**(b) Defined Benefit Plan:**

The employees' gratuity fund scheme and leave encashment are defined benefit plans. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(₹In lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2022		March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	187.29	87.74	161.86	69.64
Current Service Cost (*)	23.64	-	21.98	-
Interest Cost	12.64	4.94	10.55	4.05
Actuarial (gain)/ loss	(3.38)	39.85	(2.51)	30.50
Benefits Paid	(6.48)	(30.29)	(4.59)	(16.45)
Defined Benefit obligation at end of the year	213.71	102.24	187.29	87.74
<b>2. Reconciliation of opening and closing balance of fair value of plan assets:</b>				
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	-	-	-	-
Present value of obligation	213.71	102.24	187.29	87.74
Amount recognized in Balance Sheet under liabilities:	213.71	102.24	187.29	87.74

## Notes to Financial Statements

For the Year ended March 31, 2022

(₹ In lakhs)

Expense recognized during the year: (under "Note 27" "Employee Benefit Expenses" in the Statement of Profit and Loss)	March 31, 2022		March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>In Income Statement:</b>				
Current Service Cost	23.64	-	21.98	-
Interest Cost	12.64	4.94	10.55	4.05
Expected return on plan assets	-	-	-	-
<b>In Other Comprehensive Income:</b>				
Actuarial (gain)/ loss	(3.38)	39.85	(2.51)	30.50
Net Cost	32.90	44.80	30.02	34.55
<b>Actuarial assumptions:</b>	<b>March 31, 2022</b>		<b>March 31, 2021</b>	
<b>Mortality Table</b>	<b>Indian Assured Lives (2006-08) (Ultimate)</b>	<b>Indian Assured Lives (2006-08) (Ultimate)</b>	<b>Indian Assured Lives (2006-08) (Ultimate)</b>	<b>Indian Assured Lives (2006-08) (Ultimate)</b>
Discount rate (per annum)	7.24%	7.19%	6.87%	6.81%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

### (c) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

(₹ In lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	222.00	205.95	194.89	180.19
Change in rate of salary increase (delta effect of +/- 1.0%)	206.96	220.78	180.89	194.07
Change in rate of Mortality (delta effect of +/- 0.5%)	213.68	213.72	187.27	187.29
Change in rate of Attrition (delta effect of +/- 0.5%)	213.61	213.78	187.38	187.19

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan 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.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

## Notes to Financial Statements

For the Year ended March 31, 2022

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### 34. SEGMENT REPORTING:

#### Primary Segments

Based on the guiding principles in Indian Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India, classification by geographic segment are the primary reportable segments, comprising of:

- i) Export
- ii) Domestic

( Amount in Lakhs.)

Particulars	March 31, 2022	March 31, 2021
<b>Revenue:</b>		
Export *	2,778.84	2,396.20
Domestic *	200.47	334.52
<b>Net Income from Operations</b>	<b>2,979.31</b>	<b>2730.72</b>
<b>Add: Income from Exceptional Items/Other Income</b>	116.32	123.06
<b>Profit before Depreciation/Tax/Interest/Amortization :</b>		
-from Exports	140.15	299.09
-from Domestic*	(33.99)	(49.27)
Income from Exceptional Items/Other Income	116.32	123.06
<b>Total</b>	<b>222.48</b>	<b>372.87</b>
Less: (1) Interest	39.70	89.82
(2) Other Unallocated Expenses	57.72	155.22
(3) Depreciation/Amortization	109.26	101.96
<b>Profit Before Taxation</b>	<b>15.79</b>	<b>25.87</b>

#### Segmental Capital Employed:

Assets and Liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly no disclosure relating to segments assets and liabilities are made.

### 35. RELATED PARTY TRANSACTIONS:

#### (a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	Midrange Software Pte Ltd,Singapore Izmo Inc,USA Izmo Europe,BVBA	Wholly Owned Subsidiary
2	Groupe izmo Izmo France,SARL	Step down subsidiary

## Notes to Financial Statements

For the Year ended March 31, 2022

3	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni Mr. Danish Reza	Key Management Personnel and their relatives ("KMP")
4	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited, India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited, India Hughes Precision Manufacturing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence

### (b) Transactions with the related parties

(₹ in Lakhs)

Particulars	Relationship	Current Year	Previous Year
<b>Purchase of goods and services/ Reimbursements/Other receipts</b>	Enterprises over which KMP and their relatives are able to exercise significant influence		
Si2 Microsystems Private Limited, India		14.85	14.68
Hughes Precision Manufacturing Pvt Ltd		10.06	12.53
<b>Software Sales &amp; Service Exports</b>	Wholly Owned Subsidiary		
Izmo Inc, USA	Wholly Owned Subsidiary	-	-
Midrange Software Pte Ltd, Singapore		-	-
<b>Rental Income</b>	Enterprises over which KMP and their relatives are able to exercise significant influence		
Si2 Microsystems Private Limited, India		38.62	35.76
Hughes Precision Manufacturing Pvt Ltd		15.31	15.61
<b>Remuneration paid:</b>			
Mrs. Shashi Soni	KMP	22.50	15.00
Mr. Sanjay Soni	KMP	87.12	79.20
Mrs. Kiran Soni	KMP	30.00	30.00
Mr. Danish Reza	KMP	9.03	8.08

### (c) Outstanding balances at the end of the year:

(₹ in Lakhs)

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
Midrange Software Pte Ltd, Singapore*		(168.02)	(163.88)
Izmo Inc, USA (Receivable)	Wholly Owned Subsidiary	-	-
Izmo Inc, USA (Payable)		-	-
Homestar LLC		-	(15.31)
Izmo Europe, BVBA		-	-
Izmo France, SARL	Step down subsidiary	-	-



**Notes to Financial Statements**

For the Year ended March 31, 2022

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
Si2 Microsystems Private Limited, India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	259.53	169.06
Deep Heritage		2.88	7.88
Hughes Precision Manufacturing Pvt Ltd (Receivable)		0.59	0.59
Hughes Precision Manufacturing Pvt Ltd (Payable)*		-	(0.31)

\* Negative figure denotes Credit balance

**36. OPERATING LEASE (Ind AS 17):**

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 15,390,434/- (Previous Year Rs. 13,657,048/-).

**37. Financial risk management objectives and policies:**

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2022 and March 31, 2021:

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

## Notes to Financial Statements

For the Year ended March 31, 2022

### i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2022 are as under:

Particulars	As at March 31, 2022		As at March 31, 2021	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
Assets (Receivables)	\$142,784.59	108.24	\$685,182.00	503.64
Liabilities (Payables)	€ 23,927.03	304.05	€ 23,927.03	180.96
	\$374,356.33		\$218,159.24	

### Foreign currency sensitivity:

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Changes in FCY Rate by:		Changes in FCY Rate by:	
	1.00%	-1.00%	1.00%	-1.00%
Effect on Profit before tax	-1.96	1.96	3.23	-3.23

### ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

### 38. Fair Value Measurement ( Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

Particulars	31-Mar-22	31-Mar-21
Financial Assets at amortized cost:		
Investments	1,600,938,496	1,600,938,496
Trade Receivables	29,781,156	69,944,410
Other Financial Assets	60,202,534	56,938,767
Cash & cash equivalents	15,220,577	5,979,258
Other Bank Balances	-	-
<b>Total Financial Assets</b>	<b>1,706,142,763</b>	<b>1,733,800,931</b>
Financial Liabilities at amortized cost:		
Borrowings	4,102,672	4,869,668
Other Financial Liabilities	41,889,675	79,453,471
Trade Payables	15,859,215	7,646,445
<b>Total Financial Liabilities</b>	<b>61,851,562</b>	<b>91,969,584</b>

## Notes to Financial Statements

For the Year ended March 31, 2022

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

### 39. Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees can purchase equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2021 have a vesting period of maximum 3 years from the date of grant.

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

SI No	Particulars	31-Mar-22	31-Mar-21
i)	Employee Stock Options Expenses	5,945,261	(1,216,453)
	<b>Total</b>	<b>5,945,261</b>	<b>(1,216,453)</b>

### 40. Managerial Remuneration

SI No	Particulars	31-Mar-22	31-Mar-21
i)	Salary and allowances	13,853,856	10,345,872
ii)	Contribution to Provident fund	108,144	574,128
	<b>Total</b>	<b>13,962,000</b>	<b>10,920,000</b>

The above amounts do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available. Also the above remuneration is excludes certain perquisites and allowances which are directly borne by Company.

Directors remuneration for the current year is sum of Rs.87.12 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 25th September 2019.

### 41. Commitments

(Amount in Rs.)

SI No	Particulars	March 31, 2022	31-Mar-21
i)	Warranty Costs on Software Sale	Not Quantified	Not Quantified
ii)	On account of Capital expenditure		
	a) Software under development	-	10,000,000
	b) Acquisition of immovable properties	20,000,000	20,000,000

### 42. Contingent Liabilities (to the extent of which not provided for)

(Amount in Rs.)

Particulars	March 31, 2022	March 31, 2021
Money for which the company is contingently liable:		
Bank Guarantee*	172,000	172,000
*Bank Guarantee issued to Canara Bank, Customer as per terms of contract.		

## Notes to Financial Statements

For the Year ended March 31, 2022

**Contingent Liabilities with respect to Income tax & Transfer Pricing demands in dispute (to the extent of which not provided for)**

Name of the statute	Nature of dues	Demand disputed (Amt.in Rs.)	Amount Paid Under Protest (Amt.in Rs.)	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	-	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer pricing	36,750,932	7,000,000	2010-11	Karnataka High Court
Income-tax Act, 1961	Transfer pricing	30,910,300	-	2011-12	Karnataka High Court
Income-tax Act, 1961	Income-tax and Transfer pricing	22,885,010	-	2012-13	CIT(A)
Income-tax Act, 1961	Income-tax	8,423,520	-	2013-14	AO to give effect to CIT (A) order
Income-tax Act, 1961	Income-tax and Transfer pricing	51,033,800	10,206,761	2014-15	CIT(A)
Income-tax Act, 1961	Income-tax	14,704,667	-	2017-18	CIT(A)

**43. a) Sundry Debtors includes the following amounts in respect of dues from Subsidiaries:**

(₹ in Lakhs.)

Particulars	March 31, 2022		March 31, 2021	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Izmo Inc.	-	-	-	33.18

**44.** The Company has filed an appeal before the Honourable High Court Of Karnataka against order of the ITAT for the AY 2010-11 & AY 2011-12 and the said appeals are pending for disposal as on Balance sheet date.

**Notes to Financial Statements**

For the Year ended March 31, 2022

**45. Additional Regulatory Information:****Ratios;**

Sl No	Ratio Name	Formula	FY 2021-22	FY 2020-21	% of change	Detailed Explanation for change (Where the change is 25% or more as compared to the immediately previous financial year)
i)	Current Ratio	Current Assets / Current Liabilities	1.28	1.15	11%	Not applicable
ii)	Debt Equity Ratio	Total Debt/ Shareholder's fund	0.45%	3.50%	-87%	The reduction is mainly due to reduction Edelweiss Loan dues settled in full during FY 2021-22
iii)	Debt Service Coverage Ratio	EBIT/ Interest+Principal	8.43%	22.78%	-63%	The reduction is mainly due to reduction in interest and Edelweiss Loan dues settled in full during FY 2021-22
iv)	Return on Equity Ratio(in %)	Net Earnings/ Shareholder's fund	0.06%	0.05%	27%	The reduction in ROE is due to decrease in net profit in current FY 2021-22
v)	Inventory Turnover ratio	Cost of Goods Sold / Average Inventory	-	-	-	Not applicable
v)	Trade Recievables Turnover Ratio	Net credit sales/ Avg Trade Recievables	5.98	1.86	221%	Increased due to significant reduction in Trade receivables on account of customer collection during Previous FY ( 2020-21).
vi)	Trade Payables Turnover Ratio	Net credit purchases / Avg Trade payables	0.69	0.28	146%	The Increase is mainly due to significant payments made to O/s Payables during previous FY (2020-21).
vii)	Net Capital Turnover Ratio	Net annual sales/ Working capital	13.00	15.40	-16%	Not applicable
viii)	Net Profit Ratio (in %)	Net profit/Sales	0.34%	0.29%	17%	Not applicable
ix)	Return on Capital Employed	EBIT/ Capital Employed	0.28%	0.62%	-55%	The reduction in EBIT is due to increase in employee benefit expenses during FY 2021-22
x)	Return on Investment (ROI)	Income generated from investments/ Time weighted average investments	-	-	-	Not applicable:Since, there is no any income generated from investments during FY 2021-22

## Notes to Financial Statements

For the Year ended March 31, 2022

### 46. Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

47. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

48. The proceedings haven't been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at the balance sheet date.

49. The company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) , including foreign entities (Intermediaries) nor received with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company/Funding party (Ultimate Beneficiaries).

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

50. The Company doesn't have any transaction 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), unless there is immunity for disclosure under any scheme as the balance sheet date.

51. The Company hasn't traded or invested in Crypto currency or Virtual Currency during the financial year.

52. Balances of Sundry Debtors, Loans & Advances are subject to reconciliation and confirmation.

53. All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to conform to the current year presentation.

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

## Independent Auditor's Report

To the Members of Izmo Limited

### Report on the Consolidated Financial Statements

#### Opinion

I have audited the accompanying consolidated financial statements of **Izmo Limited** (herein referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as the "consolidated financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

I have reviewed but not Audited the Financial Statements / Financial Information of the subsidiaries incorporated outside India. The Consolidated Financial Statements are as furnished and certified by the Management reflecting total net worth of INR. 252.31 Crores as at 31st March 2022 and total revenue from operations of INR. 132.43 Crores for the year ended. The Financial Statements of subsidiaries incorporated outside India are unaudited and have been certified by the Management.

#### Basis of Opinion

I have conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. My responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and I have fulfilled my other ethical responsibilities in accordance with the provisions of the Act. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in my professional judgment, were of most significance in my audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of my audit of the Consolidated Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicate in my report.

#### 1. (a) Adoption of Ind AS 115 – Revenue from Contracts with Customers

As described in Note 2(f)(i) to the Consolidated Financial Statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.

#### 1. (b) Auditor's Response

My audit procedures on adoption of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –

- Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;
- Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers

## Independent Auditor's Report

To the Members of Izmo Limited

and considered revenue recognition policy in the current period in respect of those revenue streams;

- Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;
- Evaluated the cumulative effect adjustments as at 1 April 2021 for compliance with the new revenue standard; and
- Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

I have reviewed but not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on adoption of IND AS 115 with respect to financial statements of subsidiaries incorporated outside India.

### 2. (a) Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates.

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. The estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

Refer Notes 2(f)(i) and 22 to the Consolidated Financial Statements.

### 2. (b) Auditor's Response

The Company has majority of Time and Material Contracts, where the revenue is determined based on the Milestones defined in the contracts based on Purchase Order.

I have verified the Contracts with the purchase order and are in line with the requirements.

My audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.

- Tested the access and application controls pertaining to time recording, allocation and which prevents unauthorized changes to recording of efforts incurred.
- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

I have reviewed but not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates with respect to financial statements of subsidiaries incorporated outside India.

### 3. (a) Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes Refer Notes 2(i) & 41 to the Consolidated Financial Statements.

### 3. (b) Auditor's Response

- Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from management.
- Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;
- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and
- Assessed management's estimate of the possible outcome of the disputed cases.

I have reviewed but not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Evaluation of uncertain tax positions if any with respect to subsidiaries incorporated outside India.



## Independent Auditor's Report

To the Members of Izmo Limited

### 4. (a) Receivables outstanding for more than 6 months & Confirmation of balances

The Company is of the opinion that Receivables are good in nature and will be realized with certainty in the subsequent period.

Refer Notes 10 & 46 to the Consolidated Financial Statements.

### 4. (b) Auditor's Response

- The Company must take necessary steps to receive the money within the timelines and keep receivables under control.
- The Debtors balances are subject to confirmation and reconciliation.

I have reviewed but not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Receivables outstanding for more than 6 months & Confirmation of balances with respect to subsidiaries incorporated outside India.

### Emphasis of Matter

As more fully described in Note. 41 & 43 to the Consolidated Financial Statements and in Point 3 of Key Audit Matters, the Company is responding to inquiries from Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain.

My opinion is not modified in respect of this matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report

To the Members of Izmo Limited

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

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

My objectives are to obtain reasonable assurance about whether the consolidated 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 consolidated financial statements.

As part of an audit in accordance with SAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 my 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. Under Section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the entity has adequate internal financial controls system in place 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If I conclude that a material uncertainty exists, I am required to draw

attention in my auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the audit of financial information of such entities.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

I communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which I am the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditor's Report

To the Members of Izmo Limited

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on my audit, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
- b) In my opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from my examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
- d) In my opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the company as on March 31, 2022, taken on record by the Board of Directors of the Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to my separate report in "Annexure A" which is based on the auditor's report of the Company and its subsidiary companies incorporated in India. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

- iv.

- (a) The Managements of the Company, have represented to me that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Independent Auditor's Report

To the Members of Izmo Limited

- (b) The Managements of the Company, have represented to me that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by me on the Company, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement. It should be noted that for the purpose of this clause components included in consolidated financial statements are foreign incorporated entities hence there is no subsidiaries identified in India.
- (v) The company has not declared or paid any dividend during the year.

### CA Guru Prakash V

Chartered Accountant

M. No: 228938

Place: Bangalore

Date: 28<sup>th</sup> May 2022

UDIN: 22228938AJUKQM7605

## Annexure A to the Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of **Izmo Limited** of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with my audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, I have audited the internal financial controls over financial reporting of **Izmo Limited** (herein referred to as 'the Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

## **Annexure A to the Auditor's Report**

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **CA Guru Prakash V**

Chartered Accountant

M. No.: 228938

Place: Bangalore

Date: 28<sup>th</sup> May 2022

UDIN: 22228938AJUKQM7605

**Consolidated Balance Sheet**

As at March 31, 2022

(Amount in Rs.)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	34,357,558	26,112,357
	(b) Capital work-in-progress	4	-	24,804,337
	(c) Investment Property	5	17,290,903	18,372,139
	(d) Other Intangible assets	6	2,236,610,398	2,121,391,083
	(e) Deferred tax assets	7	5,751,171	4,164,468
	(f) Other non-current assets	8	47,394,062	44,796,081
	<b>Total Non-current assets</b>		<b>2,341,404,092</b>	<b>2,239,640,465</b>
	<b>Current assets</b>			
	(a) Inventories	9	495,402	495,402
	(b) Financial assets			
	(i) Trade receivables	10	367,255,589	277,146,264
	(ii) Cash and cash equivalents	11	113,193,222	228,834,525
	(iii) Other financial assets	12	164,525,691	132,319,023
	<b>Total Current assets</b>		<b>645,469,904</b>	<b>638,795,214</b>
	<b>TOTAL ASSETS</b>		<b>2,986,873,996</b>	<b>2,878,435,679</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' funds</b>			
	(a) Share capital	13	133,588,730	131,916,730
	(b) Other equity	14	2,389,517,664	2,223,531,916
	<b>TOTAL EQUITY</b>		<b>2,523,106,394</b>	<b>2,355,448,646</b>
<b>II.</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	59,866,987	112,376,755
	(b) Provisions	16	27,745,420	24,338,833
	<b>Total Non-current liabilities</b>		<b>87,612,407</b>	<b>136,715,588</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables			
	(i) Micro and small enterprises, and	17	280,224	144,272
	(ii) Other than micro and small enterprises	17	32,268,681	38,274,468
	(ii) Other Financial Liabilities	18	39,745,734	80,001,757
	(b) Provisions	19	3,849,546	3,163,411
	(c) Other current liabilities	20	296,688,614	264,322,987
	(d) Current Tax Liabilities (Net)	21	3,322,396	364,550
	<b>Total Current liabilities</b>		<b>376,155,195</b>	<b>386,271,445</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,986,873,996</b>	<b>2,878,435,679</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
 Managing Director  
 DIN: 00609097  
 Place: Bangalore  
 Date: 28th May, 2022

**Shashi Soni**  
 Chairperson  
 DIN: 00609217

**Kiran Soni**  
 Chief Financial Officer

**Danish Reza**  
 Company Secretary

**Guru Prakash.V**  
 Chartered Accountant  
 Membership No. 228938

**Consolidated Statement of Profit and Loss**

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars		Note No.	Current Year		Previous Year	
I	Revenue from operations	22		1,324,311,806		1,161,430,892
II	Other income	23		55,022,952		227,980,739
<b>III</b>	<b>Total Income (I + II)</b>			<b>1,379,334,758</b>		<b>1,389,411,631</b>
<b>IV</b>	<b>Expenses:</b>					
	Purchases of stock in trade	24	8,139,879		21,874,470	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	25	-		-	
	Employee benefits expense	26		8,139,879		21,874,470
	Finance costs	27		565,398,287		467,594,072
	Depreciation and amortization expense	28		4,681,548		8,722,166
	Other expenses	29		124,778,423		220,611,459
	Other expenses	29		514,522,388		402,228,648
	<b>Total expenses</b>			<b>1,217,520,525</b>		<b>1,121,030,815</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>			<b>161,814,233</b>		<b>268,380,816</b>
VI	Exceptional Items	30		-		-
<b>VII</b>	<b>Profit before tax (V-VI)</b>			<b>161,814,233</b>		<b>268,380,816</b>
VIII	Tax expense:					
	Current tax		3,339,677		364,550	
	Taxes of earlier years		-		459,922	
	MAT Credit		(317,022)		-	
	Deferred tax		(1,586,703)		970,089	
				<b>1,435,952</b>		<b>1,794,561</b>
<b>IX</b>	<b>Profit for the year from continuing operations (VII - VIII)</b>			<b>160,378,281</b>		<b>266,586,255</b>
X	Profit/(loss) from discontinuing operations			-		-
XI	Tax expense of discontinuing operations			-		-
XII	Profit/(loss) from discontinuing operations (after tax) (X-XI)			-		-
<b>XIII</b>	<b>Profit for the year</b>			<b>160,378,281</b>		<b>266,586,255</b>
<b>XIV</b>	<b>Other comprehensive income</b>					
	<b>(I) Items that will not be reclassified to profit or loss</b>					
	a) Remeasurements of the defined benefit plans		(337,794)		(250,850)	
	b) Taxes on above		-		-	
	<b>(ii) Items that may be reclassified to profit or loss</b>					
	a) Mark to Market of Investments				-	
	b) Taxes on above			(337,794)		(250,850)
<b>XV</b>	<b>Total Comprehensive Income for the year (XIII + XIV)</b>			<b>160,040,487</b>		<b>266,335,405</b>
XVI	Earning per equity share before exceptional item:	31		12.04		20.38
	Basic & diluted (in ₹)					
	Earning per equity share after exceptional item:	32		12.04		20.38
	Basic & diluted (in ₹)					
	(Paid up value per share)			10.00		10.00
	<b>Significant accounting policies and notes attached form an integral part of the financial statements</b>					

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938



## Consolidated Cash Flow Statement

For the Year ended March 31, 2022

(Amount in Rs.)

	Particulars	March 31, 2022	March 31, 2021
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	<b>161,476,439</b>	<b>268,129,966</b>
	Adjustments for:		
	Depreciation	124,778,423	220,611,459
	Interest Expense	4,681,548	8,722,166
	Interest Income	(993,905)	(711,742)
	Rental Income	(5,107,762)	(6,750,258)
	Profit on Sale of Assets	-	(135,592)
	Employee stock option expenses	5,945,261	(1,216,453)
	Amortisation of deferred interest on Rent deposit Paid	-	111,613
	Interest income on rent deposits paid	-	(132,792)
	<b>Operating Profit Before Working Capital Changes</b>	<b>290,780,004</b>	<b>488,628,367</b>
	Movements in Working Capital :		
	(Increase)/Decrease in Trade Receivables	(90,109,324)	179,767,183
	(Increase)/Decrease in short term Loans and Advances	(34,804,649)	20,635,313
	Increase/(Decrease) in Current Liabilities and Provisions	(6,709,666)	(320,118,113)
	<b>Cash Generated from Operations</b>	<b>159,156,364</b>	<b>368,912,750</b>
	Direct Taxes paid (Net of Refunds)	(3,339,677)	(364,550)
	Taxes of earlier years	-	(459,922)
	MAT Credit	317,022	-
	<b>Net cash from Operating Activities</b>	<b>156,133,709</b>	<b>368,088,278</b>
<b>B.</b>	<b>Cash Flows from Investing Activities</b>		
	Purchase/Addition of Fixed Assets	(247,161,702)	(263,240,870)
	Capital Work-in-Progress	24,804,337	19,964,873
	Proceeds from Sale of Fixed Assets	-	372,887
	Rental Income	5,107,762	6,750,258
	Interest Received	993,905	711,742
	<b>Net cash used in Investing Activities</b>	<b>(216,255,697)</b>	<b>(235,441,111)</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Additional / (Repayment) of Long Term Borrowings	(52,509,767)	67,456,258
	Proceeds from issue of equity share capital (net of expenses)	1,672,000	1,245,000
	Interest paid	(4,681,548)	(8,722,166)
	<b>Net Cash used in Financing Activities</b>	<b>(55,519,315)</b>	<b>59,979,092</b>
	<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(115,641,303)</b>	<b>192,626,259</b>
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>228,834,525</b>	<b>36,208,266</b>
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>113,193,222</b>	<b>228,834,525</b>
	<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	Balances with Scheduled Banks		
	- In Current & other accounts	113,095,271	228,745,578
	Cash on Hand	97,951	88,948
		<b>113,193,222</b>	<b>228,834,525</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## 1. BACKGROUND:

IZMO LIMITED ("the Group") consists of companies operating in India, Europe, United States, Singapore and France. The group is engaged in interactive marketing solutions. The company offers hi-tech automotive e-retailing solutions.

## 2. SIGNIFICANT ACCOUNTING POLICIES:

### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statement represents the consolidated of Accounts of Izmo Limited with its subsidiaries as detailed below:

Sl No	Name	Country	Ownership/Control
1	Midrange Software Pte Ltd	Singapore	100%
2	Izmo Inc	USA	100%
3	Izmo Europe BVBA	Belgium	100% *
4	Izmo France SARL (Subsidiary of Groupe Izmo)	France	100%
5	Frog Data (Subsidiary of Izmo Inc Group, USA)	USA	100%
6	Groupe Izmo (Subsidiary of Izmo Inc Group, USA)	France	100%

\*Izmo Ltd along with its US subsidiary Izmo Inc, is holding 100% shareholding of Izmo Europe BVBA.

The financials statements of subsidiaries used in the consolidated are drawn up to the same reporting date as that of the parent company i.e., year ended 31.03.2022.

The financial statements of the Indian company are prepared in accordance with the Indian Accounting Standards followed in India. The financial statements of the subsidiary in Singapore are prepared in accordance with the Singapore Statement of Accounting Standards. The financial statements of the US subsidiaries are prepared in accordance with the accounting practices in the US. The financial statements of the subsidiary in Belgium are prepared in accordance with the accounting practices in Belgium. The effect of adoption of non-uniform accounting policies / practices has not been quantified.

Differences arising on account of change in the financial statement of the subsidiary for previous period, consequent to their finalization, as compared to the figure previously adopted for the purpose of consolidation are treated as a prior period item and related adjustments are carried out where necessary.

### b) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results to could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

### c) PROPERTY, PLANT AND EQUIPMENT:

#### (i) Tangible assets:

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

### (ii) Intangible assets:

Intangible assets are accounted at cost of acquisition less depreciation /amortization.

### (iii) Depreciation & Amortization:

a. Depreciation on PPE bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in Schedule II of the Act.

b. Intangible assets are amortized over a period of 2-5 years

### (iv) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives and is recognised in the statement of profit and loss. Depreciable investment properties have been ascribed a useful life in the range of 30 years.

### d. INVESTMENTS:

- (i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.
- (ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

### e. INVENTORIES:

- (i) Inventories does not include spare parts, servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .
- (ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.
- (iii) Work in progress is valued at works cost or net realizable value whichever is lower.
- (iv) Finished goods are valued at works cost or net realizable value whichever is lower.
- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

### f. REVENUE RECOGNITION:

Revenue is recognized to an extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### (i) "Revenue from Contract with Customer:

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements / arrangements. Performance obligations

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts / right of return, using the expected value method. A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer."

- (ii) Interest income is recognized on time proportion basis.
- (iii) Dividend income is recognized, when the right to receive the dividend is established.
- (iv) Rental income is recognized on time proportion basis.

## g. EMPLOYEE BENEFITS:

### (i) Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

### (ii) Post employment benefits:

#### a. Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid / payable under the scheme are recognized during the year in which employee renders the related service.

### b. Defined benefit plans:

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized in the statement of other comprehensive income in the year they arise. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.

### c. Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

### (iii) Share Based Payments:

Share-based compensation benefits are provided to employees via the IZMO Limited Employee Stock Option Plan.

The fair value of options granted under the Employees' Stock Option Scheme is recognised as an employee benefits expense with a

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### h. FOREIGN CURRENCY TRANSACTIONS:

- (i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.
- (ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.
- (iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.
- (iv) The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognised in the the statement of comprehensive income
- Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

### i. TAXES ON INCOME:

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115 JB of the Income Tax Act, 1961 after taking cognizance of excess / short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets / liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement".

### j. BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## k. PROVISIONS AND CONTINGENT LIABILITIES:

- (i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

## l. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

## m. FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

## (i) Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash and deposit with banks. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## (ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and 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.

## (iii) Financial assets at fair value through other comprehensive income (FVTOCI)

All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets which are not classified in any of the categories above are fair value through profit or loss.

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### n. IMPAIRMENT:

#### (i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### (ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

### o. LEASES:

#### (i) Operating leases

##### Where the Company is Lessee:

- 1) The Company's lease asset classes primarily consist of lease rentals for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract 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 Company assesses whether:

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

- 2) At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
- 3) Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
- 4) Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
- 5) The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## (ii) Finance leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other financial liabilities. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liabilities included in Non-current liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(iii) Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to its operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

## p. SEGMENT REPORTING:

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.



## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

### 3. Property plant and equipment: Tangible assets

(Amount in Rs.)

Particulars	Land	Computers	Plant & Machinery	Office Equipments	Electrical Installations	Furniture and Fittings	Leasehold Improvements	Motor vehicles	Total
<b>Gross Block:</b>									
Balance as at 31 March 2020	4,674,279	60,914,037	7,102,808	84,782,257	10,099,729	15,302,010	17,290,093	17,225,701	217,390,914
Additions	-	1,608,551	-	1,722,851	1,108,956	1,319,699	-	2,379,523	8,139,580
Disposals	-	237,295	-	-	-	-	-	2,175,000	2,412,295
<b>Balance as at 31 March 2021</b>	<b>4,674,279</b>	<b>62,285,293</b>	<b>7,102,808</b>	<b>86,505,108</b>	<b>11,208,685</b>	<b>16,621,709</b>	<b>17,290,093</b>	<b>17,430,224</b>	<b>223,118,199</b>
Additions	-	8,727,770	-	4,309,968	286,000	575,688	-	3,325,000	17,224,426
Disposals	-	1,168,379	-	-	-	-	-	-	1,168,379
<b>Balance as at 31 March 2022</b>	<b>4,674,279</b>	<b>69,844,685</b>	<b>7,102,808</b>	<b>90,815,076</b>	<b>11,494,685</b>	<b>17,197,397</b>	<b>17,290,093</b>	<b>20,755,224</b>	<b>239,174,246</b>
<b>Accumulated depreciation</b>									
Balance as at 31 March 2020	-	55,895,705	6,986,699	83,949,445	7,700,598	11,270,068	17,110,554	8,750,325	191,663,393
Depreciation charge for the year	-	2,646,376	19,854	1,592,249	532,474	830,059	37,801	1,858,636	7,517,449
Disposals	-	-	-	-	-	-	-	2,175,000	2,175,000
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>58,542,081</b>	<b>7,006,553</b>	<b>85,541,694</b>	<b>8,233,071</b>	<b>12,100,127</b>	<b>17,148,356</b>	<b>8,433,960</b>	<b>197,005,842</b>
Depreciation charge for the Year	-	3,180,643	19,854	2,450,339	499,612	861,725	37,801	1,929,251	8,979,224
Disposals	-	1,168,379	-	-	-	-	-	-	1,168,379
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>60,554,345</b>	<b>7,026,407</b>	<b>87,992,032</b>	<b>8,732,683</b>	<b>12,961,852</b>	<b>17,186,157</b>	<b>10,363,211</b>	<b>204,816,687</b>
<b>Net block</b>									
Balance as at 31 March 2021	4,674,279	3,743,212	96,255	963,414	2,975,614	4,521,582	141,737	8,996,264	26,112,357
<b>Balance as at 31 March 2022</b>	<b>4,674,279</b>	<b>9,290,339</b>	<b>76,401</b>	<b>2,823,044</b>	<b>2,762,002</b>	<b>4,235,545</b>	<b>103,936</b>	<b>10,392,014</b>	<b>34,357,558</b>

#### Additional information:

- Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.
- The company doesn't have title deeds which are held other than in the company's name as at the balance sheet date.

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>4. Intangible Assets under development:</b>		
a) Software	-	24,804,337
<b>Total</b>	<b>-</b>	<b>24,804,337</b>

## Intangible assets under development aging schedule:

(Amount in Rs.)

Intangible assets under development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1 Projects in progress (CY)	-	-	-	-	-
Projects in progress (PY)	-	-	24,804,337	-	24,804,337
2 Projects temporarily suspended (CY)	-	-	-	-	-
Projects temporarily suspended (PY)	-	-	-	-	-

## 5. Investment Property

(Amount in Rs.)

Particulars	Building
<b>Gross block</b>	
Balance as at 31 March 2020	61,484,949
Additions	-
Balance as at 31 March 2021	61,484,949
Additions	-
<b>Balance as at 31 March 2022</b>	<b>61,484,949</b>
<b>Accumulated depreciation:</b>	
Balance as at 31 March 2020	42,031,574
Amortisation charge for the year	1,081,236
Balance as at 31 March 2021	43,112,810
Amortisation charge for the year	1,081,236
<b>Balance as at 31 March 2022</b>	<b>44,194,047</b>
<b>Net block</b>	
Balance as at 31 March 2021	18,372,139
<b>Balance as at 31 March 2022</b>	<b>17,290,903</b>

- i) Fair market value of Building at Rs. 28,65,50,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on 31st March, 2020 and the Company is of the opinion that the fair value as on 31st March, 2022 will also be the same.
- ii) The Company has not revalued its Property, Plant and Equipment(including Right - of Use Assets), intangible assets and investment property as at the balance sheet date.

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

### 6. Other Intangible Assets

(Amount in Rs.)

Particulars	Computer software	Technical Know-how	Intellectual property	Total
<b>Gross block:</b>				
Balance as at 31 March 2020	292,442,853	2,908,496,274	218,226,317	3,449,866,670
Additions	79,961,016	175,140,274	-	255,101,290
Disposals	58,418,290	-	-	58,418,290
Balance as at 31 March 2021	313,985,579	3,083,636,548	218,226,317	3,646,549,670
Additions	60,273,140	169,664,192	-	229,937,333
Disposals	73,771,914	-	-	73,771,914
<b>Balance as at 31 March 2022</b>	<b>300,486,806</b>	<b>3,253,300,740</b>	<b>218,226,317</b>	<b>3,802,715,089</b>
<b>Accumulated amortisation:</b>				
Balance as at 31 March 2020	227,242,137	896,193,256	217,427,487	1,371,564,106
Amortisation charge for the year	69,756,163	142,256,610	-	212,012,771
Disposals	58,418,290	-	-	58,418,290
Balance as at 31 March 2021	238,580,009	1,038,449,866	217,427,487	1,525,158,587
Amortisation charge for the year	64,657,278	50,060,684	-	114,717,960
Disposals	73,771,857	-	-	73,771,857
<b>Balance as at 31 March 2022</b>	<b>229,465,430</b>	<b>1,088,510,550</b>	<b>217,427,487</b>	<b>1,566,104,690</b>
<b>Net block:</b>				
Balance as at 31 March 2021	75,405,570	2,045,186,682	798,830	2,121,391,083
<b>Balance as at 31 March 2022</b>	<b>71,021,375</b>	<b>2,164,790,190</b>	<b>798,830</b>	<b>2,236,610,398</b>

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>7. Deferred tax Assets (Net):</b>		
<b>a) Deferred tax liability:</b>		
i) On account of depreciation on fixed assets ( other than land)	-	-
ii) On account of fair valuation of investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>b) Deferred tax asset:</b>		
i) On account of depreciation on fixed assets (other than land)	5,751,171	4,164,468
ii) On account of timing differences in recognition of expenditure	-	-
<b>Total</b>	<b>5,751,171</b>	<b>4,164,468</b>
<b>Net Deferred tax (liability)/asset</b>	<b>5,751,171</b>	<b>4,164,468</b>
<b>8. Other non current assets:</b>		
(unsecured and considered good)		
a) Balances with revenue authorities	18,462,664	18,852,175
b) Advance payment of tax (net)	17,206,397	14,218,906
c) Capital advances	11,725,000	11,725,000
	<b>47,394,062</b>	<b>44,796,081</b>
Less: Allowance for bad and doubtful receivables	-	-
<b>Total</b>	<b>47,394,062</b>	<b>44,796,081</b>

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>9. Inventories:</b>		
a) Finished goods	495,402	495,402
<b>Total</b>	<b>495,402</b>	<b>495,402</b>
<b>10. Trade receivables:</b>		
a) Trade receivables exceeding six months	23,149,063	32,103,735
b) others	345,263,253	245,376,598
<b>Total</b>	<b>368,412,316</b>	<b>277,480,332</b>
Less: Allowance for doubtful receivables exceeding six months	1,156,727	334,068
<b>Total</b>	<b>367,255,589</b>	<b>277,146,264</b>

## Additional information:

1) Trade Receivables ageing schedule:

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	344,106,525	5,263,555	9,665,969	6,779,797	1,439,741	367,255,589
(ii) Undisputed Trade Receivables – considered doubtful	1,156,727	-	-	-	-	1,156,727
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>345,263,253</b>	<b>5,263,555</b>	<b>9,665,969</b>	<b>6,779,797</b>	<b>1,439,741</b>	<b>368,412,316</b>
2) Breakup of above:						
a) Secured, considered good					-	-
b) Unsecured, considered good					367,255,589	277,146,264
c) Doubtful					1,156,727	334,068
<b>Total</b>					<b>368,412,316</b>	<b>277,480,332</b>
Less: Allowance for expected credit loss					1,156,727	334,068
<b>Total</b>					<b>367,255,589</b>	<b>277,146,264</b>
3) a) Debts due by directors or other officers of the company					-	-
b) Amounts due by Private Companies in which directors of the Company are directors					10,083,973	5,714,363

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

<b>11. Cash and Cash Equivalents:</b>		
a) Balances with banks - in other accounts	113,095,271	228,745,578
b) Cash on hand	97,951	88,948
<b>Total</b>	<b>113,193,222</b>	<b>228,834,525</b>
<b>12. Other Financial Assets:</b>		
a) Loans and advances	135,300,537	109,909,702
b) Others	29,225,154	22,409,321
<b>Total</b>	<b>164,525,691</b>	<b>132,319,023</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others	-	-
<b>Total</b>	<b>164,525,691</b>	<b>132,319,023</b>

### Additional information:

1) Disclosures of Promoters, Directors, KMPs & Related parties :

Types of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	
a) Promoters	-	-	-
b) Directors	-	-	-
c) KMPs	-	-	-
d) Related Parties	-	-	-
2) Breakup of above:			
a) Secured, considered good		-	-
b) Unsecured, considered good		164,525,691	132,319,023
c) Doubtful		-	-
<b>Total</b>		<b>164,525,691</b>	<b>132,319,023</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others		-	-
<b>Total</b>		<b>164,525,691</b>	<b>132,319,023</b>
3) a) Debts due by directors or other officers of the company		-	-
b) Amounts due by Private Companies in which directors of the Company are directors		17,185,573	12,979,338

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

Particulars		As at March 31, 2022		As at March 31, 2021	
		Nos.	Amt in Rs.	Nos.	Amt in Rs.
<b>13.</b>	<b>Share capital:</b>				
	Authorized:				
	Equity shares of Rs. 10/- each	18,000,000	180,000,000	18,000,000	180,000,000
		<b>18,000,000</b>	<b>180,000,000</b>	<b>18,000,000</b>	<b>180,000,000</b>
	Issued, subscribed and fully paid up:				
	Equity shares of Rs.10/- each				
	At the beginning of the year	13,191,673	131,916,730	13,067,173	130,671,730
	Issued during the year				
	- by way of conversion of loan into fully paid up equity shares	-	-	-	-
	- by way of Employee Stock Options	167,200	1,672,000	124,500	1,245,000
	At the end of the year	<b>13,358,873</b>	<b>133,588,730</b>	<b>13,191,673</b>	<b>131,916,730</b>
	<b>Total carried to Balance Sheet</b>		<b>133,588,730</b>		<b>131,916,730</b>

**a) Particulars of equity share holders holding more than 5% of the total number of equity share capital:**

Particulars		As at March 31, 2022		As at March 31, 2021	
		No. of Shares	Percentage	No. of Shares	Percentage
(i)	Sanjay Soni	-	-	2,771,613	21.01%
(ii)	Shashi Soni	1,559,411	11.67%	687,787	5.21%
(iii)	Kiran Soni	1,722,552	12.89%	-	-

**b) Disclosure of Promoters Shareholding Pattern:**

Shares held by promoters at the end of the year 2021-22				% Change during the year 2021-22
Sl No.	Promoter name	As at March 31, 2022		
		No. of Shares	%of total shares	
(i)	Sanjay Soni	550,661	4.12%	-16.89%
(ii)	Shashi Soni	1,559,411	11.67%	6.46%
(iii)	Kiran Soni	1,722,552	12.89%	10.43%
	<b>Total</b>	<b>3,832,624</b>	<b>28.69%</b>	<b>0.00%</b>

**c) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2022) pursuant to contracts without payment being received in cash**

Particulars	No.of Shares
Shares issued upon conversion of borrowings	-

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

### 14. Other Equity

Particulars	Other Equity							Other Comprehensive Income			Total Other equity
	Share premium	General Reserve	Legal Reserve	Retained earnings	ESOP Outstanding Account	Total (A)	Items that will be reclassified to profit or loss		Total(B)		
							Items that will be reclassified to profit or loss	Actuarial gains/(losses) of employee benefits			
<b>Total as at March 31, 2020</b>	<b>1,489,474,620</b>	<b>6,339,532</b>	<b>-</b>	<b>443,746,640</b>	<b>13,307,840</b>	<b>1,952,646,744</b>	<b>-</b>	<b>5,766,220</b>	<b>5,766,220</b>	<b>1,958,412,964</b>	
Add/(Less): Profit for the year	-	-	-	266,586,255	-	266,586,255	-	-	-	266,586,255	
Add/(Less): On account of new issue	4,313,925	-	-	-	(4,313,925)	-	-	-	-	-	
Add/(Less): Reclassification:	-	-	344,400	(344,440)	-	-	-	-	-	-	
Add/(Less): On account of ESOP	-	-	-	-	(1,216,453)	(1,216,453)	-	-	-	(1,216,453)	
Add/(Less): Ind AS adjustments *	-	-	-	-	-	-	-	(250,850)	(250,850)	(250,850)	
<b>Total as at March 31, 2021</b>	<b>1,493,788,545</b>	<b>6,339,532</b>	<b>344,400</b>	<b>709,988,495</b>	<b>7,777,462</b>	<b>2,218,016,546</b>	<b>-</b>	<b>5,515,370</b>	<b>5,515,370</b>	<b>2,223,531,916</b>	
Add/(Less): Profit for the Year	-	-	-	160,378,281	-	160,378,281	-	-	-	160,378,281	
Add/(Less): On account of new issue	7,002,080	-	-	-	(7,002,080)	-	-	-	-	-	
Add/(Less): On account of ESOP	-	-	-	-	5,945,261	5,945,261	-	-	-	5,945,261	
Add/(Less): Ind AS adjustments *	-	-	-	-	-	-	-	(337,794)	(337,794)	(337,794)	
<b>Total as at March 31, 2022</b>	<b>1,500,790,625</b>	<b>6,339,532</b>	<b>344,400</b>	<b>870,366,776</b>	<b>6,720,643</b>	<b>2,384,340,088</b>	<b>-</b>	<b>5,177,576</b>	<b>5,177,576</b>	<b>2,389,517,664</b>	

\* Ind-AS Reclassification

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current Liabilities</b>		
<b>15. Borrowings:</b>		
<b>i) Secured loans:</b>		
a. Loan from Banks/Financial Institutions	91,757,747	184,039,828
Less: Current maturities on loan from banks	31,890,760	71,663,073
<b>ii) Unsecured loans:</b>	<b>59,866,987</b>	<b>112,376,755</b>
b. Deferred Payment Liabilities	-	-
Less: Current maturities	-	-
<b>Total Borrowings (I+II)</b>	<b>59,866,987</b>	<b>112,376,755</b>
<b>Additional information:</b>		
<b>1) Details of security for secured loans:</b>		
i) Vehicle Loan from bank / financial institution secured against the hypothecation of the respective vehicles purchased	7,663,803	7,820,943
ii) Term loan from Financial Institution is secured against immovable property and second charge on moveable assets and personal guarantee by Promoter Directors.	84,093,944	176,218,885
<b>2) Terms of repayment of term loans and others</b>		
<b>From Bank:</b>		
i) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% / 8.93% per annum and repayable up to 60 equal monthly instalments.		
ii) Term Loan carries floating interest rate linked to SBI -3 year MCLR rate / 0.75% / 1.50% per annum.		
3) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.		
4) The company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period as at the balance sheet date.		
<b>5) Period and amount of continuing default as on Balance sheet date</b>		
i) In respect of Loan repayment and Interest:		
	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
Term Loans		
- from Banks	-	-
- from Banks	-	-

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-Current Liabilities</b>		
<b>16. Provisions:</b>		
a) For employee defined benefit plans	18,797,064	16,601,691
b) For employee compensatory absences	8,948,356	7,737,142
<b>Total</b>	<b>27,745,420</b>	<b>24,338,833</b>



## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Liabilities</b>		
<b>17. Trade payables:</b>		
a) Total outstanding dues of micro and small enterprises	280,224	144,272
b) Total outstanding dues of creditors other than micro and small enterprises	32,268,681	38,274,468
<b>Total</b>	<b>32,548,905</b>	<b>38,418,740</b>

### Additional Information:

#### 1). Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) MSME	280,224	-	-	-	280,224
(ii) Others	28,538,769	1,482,684	11,566	2,235,663	32,268,681
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>28,818,993</b>	<b>1,482,684</b>	<b>11,566</b>	<b>2,235,663</b>	<b>32,548,905</b>

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSME Act'). Accordingly, the disclosure in respect of amounts payable to such enterprises as at 31 March 2021 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The disclosures as required under section 22 of MSMED Act, 2006 under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises is as below:

SI No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Principal amount due and remaining unpaid	280,224	144,272
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>18. Other Financial Liabilities:</b>		
a) Current maturities of secured loan from bank	31,890,761	71,663,073
b) Refundable Security deposits from Lessee	7,854,973	8,338,684
<b>Total</b>	<b>39,745,734</b>	<b>80,001,757</b>
<b>19. Provisions:</b>		
a) Provision for short term compensated absences	1,276,324	1,036,869
b) Provision for Gratuity	2,573,222	2,126,542
<b>Total</b>	<b>3,849,546</b>	<b>3,163,411</b>
<b>20. Other current liabilities:</b>		
a) Accrued Expenses and other liabilities	130,769,760	120,371,537
b) Statutory Dues	18,264,441	17,639,510
c) Deferred Income	147,654,412	126,311,940
<b>Total</b>	<b>296,688,614</b>	<b>264,322,987</b>
<b>21. Current Tax Liabilities (Net):</b>		
a) Provision for tax (net of advance tax outside India)	3,322,396	364,550
<b>Total</b>	<b>3,322,396</b>	<b>364,550</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>22. Revenue from operations:</b>		
<b>Software Sales &amp; Services:</b>		
Domestic	20,047,419	33,451,824
Exports	1,304,264,387	1,127,979,068
<b>Total</b>	<b>1,324,311,806</b>	<b>1,161,430,892</b>
<b>23. Other income:</b>		
a) Interest Income	993,905	711,742
b) Maintenance Charges Income	-	700,552
c) Miscellaneous Income	43,504,010	218,849,804
d) Profit on sale of Assets	-	135,592
e) Support Service Income	600,000	700,000
f) Rental Income	5,107,762	6,750,258
g) Exchange fluctuation gain	4,817,275	-
h) Interest income on rent deposits paid	-	132,792
<b>Total</b>	<b>55,022,952</b>	<b>227,980,739</b>
<b>24. Cost of Purchase:</b>		
a) Cost of Purchase for Resale	8,139,879	21,874,470
b) Custom Duty	-	-
<b>Total</b>	<b>8,139,879</b>	<b>21,874,470</b>
<b>25. Changes in inventories of stock in trade:</b>		
Stocks at the end of the year		
a) Trading goods		
Stock in Trade	495,402	495,402
<b>Total</b>	<b>495,402</b>	<b>495,402</b>
Less: Stocks at the beginning of the year		
a) Trading goods		
Stock in Trade	495,402	495,402
<b>Total</b>	<b>495,402</b>	<b>495,402</b>
<b>Total</b>	-	-
<b>26. Employee benefit expenses:</b>		
a) Salaries , wages and bonus	551,878,336	462,009,187
b) Contribution to provident and other funds	7,027,745	6,610,372
c) Employee stock option expenses	5,945,261	(1,216,453)
d) Staff welfare expenses	884,739	441,816
e) Reclassification of Actuarial gains/ losses	(337,794)	(250,850)
<b>Total</b>	<b>565,398,287</b>	<b>467,594,072</b>

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>27. Finance costs:</b>		
a) Interest expense	4,681,548	8,722,166
b) Other borrowing costs	-	-
<b>Total</b>	<b>4,681,548</b>	<b>8,722,166</b>
<b>28. Depreciation and amortization:</b>		
a) Depreciation	10,060,461	8,598,686
b) Amortization of intangible assets	114,717,962	212,012,773
<b>Total</b>	<b>124,778,423</b>	<b>220,611,459</b>
<b>29. Other expenses:</b>		
a) Advertisement Expenses	16,283,461	22,622,619
b) Payment to auditors		
- as auditor	300,000	300,000
- for taxation matters	100,000	100,000
c) Bank Charges	7,657,023	6,012,715
d) Bad Debts Written-Off	6,853,270	15,522,336
e) Business Promotion Charges	6,956,542	1,779,834
f) Commission on Sales	1,649,821	1,088,971
g) Consultancy Charges	245,154,411	226,043,926
h) Directors sitting fees	1,100,000	1,200,000
i) Insurance	7,510,153	4,808,000
j) Listing Fees	601,545	676,397
k) Membership & Subscription	16,367	340,629
l) Miscellaneous Expenses	2,432,033	948,861
m) Office Expenses	5,331,745	3,859,255
n) Postage and Communication expenses	21,357,125	9,226,928
o) Power & Fuel	2,435,985	2,744,199
p) Printing & Stationery	165,765	175,298
q) Professional Fees	83,804,702	30,291,828
r) Rates & Taxes	5,614,443	5,186,070
s) Rent	57,454,200	38,625,937
t) Repairs & Maintenance Buildings	13,914,666	4,479,887
u) Security Charges	1,189,683	1,153,704
v) Travelling & Conveyance	24,040,845	13,985,122
w) Vehicle Maintenance	2,598,603	1,170,701
x) Preliminary Exp W/off	-	593,280
y) Amortisation of deferred interest on Rent deposit paid	-	111,613
z) Foreign Exchange Loss	-	9,180,538
<b>Total</b>	<b>514,522,388</b>	<b>402,228,648</b>
<b>30. Exceptional Items</b>	-	-
<b>Total</b>	-	-

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

(Amount in Rs.)

Particulars	2021-22	2020-21
<b>31. Additional Information:</b>		
<b>a) Value of Imports calculated on CIF basis:</b>		
i) Purchases of Stock in Trade	189,700	437,823
ii) Capital goods	-	-
<b>b) Expenditure in foreign currency: (net of withholding tax)</b>		
i) Purchases	189,700	437,823
ii) Foreign travel	940,380	468,652
<b>c) Details of non-resident shareholdings</b>		
i) Number of nonresident share holders	231	145
ii) Number of shares held by nonresident shareholders	292,713	411,011
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
<b>d) Earnings in foreign exchange:</b>		
i) Software Exports & Consultancy	1,304,264,387	1,127,979,068
<b>32. Earnings per share:</b>		
<b>(Basic and diluted)</b>		
Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
<b>(a) Before exceptional item</b>		
Profit for the year after tax expense	160,378,281	266,586,255
Weighted average number of equity shares	13,317,188	13,083,546
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	12.04	20.38
<b>(b) After exceptional item</b>		
Profit for the year after tax expense	160,378,281	266,586,255
Add: Preference dividend payable including dividend tax	-	-
<b>Total</b>	<b>160,378,281</b>	<b>266,586,255</b>
Weighted average number of equity shares	13,317,188	13,083,546
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	12.04	20.38
(*) Effect of potential equity shares is antidilutive		

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## 33. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

### (a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under:

(Amount in Rs.)

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to provident & pension funds	7,027,745	6,610,372

### (b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust and leave encashment is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(Rs. In lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2022		March 31, 2021	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	187.29	87.74	161.86	69.64
Current Service Cost (*)	23.64	-	21.98	-
Interest Cost	12.64	4.94	10.55	4.05
Actuarial (gain)/ loss	(3.38)	39.85	(2.51)	30.50
Benefits Paid	(6.48)	(30.29)	(4.59)	(16.45)
Defined Benefit obligation at end of the year	213.71	102.24	187.29	87.74
<b>2. Reconciliation of opening and closing balance of fair value of plan assets:</b>				
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	-	-	-	-
Present value of obligation	213.71	102.24	187.29	87.74
Amount recognized in Balance Sheet under liabilities:	213.71	102.24	187.29	87.74

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

Expense recognized during the year: (under "Note 26" "Employee Benefit Expenses" in the Statement of Profit and Loss)	March 31, 2022		March 31, 2021	
	<b>In Income Statement:</b>			
Current Service Cost	23.64	-	21.98	-
Interest Cost	12.64	4.94	10.55	4.05
Expected return on plan assets	-	-	-	-
<b>In Other Comprehensive Income:</b>				
Actuarial (gain)/ loss	(3.38)	39.85	6.91	30.50
Net Cost	32.90	44.80	39.44	34.55
<b>Actuarial assumptions:</b>	<b>March 31, 2022</b>		<b>March 31, 2021</b>	
<b>Mortality Table</b>	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)
Discount rate (per annum)	7.24%	7.19%	6.87%	6.81%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

(\*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

### (c) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

(Rs. In lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	222.00	205.95	194.89	180.19
Change in rate of salary increase (delta effect of +/- 1.0%)	206.96	220.78	180.89	194.07
Change in rate of Mortality (delta effect of +/- 0.5%)	213.68	213.72	187.27	187.29
Change in rate of Attrition (delta effect of +/- 0.5%)	213.61	213.78	187.38	187.19

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan 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.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## 34. RELATED PARTY TRANSACTIONS:

### (a) Name of related parties and description of relationship where controls exists:

Sl. No	Name of the Related Party	Relationship
1	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni Mr. Danish Reza	Key Management Personnel and their relatives ("KMP")
2	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited,India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited,India Hughes Precision Manufacturing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence

### (b) Transactions with the related parties

(Rs. in Lakhs)

Sl. No	Particulars	Relationship	Current Year	Previous Year
1	<b>Purchase of goods and services/ reimbursements/Other receipts</b>			
	Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	14.85	14.68
	Hughes Precision Manufacturing Pvt Ltd		10.06	12.53
2	<b>Rental Income:</b>			
	Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	38.62	35.76
	Hughes Precision Manufacturing Pvt Ltd		15.31	15.61
3	<b>Remuneration paid:</b>			
	Mrs. Shashi Soni	KMP	22.50	15.00
	Mr. Sanjay Soni	KMP	87.12	79.20
	Mrs. Kiran Soni	KMP	30.00	30.00
	Mr. Danish Reza	KMP	9.03	8.08



## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

**(c) Outstanding balances at the end of the year:**

(Rs. in Lakhs)

	Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
	Si2 Microsystems Private Limited, India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	269.23	178.82
	Deep Heritage		2.88	7.88
	Hughes Precision Manufacturing Pvt Ltd		0.59	0.59
	Hughes Precision Manufacturing Pvt Ltd (Payable)		-	(0.31)

### 35. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 5,74,54,200/- (Previous Year Rs. 3,86,25,937/-).

### 36. Financial risk management objectives and policies:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2022 and March 31, 2021

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021 including the effect of hedge accounting.

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

## i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

## ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

## 37. Fair Value Measurement ( Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

Particulars	March 31, 2022	March 31, 2021
Financial Assets at amortized cost:		
Investments	-	-
Trade Receivables	367,255,589	277,146,264
Other Financial Assets	164,525,691	132,319,023
Cash & cash equivalents	113,193,222	228,834,525
<b>Total Financial Assets</b>	<b>644,974,502</b>	<b>638,299,812</b>
Financial Liabilities at amortized cost:		
Borrowings	59,866,987	112,376,755
Other Financial Liabilities	39,745,734	80,001,757
Trade Payables	32,268,681	38,274,468
<b>Total Financial Liabilities</b>	<b>131,881,402</b>	<b>230,652,980</b>

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

## 38. Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees can purchase equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2021 have a vesting period of maximum 3 years from the date of grant.

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

SI No.	Particulars	March 31, 2022	March 31, 2021
i)	Employee Stock Options Expenses	5,945,261	(1,216,453)
	<b>Total</b>	<b>5,945,261</b>	<b>(1,216,453)</b>

### 39. Managerial Remuneration

SI No.	Particulars	March 31, 2022	March 31, 2021
i)	Salary and allowances	13,853,856	10,345,872
ii)	Contribution to Provident fund	108,144	574,128
	<b>Total</b>	<b>13,962,000</b>	<b>10,920,000</b>

The above amounts do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available. Also the above remuneration is excludes certain perquisites and allowances which are directly borne by Company.

Directors remuneration for the current year is sum of Rs. 87.12 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 25th September 2019.

### 40. Commitments

(Amount in Rs.)

SI No.	Particulars	March 31, 2022	March 31, 2021
i)	<b>Warranty Costs on Software Sale</b>	<b>Not Quantified</b>	<b>Not Quantified</b>
	On account of Capital expenditure:		
	a) Software under development	-	10,000,000
	b) Acquisition of immovable properties	20,000,000	20,000,000

### 41. Contingent Liabilities (to the extent of which not provided for)

(Amount in Rs.)

Particulars	March 31, 2022	March 31, 2021
Money for which the company is contingently liable:		
Bank Guarantee*	172,000	172,000
*Bank Guarantee issued to Canara Bank, Customer as per terms of contract.		

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

Contingent Liabilities with respect to Income tax & Transfer Pricing demands in dispute (to the extent of which not provided for)

Name of the statute	Nature of dues	Demand disputed (Amt.in Rs.)	Amount Paid Under Protest (Amt.in Rs.)	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	NIL	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer pricing	36,750,932	7,000,000	2010-11	Karnataka High Court
Income-tax Act, 1961	Transfer pricing	30,910,300	-	2011-12	Karnataka High Court
Income-tax Act, 1961	Income-tax and Transfer pricing	22,885,010	-	2012-13	CIT(A)
Income-tax Act, 1961	Income-tax	8,423,520	-	2013-14	AO to give effect to CIT (A) order
Income-tax Act, 1961	Income-tax and Transfer pricing	51,033,800	10,206,761	2014-15	CIT(A)
Income-tax Act, 1961	Income-tax	14,704,667	-	2017-18	CIT(A)

## 42. Segment Reporting

### Primary Segments

Based on the guiding principles in Indian Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India, classification by geographic segment are the primary reportable segments, comprising of:

- i) Export
- ii) Domestic

(Rs. in Lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Revenue:</b>		
Export *	13,042.64	11,279.79
Domestic *	200.47	334.52
<b>Net Income from Operations</b>	<b>13,243.12</b>	<b>11,614.31</b>
<b>Add: Income from Exceptional Items/Other Income</b>	<b>550.23</b>	<b>2,279.81</b>
Profit before Depreciation/Tax/Interest/Amortization :		
-from Exports	2,486.37	2,806.73
-from Domestic*	(33.99)	(49.27)
Income from Exceptional Items/Other Income	550.23	2,279.81
<b>Total</b>	<b>3,002.61</b>	<b>5,037.27</b>
Less: (1) Interest	123.39	147.35
(2) Depreciation/Amortization	1,247.78	2,206.11
<b>Profit Before Taxation</b>	<b>1,631.44</b>	<b>2,683.80</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

### Segmental Capital Employed:

Assets and Liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly no disclosure relating to segments assets and liabilities are made.

43. The Company has filed an appeal before the Honourable High Court Of Karnataka against order of the ITAT for the AY 2010-11 & AY 2011-12 and the said appeals are pending for disposal as on Balance sheet date.

### 44. Impact of COVID-19 on Business:

The management has considered the possible effects that may result from the Covid-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the company. The company has internally performed sensitivity analysis on the assumptions used and based on the current estimates, the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has also estimated the future cashflows for the company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on its ability to continue as going concern and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from the estimated as at the date of approval of these financial statements.

45. The inter company (between holding and subsidiaries and intra-subsidiary) balances as at 31.03.2022 are subject to reconciliation.

46. a) Balances of Sundry Debtors, Loans & Advances are subject to reconciliation and confirmation.

b) Sundry Debtors includes a sum of Rs. 2.31 Crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date. These overseas receivables are certainly collectible, since we have continuing business relationship based on service agreement entered into. This is getting recovered subsequently during FY 2022-23.

c) Sundry Debtors more than 180 days is computed from the date it is due for payment.

47. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

48. The proceedings haven't been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at the balance sheet date.

49. The company has neither advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) , including foreign entities (Intermediaries) nor received with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company/Funding party (Ultimate Beneficiaries).

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

# Notes to Consolidated Financial Statements

For the Year ended March 31, 2022

- 50.** The Company doesn't have any transaction 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), unless there is immunity for disclosure under any scheme as the balance sheet date.
- 51.** The Company hasn't traded or invested in Crypto currency or Virtual Currency during the financial year.
- 52.** All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to conform to the current year presentation.

**for and on behalf of the Board**

**As per my Report of even date**

**Sanjay Soni**  
Managing Director  
DIN: 00609097  
Place: Bangalore  
Date: 28th May, 2022

**Shashi Soni**  
Chairperson  
DIN: 00609217

**Kiran Soni**  
Chief Financial Officer

**Danish Reza**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938



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