

July 05, 2021

The Manager Corporate Relationship Department <b>Bombay Stock Exchange 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: Re-submission of Audited Financial Result (Standalone and Consolidated) along with Auditor's Report for the quarter and financial year ended March 31, 2021.**

Reference to e-mail dated July 02, 2021 received from Bombay Stock Exchange(BSE) and Company's letter dated June 12, 2021 "Outcome of Board Meeting" filed in stock exchanges, please find attached "Declaration with respect to Audit Report with unmodified opinion to the Annual Audited Financial Results (Standalone and Consolidated) for the financial year ended March 31, 2021 which was missed uploading due to technical issue along with Audited Financial Results (Standalone and Consolidated) and Auditor's Report for the quarter and financial year ended March 31, 2021.

In this regard, we are re-submitting the Financial Results for the financial year ended March 31, 2021 in the prescribed format alongwith the Auditor's Report and a declaration with respect to the Audit Report with unmodified opinion on the aforesaid Results.

Please take the same on record and treat this as compliance with LODR and SEBI Guidelines.

Yours faithfully,

for **IZMO Limited**



**Danish Reza**

*Company Secretary and Compliance Officer*



**Enc: As Above**

**June 12, 2021**

The Manager Corporate Relationship Department <b>Bombay Stock Exchange 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: Outcome of Board Meeting.**

This is to inform you that the Board of Directors of Izmo Limited ('the Company') at its meeting held today i.e., June 12, 2021 have inter alia:

1. Considered and Approved the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
2. Reference to Outcome dated November 13, 2020 and February 12, 2021 i.e. "Proposal of raising funds in US subsidiary M/s Izmo Inc." the board today proposed to consider the appointment of "Seaport Global Securities LLC, New York, USA" to provide its services as exclusive financial advisor, investment banker and placement agent in this connection.

The meeting was Commenced at 01:00 p.m. and concluded at 3:30 p.m. today.

We request you to take the same on record.

Yours faithfully,  
**For IZMO Limited**



**Danish Reza**  
*Company Secretary and Compliance Officer*



**Enc: As Above**

June 12, 2021

The Manager Corporate Relationship Department <b>Bombay Stock Exchange 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: Declaration with respect to Audit Report with unmodified opinion to the Annual Audited Financial Results (Standalone and Consolidated) for the financial year ended March 31, 2021.**

In compliance with Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Pursuant to SEBI Notification No. SEBI/IADNRO/ GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), we hereby confirm that the Audit Report issued by **Mr. Guru Prakash V (M. No. 228938)**, Statutory Auditor of the Company, pertaining to the Annual Audited Financial Results (both Standalone & Consolidated) of Izmo Limited ("the Company") for the quarter and financial year ended March 31, 2021 is with Unmodified Opinion.

We request you to take the same on record.

Yours faithfully,

for **IZMO Limited**

**KIRAN SONI** Digitally signed  
by KIRAN SONI  
Date: 2021.07.05  
13:38:46 +05'30'

**Kiran Soni**  
Chief Financial Officer

**Enc: As Above**





## **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, 2021, 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, 2021, the 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) 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 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'), 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.
- 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 2020 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) 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 & 45 to the standalone Financial Statements.

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

- Obtained details of completed tax assessments and demands for the year ended March 31, 2021, 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.

## **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 11, 43 & 47 to the standalone Financial Statements.



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

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

#### **Emphasis of Matter**

As more fully described in Note. 42 & 45 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.

#### **Other Matters**

Further to the continuous spreading of COVID -19 across India, the government announced a strict lockdown across the state to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. I have been represented by the management that the data provided for my audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

I bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

#### **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.





- 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, 2016 ("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.

(A) As required by Section 143(3) of the Act, I report that:

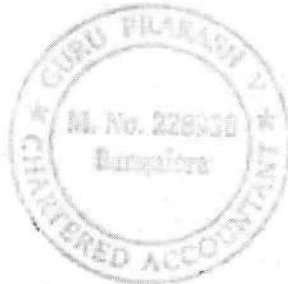
- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 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.



(B) 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 2021 on its financial position in its financial statements – Refer Note 43 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.



**Guru Prakash V**  
Chartered Accountant  
M. No: 228938

Place: Bangalore  
Date: 12<sup>th</sup> June 2021  
UDIN: 21228938AAAABF7252



**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 fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification to cover all the items of its fixed assets 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 fixed assets 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) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- ii) 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.
- iii) According to the information and explanations given to me, the Company has granted unsecured loans to body corporate, covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), in respect of which:
  - a). The terms and conditions of the grant of such loan are not prejudicial to the Company's interest.
  - b). The schedule of repayment of principal and payment of Interest had been stipulated and repayments and receipts are regular.
  - c). No payments were overdue.
- iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 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, 2021 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:

Name of the statute	Nature of dues	Amount (Rs)	Amount Paid Under Protest (Rs)	Period which amount relates to	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)	High Court
Income Tax Act, 1961	Transfer Pricing	3,09,10,300	NIL	F.Y 2010-11 (A.Y 2011-12)	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
Karnataka Value Added Tax act, 2003	CST	3,89,511	3,89,511	F.Y 2010-11	KAT

- viii) 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.2020-21.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3(ix) of the Order is not applicable to the Company.
- x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In my opinion and according to the information and explanations given to me, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Act.
- 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) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not made any preferential allotment and private placement of fully or partly convertible debentures during the year.



- xv) In my opinion and according to the information and explanations given to me, during the year the Company has not entered into non-cash transactions with 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) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934



**Guru Prakash V**  
Chartered Accountant  
M. No: 228938

Place: Bangalore  
Date: 12<sup>th</sup> June 2021  
UDIN: 21228938AAAABF7252



### **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, 2021 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

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 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 2021, 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: 12<sup>th</sup> June 2021  
UDIN: 21228938AAAABF7252

**Statement of Stand alone Audited Financial Results for the Quarter & FY ended 31-03-2021**

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	Audited	Un-Audited	Audited	Audited	Audited
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
1 Revenue from Operation	829.84	735.42	570.07	2,730.72	2,492.44
2 Other Income	33.04	28.73	71.25	123.06	226.67
<b>3 Total Income</b>	<b>862.88</b>	<b>764.15</b>	<b>641.32</b>	<b>2,853.78</b>	<b>2,719.11</b>
<b>4 Expenses:</b>					
(a) Cost of Materials Consumed	-	-	-	-	-
(b) Purchase of traded Stock (Direct Cost)	78.76	88.98	7.22	218.74	42.71
(c) Changes in Inventories	-	-	-	-	0.14
(d) Employee Benefit Expense	463.01	476.61	437.93	1,859.11	1,826.27
(e) Finance Cost	32.13	17.92	25.06	81.30	95.50
(f) Depreciation and Amortisation expense	28.85	28.83	52.97	101.95	209.12
(g) Other Expenses	154.54	142.43	109.04	566.80	462.96
<b>Total Expenses</b>	<b>757.29</b>	<b>754.77</b>	<b>632.22</b>	<b>2,827.90</b>	<b>2,636.70</b>
<b>5 Profit/(Loss) before Exceptional/Extraordinary items and Tax for the period (3-4)</b>	<b>105.59</b>	<b>9.38</b>	<b>9.10</b>	<b>25.88</b>	<b>82.41</b>
<b>6 Exceptional/Extraordinary items</b>	-	-	-	-	-
<b>7 Profit/(Loss) before Tax for the period (5-6)</b>	<b>105.59</b>	<b>9.38</b>	<b>9.10</b>	<b>25.88</b>	<b>82.41</b>
<b>8 Tax Expense:</b>					
a) Current tax	3.65	-	15.18	3.65	24.30
b) Taxes of earlier years	4.60	-	-	4.60	-
c) Deferred tax	17.51	-	38.94	9.70	53.69
<b>9 Profit/(Loss) for the Period (7-8)</b>	<b>79.83</b>	<b>9.38</b>	<b>(45.02)</b>	<b>7.93</b>	<b>4.42</b>
<b>10 Items that will be reclassified to Profit or Loss</b>					
- Fair value changes on investment, net	-	-	-	-	-
<b>11 Items that will not be reclassified to Profit or Loss</b>	<b>(2.51)</b>	<b>-</b>	<b>6.91</b>	<b>(2.51)</b>	<b>6.91</b>
<b>12 Total Other Comprehensive Income</b>	<b>(2.51)</b>	<b>-</b>	<b>6.91</b>	<b>(2.51)</b>	<b>6.91</b>
<b>13 Total Comprehensive Income for the Period</b>	<b>77.32</b>	<b>9.38</b>	<b>(38.11)</b>	<b>5.42</b>	<b>11.33</b>
<b>14 Paid-up Equity Share Capital (Face value Rs.10/- per share )</b>	<b>1,319.17</b>	<b>1,306.72</b>	<b>1,306.72</b>	<b>1,319.17</b>	<b>1,306.72</b>
<b>15 Reserves</b>	<b>15,661.27</b>	<b>15,607.67</b>	<b>15,668.01</b>	<b>15,661.27</b>	<b>15,668.01</b>
<b>16 Earnings Per Share (Face of share at Rs.10/- each) (not Annualised)</b>					
(a) Basic	0.61	0.07	(0.34)	0.06	0.03
(b) Diluted	0.61	0.07	(0.34)	0.06	0.03
See accompanying notes to the Financial Results.					

For IZMO Limited

*[Signature]*  
Authorised Signatory



For IZMO Limited

*[Signature]*  
Authorised Signatory

*[Signature]*




**IZMO LIMITED**  
**STANDALONE BALANCE SHEET AS AT MARCH 31,2021**

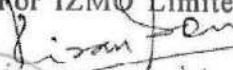
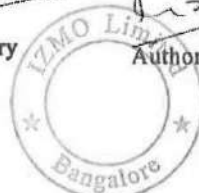
(Rs. in Lakhs)

Particulars	As at March 31,2021	As at March 31,2020
<b>I. ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	226.91	219.82
(b) Capital work-in-progress	15.51	209.19
(c) Investment Property	183.72	194.53
(d) Other Intangible assets	170.03	0.96
(e) Financial assets	-	-
(i) Investments	16,009.38	16,009.38
(f) Deferred tax assets	41.65	51.35
(g) Other non-current assets	447.96	455.59
<b>Total Non-current assets</b>	<b>17,095.16</b>	<b>17,140.82</b>
<b>Current assets</b>		
(a) Inventories	4.95	4.95
(b) Financial assets		
(i) Trade receivables	699.44	2,234.75
(ii) Cash and cash equivalents	59.80	200.94
(iii) Other financial assets	569.39	713.55
<b>Total Current assets</b>	<b>1,333.58</b>	<b>3,154.19</b>
<b>TOTAL ASSETS</b>	<b>18,428.74</b>	<b>20,295.01</b>
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share capital	1,319.17	1,306.72
(b) Other equity	15,661.27	15,668.01
<b>TOTAL EQUITY</b>	<b>16,980.44</b>	<b>16,974.73</b>
<b>II. LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	48.70	449.20
(b) Provisions	243.39	204.47
<b>Total Non current liabilities</b>	<b>292.09</b>	<b>653.67</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
(i) micro and small enterprises, and	-	-
(ii) other than micro and small enterprises	90.55	1,490.59
(iii) Other Financial Liabilities	794.53	773.62
(b) Provisions	31.63	27.03
(c) Other current liabilities	235.86	355.95
(d) Current Tax Liabilities (Net)	3.64	19.42
<b>Total Current liabilities</b>	<b>1,156.21</b>	<b>2,666.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,428.74</b>	<b>20,295.01</b>

For IZMO Limited

  
 Authorized Signatory

For IZMO Limited

  
 Authorized Signatory


**IZMO LIMITED**  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 2020- 21**

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	23.37	89.32
Adjustments for:	-	
Depreciation	101.96	209.12
Interest Expense	81.30	95.50
Interest Income	(7.12)	(3.34)
Rental Income	(67.50)	(90.84)
Profit on Sale of Assets	(1.36)	(3.45)
Employee stock option expenses	(12.16)	33.53
Changes in fair value of financial assets at fair value through profit / loss	1.12	3.30
Interest income on rent deposits paid	(1.33)	(2.73)
<b>Operating Profit Before Working Capital Changes</b>	<b>118.27</b>	<b>330.39</b>
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	1,535.31	291.38
(Increase)/Decrease in Inventories	-	0.14
(Increase)/Decrease in short term Loans and Advances	152.00	(140.36)
Increase/(Decrease) in Current Liabilities and Provisions	(1,471.47)	308.77
<b>Cash Generated from Operations</b>	<b>334.10</b>	<b>790.32</b>
Direct Taxes paid (Net of Refunds)	(8.24)	(24.30)
<b>Net cash from Operating Activities</b>	<b>325.86</b>	<b>766.02</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(269.68)	(76.11)
Capital Work-in-Progress	193.68	(115.33)
Proceeds from Sale of Fixed Assets	3.73	4.31
Rental Income	67.50	90.84
Interest Received	7.12	3.34
<b>Net cash used in Investing Activities</b>	<b>2.35</b>	<b>(92.95)</b>
<b>C. Cash Flows from Financing Activities</b>		
Repayment of Long Term Borrowings	(400.51)	(381.53)
Proceeds from issue of equity share capital (net of expenses)	12.45	-
Interest paid	(81.30)	(95.50)
<b>Net Cash used in Financing Activities</b>	<b>(469.36)</b>	<b>(477.03)</b>
<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(141.15)</b>	<b>196.04</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>200.94</b>	<b>4.90</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>59.79</b>	<b>200.94</b>
<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Balances with Scheduled Banks		
- In Current Account	57.86	199.02
Cash on Hand	0.21	0.20
Deposit with Bank	1.72	1.72
<b>TOTAL</b>	<b>59.79</b>	<b>200.94</b>

For IZMO Limited

*[Signature]*  
Authorized Signatory

For IZMO Limited

*[Signature]*  
Authorized Signatory

*[Signature]*





## **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, 2021, 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 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, 2021, 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. 235.54 Crores as at 31<sup>st</sup> March 2021 and total revenue from operations of INR. 116.14 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) 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 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 2020 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) 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) & 42 to the Consolidated Financial Statements.

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

- Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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.

### **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 & 48 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. 42 & 45 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.

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 judgment 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.

### **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, 2021, 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, 2021 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:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.



**CA Guru Prakash V**  
Chartered Accountant  
M. No: 228938  
Place: Bangalore  
Date: 12<sup>th</sup> June 2021  
UDIN: 21228938AAAABG9900



### **Annexure - A to the Auditors' 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, 2021, 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.

### 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, 2021, 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: 12<sup>th</sup> June 2021  
UDIN: 21228938AAAABG9900

**Statement of Consolidated Audited Financial Results for the Quarter & FY ended 31-03-2021**

(Rs. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	Audited	Un-Audited	Audited	Audited	Audited
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
1 Revenue from Operation	3,443.45	2,857.92	3,335.92	11,614.31	10,121.05
2 Other Income	289.48	803.46	217.54	2,279.81	847.27
3 <b>Total Income</b>	<b>3,732.93</b>	<b>3,661.38</b>	<b>3,553.46</b>	<b>13,894.12</b>	<b>10,968.32</b>
4 <b>Expenses</b>					
(a) Cost of Materials Consumed	-	-	-	-	-
(b) Purchase of traded Stock (Direct Cost)	78.76	88.98	7.22	218.74	42.71
(c) Changes in Inventories	-	-	-	-	0.14
(d) Employee Benefit Expense	1,128.13	1,191.13	1,320.52	4,675.94	4,418.79
(e) Financial Cost	33.17	18.41	25.55	87.22	103.96
(f) Depreciation and Amortisation expense	743.38	545.95	431.63	2,206.11	1,561.52
(g) Other Expenses	1,217.69	988.11	1,364.99	4,022.30	3,648.02
<b>Total Expenses</b>	<b>3,201.13</b>	<b>2,832.58</b>	<b>3,149.91</b>	<b>11,210.31</b>	<b>9,775.14</b>
5 <b>Profit/(Loss) before Exceptional/Extraordinary items and Tax for the period (3-4)</b>	<b>531.80</b>	<b>828.80</b>	<b>403.55</b>	<b>2,683.81</b>	<b>1,193.18</b>
6 <b>Exceptional/Extraordinary items</b>	-	-	-	-	-
7 <b>Profit/(Loss) before Tax for the period (5-6)</b>	<b>531.80</b>	<b>828.80</b>	<b>403.55</b>	<b>2,683.81</b>	<b>1,193.18</b>
8 <b>Tax Expense:</b>					
a) Current tax	3.65	-	15.18	3.65	24.30
b) Taxes of earlier years	4.60	-	-	4.60	-
b) Deferred tax	17.51	-	38.94	9.70	53.69
9 <b>Profit/(Loss) for the period (7-8)</b>	<b>506.04</b>	<b>828.80</b>	<b>349.43</b>	<b>2,665.86</b>	<b>1,115.19</b>
10 <b>Items that will be reclassified to Profit or Loss</b>					
- Fair value changes on investment, net					
11 <b>Items that will not be reclassified to Profit or Loss</b>	(2.51)	-	6.91	(2.51)	6.91
12 <b>Total Other Comprehensive Income</b>	<b>(2.51)</b>	<b>-</b>	<b>6.91</b>	<b>(2.51)</b>	<b>6.91</b>
13 <b>Total other Comprehensive Income</b>	<b>503.53</b>	<b>828.80</b>	<b>356.34</b>	<b>2,663.35</b>	<b>1,122.10</b>
14 <b>Paid-up Equity Share Capital (Face value Rs.10/- per share)</b>	<b>1,319.17</b>	<b>1,306.72</b>	<b>1,306.72</b>	<b>1,319.17</b>	<b>1,306.72</b>
15 <b>Reserves</b>	<b>22,235.32</b>	<b>21,755.50</b>	<b>19,584.13</b>	<b>22,235.32</b>	<b>19,584.13</b>
16 <b>Earnings Per Share (Face of share at Rs.10/- each) (not Annualised)</b>					
(a) Basic	3.84	6.34	2.67	20.38	8.53
(b) Diluted	3.84	6.34	2.67	20.38	8.53
See accompanying notes to the Financial Results.					

For IZMO Limited

*[Signature]*  
Authorised Signatory



For IZMO Limited

*[Signature]*  
Authorised Signatory

*[Signature]*



**IZMO LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	261.12	257.28
(b) Capital work-in-progress	248.04	447.69
(c) Investment Property	183.72	194.53
(d) Other Intangible assets	21,213.91	20,783.03
(e) Deferred tax assets	41.64	51.35
(f) Other non-current assets	447.97	455.59
<b>Total Non-current assets</b>	<b>22,396.40</b>	<b>22,189.47</b>
<b>Current assets</b>		
(a) Inventories	4.95	4.95
(b) Financial assets		
(i) Trade receivables	2,774.81	4,572.48
(ii) Cash and cash equivalents	2,288.35	362.08
(iii) Other financial assets	1,323.19	1,521.70
<b>Total Current assets</b>	<b>6,391.30</b>	<b>6,461.21</b>
<b>TOTAL ASSETS</b>	<b>28,787.70</b>	<b>28,650.68</b>
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share capital	1,319.17	1,306.72
(b) Other equity	22,235.32	19,584.13
<b>TOTAL EQUITY</b>	<b>23,554.49</b>	<b>20,890.85</b>
<b>II. LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,123.77	449.20
(b) Provisions	243.39	204.47
<b>Total Non current liabilities</b>	<b>1,367.16</b>	<b>653.67</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
(i) micro and small enterprises, and	-	-
(ii) other than micro and small enterprises	384.19	4,107.42
(ii) Other Financial Liabilities	800.02	605.24
(b) Provisions	31.63	27.03
(c) Other current liabilities	2,646.56	2,347.05
(d) Current Tax Liabilities (Net)	3.65	19.42
<b>Total Current liabilities</b>	<b>3,866.05</b>	<b>7,106.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,787.70</b>	<b>28,650.68</b>

For IZMO Limited

*[Signature]*  
Authorized Signatory

For IZMO Limited

*[Signature]*  
Authorized Signatory



*[Signature]*



**izmo Ltd.**

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**IZMO LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 2020-21**

Rs. in Lakhs

	March 31, 2021	March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	2,681.30	1,200.09
Adjustments for:		
Depreciation	2,206.11	1,561.52
Interest Expense	87.22	103.96
Interest Income	(7.12)	(3.34)
Profit / (Loss) on investments	-	(8.26)
Rental Income	(67.50)	(90.84)
Profit on Sale of Assets	(1.36)	(3.45)
Employee stock option expenses	(12.16)	33.53
Changes in fair value of financial assets at fair value through profit / loss	1.12	3.30
Interest income on rent deposits paid	(1.33)	(2.73)
<b>Operating Profit Before Working Capital Changes</b>	<b>4,886.28</b>	<b>2,793.77</b>
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	1,797.67	(544.84)
(Increase)/Decrease in Inventories	-	0.14
(Increase)/Decrease in short term Loans and Advances	206.35	714.62
Increase/(Decrease) in Current Liabilities and Provisions	(3,201.18)	1,130.86
<b>Cash Generated from Operations</b>	<b>3,689.12</b>	<b>4,094.55</b>
Direct Taxes paid (Net of Refunds)	(8.24)	(24.30)
<b>Net cash from Operating Activities</b>	<b>3,680.88</b>	<b>4,070.25</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(2,632.41)	(3,468.10)
Capital Work-in-Progress	199.65	(142.51)
Proceeds from Sale of Fixed Assets	3.73	4.31
Rental Income	67.50	90.84
Profit on Sale of Investments	-	8.26
Interest Received	7.12	3.34
<b>Net cash used in Investing Activities</b>	<b>(2,354.41)</b>	<b>(3,503.86)</b>
<b>C. Cash Flows from Financing Activities</b>		
Repayment of Long Term Borrowings	674.56	(381.53)
Proceeds from issue of equity share capital (net of expenses)	12.45	-
Interest paid	(87.22)	(103.96)
<b>Net Cash used in Financing Activities</b>	<b>599.79</b>	<b>(485.49)</b>
<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>1,926.27</b>	<b>80.90</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>362.08</b>	<b>281.18</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>2,288.35</b>	<b>362.08</b>
<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Balances with Scheduled Banks		
- In Other accounts	2,287.46	361.18
Cash on Hand	0.89	0.90
	<b>2,288.35</b>	<b>362.08</b>

For IZMO Limited

Authorized Signatory

For IZMO Limited

Authorized Signatory





**Notes:**

- 1 The above audited Q4 and Annual financial results for the financial year ended 31st March, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12-06-2021.
- 2 Statutory Audit of financial results for the Q4 and financial year ended 31st March, 2021 has been carried out by the Auditors.
- 3 Investors Grievances during the quarter: Received - Nil, Attended - Nil, Pending - Nil.
- 4 The company has added 32 clients in Europe in this quarter. Some of the marquee clients added were Group Bernier and Autosphere.
- 5 In the US market, the company has added 13 clients for the Izmocars product range including Capital One, Fareportal and Motor Trend.
- 6 **The company's AI driven Analytics division Frogdata has added more than 59 rooftops in the last quarter ! This is the highest ever client acquisition in any quarter for Frog Data. It is the only Analytics product suite in the Automotive segment which incorporates significant elements of Artificial Intelligence (AI) making it the most advanced solution for the Auto Dealership market. The clients using the Frog Data Analytics suite have seen tremendous benefits in ROI of their business. That is the reason driving the more than 300% growth in Frog Data's revenues last year.**
- 7 The company is looking at entering new markets such as Germany and Switzerland in Europe as well as expanding its presence in the United States. The entry into new markets as well as the increase of its footprint in existing markets will be financed by its existing cash reserves.
- 8 **The company has pared down its high cost debt in India significantly and will be debt free in India by March 2022.**
- 9 **The company has also filed a lawsuit against a very large car rental company for illegal use of its copyrighted images. We expect a substantial settlement to accrue to the company once the suit is settled around the end of this year. The company is pursuing many such claims against companies who have violated copyright laws by using its multimedia content illegally.**
- 10 The Company operates in one reportable segment only.
- 11 The Company's US subsidiary Izmo Inc., US had received a PPP loan in 2020 from the US Govt. The loan has been converted into a grant. The amount of grant is USD 314K (Rs. 2.33 Crores) and the same is part other income in consolidated financial results for Q4 & FY ended 31.03.2021.
- 12 Other expenses for Q4 ended 31.03.2021 includes Rs. 38.80 lakhs and FY ended 31.03.2021 includes Rs. 155.20 lakhs pertains to old balance write off charged to P&L and hence to that extent net profit is reduced for the said period.
- 13 The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year and published year-to-date figures upto the third quarter of the respective financial year.

Place: Bengaluru  
Date: 12th June, 2021

For and on behalf of the Board



Sanjay Soni  
Managing Director