izmo

Date: 28.09.2017
Ref: IZMO/SEC/2017-18
To

The Manager Listing Bombay Stock Exchange Ltd Floor 25, Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400001	The General Manager – Listing National Stock Exchange of India Ltd Plot No. C/1, G Block, BandraKurla Complex, Bandra(E), Mumbai-400051

Scrip Code: 532341/IZMO

Sub: Submission of the Annual Report for the Financial Year 2016-17

Ref: Compliance as required under Regulation 34 of SEBI (Listing obligations and Disclosure) Regulations, 2015.

Dear Sir/Madam,

Please find enclosed herewith the approved annual report, which was being approved and adopted in the 22nd Annual General Meeting of the Company held on Wednesday the 20th day of September, 2017 at 9.30 AM at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001

Kindly acknowledge the receipt of the Communication.

Thanking You,
For IZMO Ltd

Suraj Kumar Sahu
Company Secretary

IZMO Limited Bangalore

IZMO Limited Bangalore

izmo ltd.
(Formerly Logix Microsystems Limited)
177/2C, Bilekahalli Industrial Area,
Bannerghatta Road, Bangalore-560 076, India

Phone : +91 80 67125400
Fax : +91 80 67125408
Email : info@izmoltd.com

www.izmoltd.com
CIN: L72200KA1995PLC018734

izmo



INTRODUCING THE WORLD'S FIRST DATA ANALYTICS SOLUTION FOR AUTO RETAIL

22ND ANNUAL REPORT 2016 - 2017

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izmofx

CGI 3D Image Development



Any lighting. Any angle. Any background. Unlimited Possibilities.

Computer generated images (CGI) provide unlimited flexibility for clients. The ability to place a vehicle in any location, any lighting, and any camera angle opens up possibilities beyond manual photography.













Corporate Information

Board of Directors

Mrs. Shashi Soni
Chairperson

Mr. Sanjay Soni
Managing Director

Mr. Vijay Gupta
Director

Mr. Perur Phaneendra
Director

Mr. Ramanujam Krishnamurthy
Director

Auditors

Mr. Ramaswamy Vijayanand
Chartered Accountant
"Sri Sri" F-303, Temple Trees,
Kanakapura Main Road,
Bengaluru – 560 082

Share Transfer Agents

Cameo Corporate Services Limited
"Subramanian Building", Vth Floor,
1, Club House Road, Chennai - 02
Tel : 91-44-28460390 - 94
Fax: 91-44-28460129
E-mail: cameo@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,
Banneraghatta Road,
Bengaluru - 560 076, India
Tel : 91-80-67125400 to 5407
Fax : 91-80-67125408
Email : info@izmoltd.com

INDIA

Sales & Marketing Offices

Mumbai
izmo Limited
306, Balarama, Bandra Kurla Complex,
Bandra East, Mumbai - 400051
Tel / Fax: 91-22-40061859

Delhi
izmo Limited
908-909, 9th floor, Narain Manzil,
23 Barakhamba road,
New Dehi -110001
Tel : 91-11-46575529

U.S.A

Corporate Headquarters

San Francisco
230 California Street, Suite 510,
San Francisco, CA 94111
Tel : +1 415.694.6000

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

EUROPE

Brussels
Diegemstraat 45
1800 Vilvoorde,
Belgium
Tel : 32 (2) 751 03 59

France

98 Route de la Reine
92100 Boulogne-Billan Court,
France
Tel: +33(0) 1 85 09 50 99

Core Management Team

U.S.A

Mr.Tej Soni
President of izmocars

Mr. Chris Daniels
Head – Studio Operations

Europe

Mr. Michelangelo Severino
Sales Manager

France

Mr. Fabien d'Aumale
Director of Operations

India

Mr. Sarabashish Bhattacharjee
Chief Architect

Mrs. Kiran Soni
Chief Financial Officer

Mr. Suraj Kumar Sahu
Company Secretary & Compliance Officer

Mr. Gopi SD
Senior Manager–Finance and Accounts

Mr. Akula Sathya Kiran
Head – Web Division

Mr. Dipankar Kacharia
Head – AOA Division

Websites

www.izmoltd.com
www.izmocars.com
www.izmocars.fr
www.izmoitalia.it
izmomedia.com
www.izmoweb.com
www.izmocars.eu
www.izmo.es
www.izmoweb.com
izmofx.com
www.izmostudio.com
www.izmostudio.eu
www.izmostock.com
www.izmoVO.com
www.izmoVO.fr

Notice

Notice of 22nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF IZMO LIMITED WILL BE HELD AT BHARATIYA VIDYA BHAVAN, RACE COURSE ROAD, BENGALURU – 560 001, KARNATAKA ON WEDNESDAY, 20TH DAY OF SEPTEMBER, 2017 AT 9.30 AM TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

Item No. 1: Adoption of Accounts

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Auditors' Report thereon and the Report of the Directors' along with the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Auditors' Report thereon.

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

To re-appoint of Mrs. Shashi Soni (DIN 00609217), who retires by rotation, and being eligible, offers herself 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, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Shashi Soni as director liable to retire by rotation."

Item No. 3: Appointment of Auditor

To appoint Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938), as the Statutory Auditor of the Company, in place of retiring Statutory Auditor Mr. Ramaswamy Vijayanand (Mem.No.202118) to hold office from the conclusion of 22nd Annual General Meeting until o the conclusion of the 27th Annual General Meeting and fix the remuneration.

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

"RESOLVED THAT, pursuant to the provisions of Sections 139, 142 read with such other applicable provisions of the Companies Act, 2013 as amended from time to time, and pursuant to recommendation of audit committee and Board of Directors, approval of the Members of the Company be and is hereby accorded for appointment of Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) to hold office of Statutory Auditor of the Company, from the conclusion of 22nd Annual General Meeting until the conclusion of the 27th Annual General Meeting to be held in the year 2022 for conducting audit of financial statements of the Company for a period of five years from FY 2017-18 to FY 2021-2022 and Board is authorised to fix the remuneration."

Notice

SPECIAL BUSINESS:

Item No.4: Increase in Authorised Capital

Members are requested to consider and to pass the following as Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof),and the Rules framed thereunder, approval of the members be and is hereby accorded to increase the Authorised Share capital of the company from existing Rs.13,20,00,000/- (Rupees Thirteen Crores Twenty Lakhs) divided into 1,32,00,000 (One Crore Thirty Two Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.18,00,00,000 /- (Rupees Eighteen Crores) divided into 1,80,00,000 (One Crore Eighty Lakhs) Equity Shares of Rs. 10 /- (Rupees Ten) each by creation of additional 48,00,000 (Forty Eight Lakhs) Equity shares of Rs.10/- each.

RESOLVED FURTHER THAT the new equity shares shall rank pari passu with the existing equity shares."

Item No.5: Amendment to Memorandum of Association

Members are requested to consider and to pass the following as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause.

'V. The Authorized Share Capital of the company is Rs.18,00,00,000 /- (Rupees Eighteen Crores) divided into 1,80,00,000 (One Crore Eighty Lakhs) Equity shares of Rs.10/- each.' "

Place: Bengaluru
Date: 10.08.2017

By order of the Board

Sd/-
Suraj Kumar Sahu
Company Secretary
Membership No.35855

Notice

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT DULY COMPLETED APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. During the business hours of the Company, proxies are open for inspection for the period beginning before 24 hours from the commencement of the Meeting and ending with the conclusion of the meeting provided that an advance notice of not less than 3 days is given to the Company.

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send certified true copy of the Board resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.

3. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting. Corporate Members intending to send their representatives are requested to send a certified true copy of the Resolution authorizing the representative to attend and vote at the Annual General Meeting.

4. In terms of the Provisions of the Companies Act, 2013 and rules made thereunder and Article of Association of the Company, Mrs. Shashi Soni retire by rotation and being eligible offer herself for re-appointment. A brief resume of Mrs. Shashi Soni along with nature of her expertise are given herewith and forms part of the notice convening the Annual General Meeting.

5. Members are requested to notify any change in their addresses specifying full address in block letters with PIN code of the post office, to the Company's Registrar and Share Transfer Agents Cameo Corporate Limited. Cameo Corporate Services Limited, “Subramanian Building”, V Floor, # 1, Club House Road, Chennai – 600 002.

6. Members are requested to bring their copy of the Annual Report with them to the Meeting.

7. Members desiring any information with regard to Accounts/Reports are requested to write to the Company Secretary at least ten days before the Meeting so as to enable the Management to keep the information ready.

8. The Company's Register of Members and Share Transfer Books will remain closed from September 14, 2017 to September 20, 2017 (both days inclusive).

9. Pursuant to the provisions of the Section 205A of the Companies Act, 1956, Company has transferred unpaid Dividend, all its remaining unpaid for Seven years to Investors Education and Protection Fund (IEPF).

10. Investors may address their queries/communications to company.secretary@izmoltd.com.

11. To support the Green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their Email Address with Depository Participant/Company so that all communications / documents can be sent in electronic mode.

Notice

12. The Annual Report 2016-17 is being sent through electronic mode only to the Members whose email addresses are registered with the Company/Depository Participant (s) unless any member has requested for physical copy of the Report. For Members who have not registered their e mail addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.

13. The voting for the agenda items shall be done by casting of votes by using Remote e-voting that is an electronic voting system from a place other than the venue of the Meeting (e-voting) and by Poll at the Meeting. Those who have exercised the option of e-voting shall be entitled to attend and participate in the Meeting but would not be entitled to vote at the Poll to be conducted at the venue of the AGM on the day of meeting.

14. Mr. V. Sreedharan (Membership No. FCS 2347, CP 833) Practicing Company Secretary has been appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

15. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company and/or authorised person of the Company who shall declare the results forthwith.

16. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.izmoltd.com and on the CDSL's website www.cdslindia.com and communicated to the Stock Exchanges immediately after declaration.

17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business, is annexed hereto.

18. Any person who is not a member of the cut-off date should treat the notice for information purposes only.

19. Members are requested to affix their signature at the space provided and fill up all the particulars i.e., DP details, Client ID No. /Folio Numbers and hand over the attendance slip at the place of the meeting.

20. The information and instructions relating to e-voting are as below:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by way of e-voting at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

II. The e-voting period commences on 17th September, 2017 (9:00 AM) and ends on 19th September, 2017 (5:00 PM).During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 13th September, 2017 that is the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the

Notice

meeting venue.

III. The Notice convening the Annual General Meeting along with Annual Report for the year 2016-17 is hosted on the Company's website www.izmoltd.com. The Notice convening the Annual General Meeting has also been hosted on CDSL's website www.cdslindia.com.

IV. The shareholders should log on to the e-voting website www.evotingindia.com.

V. Click on Shareholders.

VI. 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. Members holding shares in Physical Form should enter complete Folio Number registered with the Company.

VII. Next enter the Image Verification as displayed and Click on Login.

VIII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant arerequested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before thenumber after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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 as mentioned in instruction (iv).

X. After entering these details appropriately, click on "SUBMIT" tab.

XI. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 can also be used by the Members 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.

XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Notice

IX. If you are a first time user follow the steps given below:

XIII. Click on the EVSN for <Izmo Limited> on which you choose to vote.

XIV. 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.

XV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

XVI. 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.

XVII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

XVIII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

XIX. If Demat account holder has forgotten his/her changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XX. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

XXI. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to 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 or 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.

XXII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQS") e-voting Manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

Place: Bengaluru
Date: 10.08.2017

By order of the Board
For IZMO Limited
Sd/-
Suraj Kumar Sahu
Company Secretary
Membership No.35855

Notice

THE EXPLANATORY STATEMENT FOR ITEM NO.5 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Company, in order to meeting its growth objective and to strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the authorised Share Capital of the Company from existing Rs. Rs.13,20,00,000/- (Rupees Thirteen Crores Twenty Lakhs) divided into 1,32,00,000 (One Crore Thirty Two Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.18,00,00,000 /- (Rupees Eighteen Crores) divided into 1,80,00,000 (One Crore Eighty Lakhs) shares of Rs. 10 /- (Rupees Ten) each by creation of additional 48,00,000 (Forty Eight Lakhs) Equity shares of Rs.10/- each and for purpose. The Memorandum of Association of the Company is proposed to be suitably altered by passing Special resolution as set out at item no 5. The provisions of the Companies act, 2013 required the Company to seek the approval of the Members for increase in the authorized share capital and for the alteration of capital clause of the Memorandum of association of the company

The Board of Directors accordingly recommends the resolutions set out at item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Notice

ADDITIONAL INFORMATION

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

[PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARDS]

Mrs. Shashi Soni –Chairperson & Whole Time Director

A. Brief Resume and Expertise of Mrs. Shashi Soni:

She 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.

B. Disclosure of relationship between Directors Inter-se:

Mrs. Shashi Soni is Chairperson & Whole Time Director of the Company. At present her son Mr. Sanjay Soni is Managing Director of the Company.

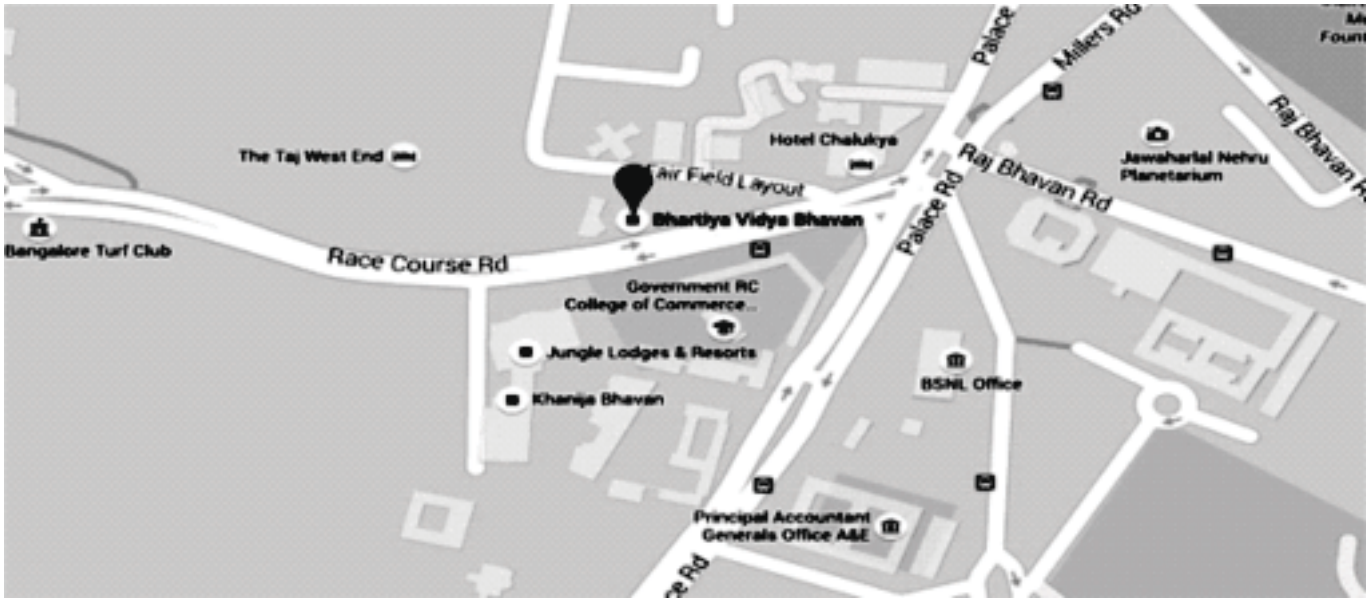
C. Name/s of listed entities in which the person also hold the directorship and the membership of Committees of the board:

Not applicable.

Place: Bengaluru
Date: 10.08.2017

By order of the Board
For IZMO Limited
Sd/-
Suraj Kumar Sahu
Company Secretary
Membership No.35855

Route Map for the Venue of Annual General Meeting



Directors' Report



"The Charge of the Lancers"

by Umberto Boccioni

Umberto Boccioni (19 October 1882 – 17 August 1916) was an influential Italian painter and sculptor who helped shape the revolutionary aesthetic of the Futurism movement."The Charge of the Lancers" is his only known work devoted exclusively to the theme of war.

Directors' Report

Dear Shareholder,

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited statements of accounts for the year ended 31st March, 2017.

Consolidated financial statements of accounts for the year ended 31st March, 2017.

Rs. in Lakhs

Particulars	2016-17	2015-16
Revenue from Operations	5,428.07	4,288.59
Other Income	419.19	831.6
Total Revenue	5,847.26	5,120.19
Direct cost of operations	70.21	65.29
Increase/(Decrease) in Stocks/WIP	0.87	(0.57)
Employee Benefit Expenses	2,185.91	1,954.82
Financial Expenses	118.36	186.44
Depreciation	1,192.52	1,219.39
Other Expenses	1,861.04	1,592.87
Total Expenses	5,428.94	5,018.25
Profit/ (Loss) before Tax & Exceptional Item	418.32	101.94
Exceptional or Extraordinary Items	—	—
Profit/ (Loss) before Tax	418.32	101.94
Provision for Taxation	(21.77)	—
Deferred Tax	99.98	61.45
Profit / (Loss) after Tax	496.53	163.39

Performance on a Consolidated Basis

The Company's performance on a consolidated basis has shown a marked improvement over the previous year.

The revenues have increased by nearly 25%, whereas profits have increased by nearly 200%. Higher sales of the company's products coupled with an increase in productivity have led to the sharp increase in profitability. The company is endeavoring to continue this trend in the next few years as well.

The company has significantly expanded its presence in France as well as Mexico. The increase in Other Expenses reflects the costs incurred for this expansion. The expansion will help the company in growing sales in these two regions.

The Company is confident of maintaining its growth trajectory in the current year as well as the order book is quite healthy and pipeline very strong.

The company is also foraying into the defence manufacturing space. This is a major diversification for the company and has been planned over the last 3 years. The company has identified 3 projects where it feels there is tremendous potential in international and domestic markets and has also tied up with technology partners for the same.

Directors' Report

Stand Alone Financials

Rs. in Lakhs

Particulars	2016-17	2015-16
Revenue from Operations	2,163.90	1,850.72
Other Income	339.09	257.87
Total Revenue	2,502.99	2,108.58
Direct cost of operations	70.21	65.29
Increase/(Decrease) in Stocks/WIP	0.87	(0.57)
Employee Benefit Expenses	1,130.93	829.43
Financial Expenses	118.36	186.44
Depreciation	586.94	570.28
Other Expenses	567.85	625.35
Total Expenses	2,475.20	2,276.21
Profit/ (Loss) before Tax & Exceptional Item	27.79	(167.63)
Exceptional or Extraordinary Items	---	---
Profit/ (Loss) before Tax	27.79	(167.63)
Provision for Taxation	(21.77)	---
Deferred Tax	99.98	61.45
Profit / (Loss) after Tax	106.00	(106.18)

Performance

The Company's sales on a standalone basis has shown a 15% increase over the previous year.

The other income has shown a slight rise primarily on account of the INR declining quite significantly against the US Dollar.

Analysis of Expenses

The direct cost of operations during the year are slightly higher than that incurred in the previous year. This is directly related to an uptick in sales of Enterprise Connectivity software products.

Employee benefit expenses have shown a sharp increase over the previous year. This is primarily due to increase in the employee count in India due to the establishment of the CGI and VR development divisions.

The financial costs have reduced significantly due to partial repayment of the Term Loan and restructuring of the company's borrowings with its lenders. The financial costs are likely to show a declining trend as the company keeps reducing its Term Loan liabilities.

Depreciation has seen a slight increase due to higher capital expenditure incurred during the year for establishment of the CGI and VR divisions. These required the company to invest in very powerful computing platforms and sophisticated software.

Profitability

The company has returned to profitability in FY 16-17 This is primarily a result of higher sales coupled with a tight rein on expenses.

The company expects to increase its profitability during the current year as a result of higher sales in the United States, Mexico, India and Europe.

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.

Directors' Report

Business Overview

Connecting the Golden Dots

The world over, meaningful technology is liberating human workforces from repetitive machine-like tasks, increasingly freeing up human potential for creative work engagements. A range of technology dots needs to be connected to make it happen, and izmo is leading the way in automotive retail, with critical building blocks including data analytics and virtual reality solutions.

Transformational Technology and Communication solutions is all about connecting the golden dots. The core technologies already exist. What is needed is cost-effective solutions that meaningfully link these core technologies and put them to work.

In knowledge-driven automotive retail, izmo is leading the charge, creating market-altering automotive solutions and immersive automotive experiences.

Frog Data. It's Happening Now

The brave new world of digital empowerment is literally creating tons of data - 2.5 Exabytes and growing, every single day. Data of these proportions need new business concepts and technology tools to make meaning out of it, but one thing is clear – in time it will transform every single business including auto dealerships, and help every single customer on the planet.



While many auto OEMs and dealers are yet to create substantial value out of the treasure troves hidden in their departmental silos, the ones who do are being rewarded exponentially.

Virtually every major automotive OEM is a player in the Fortune 1000 list. For companies of that scale, just a 10 percent increase in data accessibility alone will generate $65 million in additional net income, on average. Today, almost all automotive OEMs generate vastly more savings from their data analytics efforts.

With the advent of newer mobile connectivity options and the always connected car, data analytics in the automotive space is moving out of its supply-chain niche into a host of new areas ranging from automotive design optimization to customer behavior analytics, differentiated pricing, and incentive optimization.

Directors' Report

Data Analytics and Automotive Marketing Optimization

Take Marketing, for instance. Which incentives are the most effective at what stage of the buying cycle? Accurate insights into incentive optimization itself can save companies millions every year in marketing spends, by delivering just the right value at precisely the right time.

A sum total of the value delivered by data analytics is in reducing the cost of customer acquisition, while increasing customer lifetime value. Average adults in the U.S. will buy over 13 cars during their lifetime, and it is 5 times more expensive to acquire a new customer than to retain an existing one.

FrogData: empowering dealerships with high-value insights

Frog Data, the world's first data analytics solution for auto dealers, is a clear pointer how high-end technology can help dealerships.

FrogData acquires dealership data from disparate applications already in use in dealerships - Web Analytics, CRM, DMS, or Inventory Tools, etc. and delivers advanced reporting, customer insights, predictive decision analytics, and much more, helping dealers improve profitability, sales person efficiency and cost of operations in all the departments of dealerships and dealer groups.

With FrogData now rolling out to dealerships, izmo is turning another important leaf in its existence – as the global knowledge leader in automotive retail.

izmoFx: Virtual Reality Experiences and CGI

If big data analytics bring up-to-the-minute business clarity and value to dealerships, virtual reality experiences (VR) take the dealerships to where the customers are.

A Virtual Reality Automotive Test Drive and Demo like izmoFx helps to bring prospective customers into the dealership early on in their purchase cycle, by answering customer's questions not just with information, but a near-reality touch-and-feel experience which can even demonstrate what an actual car demo cannot.

For example, questions like "what happens if I have an accident?", or "What happens to me when the air bags deploy?"

By creating an immersive, hands-on experience for car shoppers that simulates reality, izmoFx has the potential to move buyers down the sales funnel considerably faster than any other visual marketing tool available.



Directors' Report

izmoFx CGI

Computer generated imagery (CGI) provides unlimited flexibility for automotive retail clients, from OEMs to dealers. The ability to place a vehicle in any location, any lighting, and any camera angle opens up new possibilities which were previously unavailable with traditional photo-shoots.



Changes that previously required a completely new photo-shoot, like a trim change or a different background, is quite easy with CGI, which makes vehicle photography yesterday's news.

In addition, CGI opens up possibilities for animation, client videos, as well as licensing opportunities for other markets like film, games, and other applications, all from the same CGI stock.

CGI is a technically sophisticated three step process that starts with vehicle scanning, 3D Build, and Render. The izmo CGI solution can also directly process manufacturer CAD data to create lifelike imagery of cars not yet available for a photo-shoot.

izmo: global automotive trend-setter

FrogData and izmoFx are the latest in a long series of trend-setting market innovations from izmo. The company remains continually invested in its global market leadership in the automotive retail space, with significant breakthroughs in integrating cutting edge technologies like big-data analytics with automotive retail, and opening up virtual reality and assisted reality solutions to power automotive sales and marketing.

On a more conventional note, izmo dealer websites continue to be the first choice of the world's leading automotive retailers from North America to Europe to Asia. SalesVelocity, The izmo CRM suite, is also gaining traction with auto dealerships.

North America

USA

After a record 17.7 million vehicles sold last year, U S automotive OEMs reported a fourth consecutive month of lower new vehicle sales in spite of hefty consumer discounts and generous loan terms, hinting that the market may have peaked and is now looking at a sales downturn.

With a looming glut in the market, automotive retail players are looking to optimize their online sales and marketing avenues, and the multi-media division of izmo was able to make considerable progress in the market with izmoFx Virtual Reality (VR) and Computer Generated Imagery (CGI) products.

Directors' Report

Even as we continue to acquire and engage top-tier clients like Microsoft, Mitsubishi Motors, Toyota, Ford Enterprise, Chevrolet Enterprise, Morpace, Jato Dynamics, and Avis, we keep expanding into new possibilities, new territories, and new verticals.

With the combined market push of new products like izmoAuto websites and new avatars of existing market-leading products, we expect to see ground breaking progress in the USA in the coming years.

Mexico

Auto sales in Mexico rose to a record 1.6 million units last year, with Nissan gaining a 25 percent market share with over 400,000 vehicles sold, according to the Mexican Automobile Distributors Association and the Mexico Automotive Industry Association. General Motors came second, with a 19 percent share from 309,000 vehicles sold, and VW grabbed the third place with a 15 percent share from 247,000 vehicles sold.

Toyota came in fourth with a 6.5 percent share from 105,000 vehicles sold.



izmo continues to be the largest dealer website service provider in Mexico, and the only retail website provider for Nissan Mexico, the largest Automotive OEM in the country with a 25 percent market share.

izmo dealer websites and portals also drive the sales of Honda, Toyota, Infinity, Renault, Chrysler, and Suzuki vehicles, as well as used cars.

The izmo client portfolio in Mexico now features 45 prominent retail groups including Autocom, Autosur, Grupo Cever, Grupo Witt, Farrera, Grupo Jidosha, and others.

European Union

French auto sales rose 1.6% in June YoY, with Daimler, Toyota, Fiat Chrysler and Ford recording the strongest gains. With registrations increasing 3% to 1.13 million vehicles in the first half of the year, industry association Comité des Constructeurs Français d'Automobiles (CCFA) has revised its annual sales prediction upward to 3-4 percent.

On the other hand a market slowdown is evident in UK, where car sales fell for the third consecutive month, with a 4.8 percent drop in June alone. German car sales also declined 3.5 percent last month, mostly because of fewer selling days.

izmo is the only solutions provider in Europe offering a complete "one-stop" web marketing solution required by dealers to capitalize on market sentiments.

Directors' Report

The izmo solution suite for EU auto dealers including responsive mobile-friendly websites, online marketing and social media, automotive CRM and ILM, and image processing services made considerable headway in European markets.

At the same time, the European division of izmomedia made impressive gains in the automotive visual media segment.

France



izmo continues to be the leading auto dealer website and marketing solutions provider to the French automotive Industry, serving prominent groups like PGA, HESS, Volkswagen Retail, Metin, Lamirault, Goupe Schumacher, Riester, and others.

The dealer portfolio of your company in France now includes 32 auto brands - the French Brands Peugeot, Citroen, and Renault, as well as Audi, Alfa Romeo, Abarth, Chrysler, Chevrolet, Dacia, Dodge, Fiat, Fiat Professional, Hyundai, Jeep, Jaguar, Land Rover, Kia, Lancia, Lexus, Mini, Mercedes Benz, Nissan, Opel, Porsche, Saab, Seat, Skoda, Subaru, Suzuki, Toyota, Volkswagen, and Volvo as well as automotive portals.

Spain

Your company made significant inroads in the Spanish automotive market with GRUPO NICOLÁS, Vilamobil, and Augusta Car Group in its portfolio.

Portugal

izmo continues to improve its foray into the service segment in Portugal, with hundreds of dealers signing up for an innovative service solution for Ancra. Presently izmo has 20 websites serving dealers in Portugal.

Italy

izmo continues to serve prominent dealer groups including Central Car, Lineablu, Biella Auto, and ACP in Italy.

Belgium

In Belgium, izmocars had added PGA and Alpina auto groups to its auto dealer website portfolio.

Directors' Report

ASIA

India

2017 is shaping up to be a year of promise for Indian automotive majors, with the year taking off on a positive note and most of the automotive majors posting positive growth. In May 2017, Maruti Suzuki India posted strong growth of 15.5% over the same month last year. Hyundai Motor India posted a 1.6% growth and Tata Motors, 27%. Nissan India grew at 39%, Honda Cars India at 13.3% and Ford India at 16.6%. M&M posted a growth rate of 3%.



With 150 online showrooms, izmocars India is the#1 car dealer website provider in India. The izmocars website portfolio includes Maruti Suzuki, Volkswagen, Hyundai, Honda, Mahindra, FIAT, Chevrolet, Ford, Renault, Tata Motors, Nissan, ISUZU, and Skoda, besides Bajaj, Hero, Suzuki, and Honda websites in the 2-wheeler segment, group websites, and Trucks & Tractors websites.

Our Indian clientele include NBS Mahendra, Landmark Group, Sai Service Group, Sagar Auto, Mody Auto Group, Fortpoint Automotive, Trident Automotive Group, and Platinum Motors.

The world's Largest Provider of automotive imagery, video, VR, and visual marketing solutions

Last year, izmocars successfully expanded its presence in automotive imagery, video, VR, and visual marketing, going mainstream with izmoFx virtual reality and CGI offerings. With state-of-the-art automotive studios located in close proximity to global automotive nerve centers, in Long Beach, USA, and Brussels, Europe, and sophisticated image processing facilities in Bangalore, izmo consolidated its position as the world's largest producer of automotive images and animation more than a decade back.

The izmo visual product portfolio now includes a Virtual Reality (VR) and CGI platform, in addition to automotive imagery, animations, videos and more.

Presently, izmomedia is serving:

- World's top corporations
- Automotive OEMs
- Prominent Portals
- Companies in automotive related businesses like leasing, etc.
- Media
- Ad Agencies and creative studios
- Retail clients

Our client list includes Microsoft, Mitsubishi Motors, Toyota, Ford Enterprise, Chevrolet Enterprise, Morpace, Jato Dynamics, Avis, Arval, Mobile, Autoscout, Hertz, Havas, Europcar, ADA, Isuzu, and Renault Retail Group.

Clients added in the present fiscal include Capital One, VCG, Vehicle History, Zip Car, 12 Auto, DAT, Hertz EU, Lease Plan_RO, and Vehiculum.

Directors' Report

The izmomedia division operates in 16 countries, with clients in the USA, Mexico, Colombia, Belgium, Brazil, China, France, Germany, Italy, Netherlands, Portugal, Russia, Spain, Switzerland, Turkey, and India.
In the next fiscal, we are hopeful of building further in all of these categories, aggressively marketing the enhanced visual marketing capabilities of izmo.

Top Automotive web solutions provider in France, Mexico, and India

Your company is already the #1 auto dealer website provider in France, Mexico, and India. With the launch of the new generation "Responsive" web platform, arguably the most advanced automotive web platform in the world, the new generation appointments system, and the new version of automotive CRM with marketing automation, we hope to make great progress in our automotive business segment in this fiscal.

India Advantage

The India advantage of high-end human resources right from IP to support services at a relatively modest cost is a strategic advantage that greatly supports the organic growth of the company.



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

Real Business Websites in 3 steps: 15 minutes is all it takes

Last year, izmo entered the generic website space with izmoweb – "My Website, My Identity". A year later, the results are encouraging.

From lawyers and doctors to hospital chains and yoga studios, izmoweb is finding traction in markets as diverse as the U S. and India. To make it easier for customers, izmo virtually reinvented the business website development lifecycle, making it a buy-and-use product like a car or a laptop.

The recent foray of this division into the franchise website model which brings in dozens of websites in one order, is also generating interest in the business and professional communities.

Enterprise Products: Strategizing New Breakthroughs

With near-total domination of the market segment, the enterprise product division is now in the process of strategizing for new breakthroughs.

In the last fiscal, the division added Mercedes Benz to its existing customer base consisting of corporate majors like Airtel, Infosys, Wipro, Robert Bosch, Rambus Technologies, Axis Cades Technologies, Siemens, Kotak Mahindra, IBM, Jet Airways, Power Grid Corporation, Genpact, Idea Cellular and more.

Directors' Report

frogdata



Frogdata analyses data from all available applications - web analytics, CRM, DMS, or inventory tools, and offers advanced reporting, customer insights, predictive decision nalytics, and much more, helping companies to improve profitability, sales person efficiency and cost of operations.

www.frogdata.com

izmoFx



izmofx takes automotive marketing beyond the realm of the ordinary, with CGI graphics and Virtual Reality. With our virtual automotive technology & CGI expertise, the only limit to visual marketing is your own imagination. If you can dream it, we will deliver it.

www.izmofx.com

Directors' Report

izmoweb



- Fully developed, mobile-ready responsive websites for any business.
- Ready to go, no development required - Just add your name, logo and address
- Comes with pre-built content
- The most advanced web platform in the world
- Latest responsive website technology - your website will work well on any device, from big screen PCs to laptops, tablets, and mobiles.
- In-built booking system for appointments
- Create as many new pages as you like - Completely flexible
- Designed for Search Engines. See your profile grow online
- No hassle deployment. We buy your domain, setup your website and do everything

www.izmoweb.com

izmoRM



izmoRainmaker is a comprehensive, interactive, Internet marketing solution developed exclusively for the automotive retail industry by online marketing experts.

izmoRainmaker Offers:

- Creative Services
- Social Media Marketing - Facebook, Twitter, Linkedin...
- Interactive Marketing Campaigns
- Organic Search Engine Optimization
- Website Optimization
- Online Brand Marketing
- Research & Data Analysis

www.izmocars.com

Directors' Report

SalesVelocity



SalesVelocity is an enterprise class Customer Relationship Management Solution. SalesVelocity is delivered as a service, is cloud based and contains the following core functionalities:

- Sales Force Automation
- Finance & Insurance
- Campaign Management
- Service Management
- Business Development Center (BDC)

www.izmocars.com

izmotion



The izmotion Video Platform offers auto retailers powerful video sales pitches delivered in just 100 seconds.

The video demos include:

- Vehicle introduction
- Feature highlights
- Interiors
- Dash
- Boot space
- Engine & performance
- Seating and colors

All izmotion videos include a full length sales pitch voiceover, with a selection of sales personalities.

www.izmotion.com

Directors' Report

izmomedia



izmomedia is the world leader in Digital Imagery and Interactive Media Solutions for the Automotive vertical, since 2002. izmomedia produces High Quality Photographic images, video, and Digital Animations for the North American and EU markets, covering all major makes and models.

Large Automotive Photography Studios strategically located in Long Beach, USA and Brussels,Belgium, combined with state-of-the-art post-production facilities in Bangalore, enable izmomedia to quickly produce large volumes of work, covering over 800 automotive models.

Presently, the izmomedia client list includes leading portals like Yahoo!, AOL, AutoUSA, and Jato Dynamics, as well as OEMs like GM, Ford, and Mitsubishi Motors.

izmomedia has more than a decade of experience in working with ad agencies specialized in producing creative for automotive clients. Over the years izmomedia photographers have worked with art directors from DDB, Y&R, Traffic, Digitas, Organic, and Campbell-Ewald.

www.izmomedia.com

Directors' Report

izmostock



izmostock is the world's leading automotive stock photography provider, with dedicated vehicle photography studios in USA and Europe.

izmostock produces high volume automotive stock photography for over 800 vehicles per year. In addition to our consistent quality standard picture sets of car stock photos we also produce video with voice over, CGI enhanced imagery. high resolution (HDRI) interactive interior panoramas, 360° exterior animations, and several other high res stop frame animations of every car in the U.S.A. and Europe.

The automotive images library at izmostock is the largest and most comprehensive car stock photography collection of its kind, with hundreds of thousands of images available for download, since 2002.

www.izmostock.com

Client Locations



Directors' Report

Clients



Directors' Report

EXTRACT OF ANNUAL RETURN

The details of extract of the Annual Return is Form MGT-9 is annexed herewith as "Annexure A".

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 4 Board Meetings were conducted on 30.05.2016, 11.08.2016, 12.11.2016 and 13.02.2017.

BOARD COMMITTEES

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

There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have fulfilled their responsibility in preparation of the accompanying financial statements by taking all reasonable steps to ensure that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors have 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 and of the profit or loss of the company for the financial year ended 31st March 2017;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis; and
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION OF INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down u/s 149 (6) and (7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI(LODR) 2015.

Directors' Report

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, along with criteria for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report and Form MGT 9 which forms a part of this Report.

NOMINATION AND REMUNERATION POLICY

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualification and other related matters provided under Section 178(3) is enclosed with report under the details of policy on director's Appointment, remuneration criteria etc is given as "Annexure B".

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION / RESERVATION / ADVERSE REMARK / DISCLAIMER BY THE AUDITORS IN THEIR REPORTS

The Statutory Auditor's Report does not contain any qualification, disclaimer, reservation or adverse remark.

Further, the Secretarial Audit Report does not contain any qualification, disclaimer, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loans granted are mentioned in the Note No.24.15 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. 24.3 of Notes to the Standalone financial statement. Full particulars of investments made are stated in Note No. 10 and 12 to the Standalone financial statement.

RELATED PARTY TRANSACTIONS AND ITS POLICY

All related party transactions 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. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature. The actual transactions entered into pursuant to the omnibus approval so granted are placed at quarterly meetings of the Audit Committee. The Company has formulated a policy on related party transactions. This policy as approved by the Board is uploaded on the Company's website, www.izmoltd.com.

Your directors draw attention of the members to Note No. 24.15 of notes to the financial statement which sets out related party disclosures.

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.

Directors' Report

TRASFER TO RESERVE

Your Directors does not propose to carry any amount to reserves, during the financial year ended 31st March, 2017.

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 31st March, 2017 to which the financial statements relate and the date of this report.

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

A. Conservation of Energy

The operations of the Company are not energy intensive. Adequate measures have been taken to conserve and optimize the use of energy through improved operational methods.

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:

Earnings – Rs. 2,015.33 Lakhs (PY Rs. 1758.32 Lakhs)

Outgo – Rs. 135.74 Lakhs (PY Rs. 152.61 Lakhs)

RISK MANAGEMENT

A detailed report on Risk Management is included in Management Discussion and Analysis, which forms part of this Report. The report clearly states development and implementation of a risk management policy for the company including identification therein of elements of risks along with a risk mitigation plan.

A copy of Risk Management Policy is available in the Company's Website (www.izmoltd.com).

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.

Directors' Report

CHANGE IN THE NATURE OF BUSINESS

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

DETAILS OF DIRECTORS OR KMP WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the financial year ended 31st March, 2017 under review, it has been observed that there is no any changes have occurred in the Board of Directors as well as Key Managerial Personnel.

SUBSIDIARY COMPANIES

Your Company along with subsidiaries provides software solutions and services globally. A Report on the performance and financial position of each of the subsidiaries pursuant to Rule 8 (1) and Form AOC 1 read with Rule 5 of Companies (Accounts) Rules, 2014 is annexed as Annexure C and forms a part of this 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 www.izmoltd.com.

Stand-alone Financial Statements and Consolidated Financial Statements of your Company along with its subsidiaries, prepared in accordance with the relevant Accounting Standards issued by The Institute of Chartered Accountants of India, forms a part of this Annual Report.

DEPOSITS

The Company has not accepted Deposits under Chapter V of the Companies Act, 2013.

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.

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.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Policy provides for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. The whistle blower policy is uploaded on the website of the Company on this link i.e. www.izmoltd.com.

No complaints have been received during the year Financial Year 2016-17.

Directors' Report

FORMAL ANNUAL EVALUATION OF BOARD ON ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 evaluation of performance is carried out by the Company. Evaluating Board's effectiveness by assessing performance of the Board as a whole, performance of individual director and committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors are provided with a detailed report on the Company for past 5 years internal policies, a write up on powers delegated by the Board to various Officers of the Company, Bio data of Key Managerial Personnel, Service Rules applicable to the employees of the Company, Organization Chart, Proceeding of General Meetings of the Company for the past 5 years to enable them to familiarize with the Company's policies and practices.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligation & Disclosure Requirements), 2015, Management Discussion & Analysis Report is annexed as part of this report separately as "Annexure D".

AUDITORS

Statutory Auditor

Mr. Ramaswamy Vijayanand Chartered Accountant (Membership Number 202118) was appointed as statutory auditor of the company at the 19th Annual General Meeting of the Company held on 30th September 2014 to hold office of Auditor till the conclusion of 22nd Annual General Meeting to be held in the year 2017.

With the successful completion professional service tenure of Mr. Ramaswamy Vijayanand, as a statutory auditor of the company, the tenure of his appointment as a statutory auditor of the company is coming to an end in the ensuing 22nd Annual General Meeting of the company.

Hence, pursuant to Sections 139, 142 and such other applicable provisions of the Companies Act, 2013 and relevant rules thereof, The company needs to appoint new statutory auditor for the company in the ensuing 22nd Annual General Meeting to hold office of Auditor for the term of 5 years i.e. till the conclusion of 27th Annual General Meeting of the Company.

Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) has expressed his interest to the company and given his consent letter with regard to his eligibility to hold the office of the Statutory Auditors of the Company.

Hence, Recommendation to the members, the appointment of Mr. Guru Prakash V, Chartered Accountant

Directors' Report

(Membership Number 228938) to hold office of Statutory Auditor of the Company, from the conclusion of 22nd Annual General Meeting upto the conclusion of the 27th Annual General Meeting to be held in the year 2022 for conducting audit of financial statements of the Company for a period of five years from FY 2017-18 to FY 2021-2022.

Secretarial Auditors

As per the Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s V. Sreedharan & Associates, Company Secretaries, Bengaluru to conduct the Secretarial Audit of the company for F.Y. 2016-17.The report of the Secretarial Audit in Form MR-3 is annexed herewith as "Annexure-E".

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. 2016-17 and He has completed the internal audit as per scope given by the Audit Committee for the financial year 2016-17.

CORPORATE GOVERNANCE REPORT

Your Company continues to benchmark itself with the best of the breed practices as far as corporate governance standards are concerned. Your 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 Statutory Auditor's certification thereof is provided in the corporate governance section of this report at "Annexure F".

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'. The disclosure with regard to clause 14 of SEBI (Share Based employee benefits) regulation is in the company's website link www.izmoltd.com/policies.

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 are not required.

2. **Employee Stock Option Plan 2013**

   Disclosures for the financial year ended 31st March, 2017 regarding Employee Stock Option Plan 2013 in terms of Companies (Share Capital and Debenture) Rules, 2014 are as below:

Directors' Report

Particulars	Employee Stock Option Plan 2013	
	(F.Y 2016 -2017)	(F.Y 2015 -2016)
Option granted	NIL	287,000
Option vested	86,100	-
Option exercised	63,600	-
The total no. of shares arising as a result of exercise of option	63,600	-
Options lapsed/cancelled during the year	22,500	-
The exercise price	Rs. 10 /-	-
Variation of terms of options	No variation in the terms of options during the year under review.	-
Money realized by exercise of options	Rs.6,36,000	-
Total no. of options in force	2,00,900	-
Employee wise details of options granted to :		
Key Managerial Personnel(KMP)	No options were granted to KMPs during the year under review.	NIL
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	* Name of the employee: Mr. Akula Satya Kiran Number of options 20,000	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

HUMAN RESOURCES:

As on March 31, 2017 the employee strength was 259 employees.

RATIO OF MANAGERIAL REMUNERATION:

Details of employees as required under Section 197 of the Companies Act, 2013, is as given in the **Annexure-G**

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

The Company has adopted an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints.

The company has not received any complaint of sexual harassment during the financial year 2016-17.

Directors' Report

MATERIAL TRANSATIONS WITH RELATED PARTIES

The Company has not entered in to any 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 (Account) Rules, 2014.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the support extended by the business associates, customers and vendors. Your Directors place on record their gratitude of the significant contribution made by employees at all levels who have been instrumental in enabling your Company to make rapid progress during the year. Your Directors also thank Bankers, Government and Quasi Government Agencies, STPI Authorities, Capital market, media, shareholders fraternity

Place: Bengaluru
Date: 10th August 2017

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, Bengaluru-560017

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

ANNEXURE A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L72200KA1995PLC018734
ii	Registration Date	08.09.1995
iii	Name of the Company	IZMO Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	#177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bangalore, Karnataka. 560 076 Tel: 080 67125400 Fax:080 67125408
vi	Whether listed company	Yes, Listed in BSE & NSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited, "Subramanian Building", V Floor1, Club House Road, Chennai – 600 002, Tel: 044-28460390-94 Fax: 044-28460129 Email: investor@cameoindia.com Contact person: Mr. Narasimhan

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Software Development for Automotive Industry	620	97%
2	Enterprise Connectivity Solution & Others	620	3%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Izmo Europe BVBA,Belgium	0899.075.776	Subsidiary	100%	2 (87)(ii)
2	Midrange Software Pte Ltd, Singapore	199206197N	Subsidiary	100%	2 (87)(ii)
3	Izmo Inc.,	140442315	Subsidiary	100%	2 (87)(ii)
4	Izmo France SARL(Subsidiary of Midrange Software Pte Ltd)	80980883500015	Subsidiary	100%	2 (87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Name of the Company : IZMO LIMITED

Face Value : 10 /-

Paidup Shares as on 01-Apr-2016 : 12098673

Paidup Shares as on 31-Mar-2017 : 12162273

For the Period From : 01-Apr-2016 To : 31-Mar-2017

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	3564982	0	3564982	29.4658	3632693	0	3632693	29.8685	0.4026
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	**3564982**	**0**	**3564982**	**29.4658**	**3632693**	**0**	**3632693**	**29.8685**	**0.4026**
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	3564982	0	3564982	29.4658	3632693	0	3632693	29.8685	0.4026

B.	**PUBLIC SHAREHOLDING**									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1229734	0	1229734	10.1642	1213786	0	1213786	9.9799	(0.1842)
b.	INDIVIDUALS -									
	I. INDIVIDUAL HAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	3836117	95824	3931941	32.4989	3996938	95323	4092261	33.6471	1.1482
	II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITALIN EXCESS OF RS. 1 LAKH	2704834	151425	2856259	23.6080	2613244	151425	2764669	22.7315	(0.8765)
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	30828	0	30828	0.2548	38605	0	38605	0.3174	0.0626
	ESOP / ESOS / ESPS	0	0	0	0.0000	35129	0	35129	0.2888	0.2888
	HINDU UNDIVIDED FAMILIES	275321	0	275321	2.2756	220064	0	220064	1.8093	(0.4662)
	NON RESIDENT INDIANS	209608	0	209608	1.7324	165066	0	165066	1.3571	(0.3752)
	Total	**515757**	**0**	**515757**	**4.2629**	**458864**	**0**	**458864**	**3.7728**	**(0.4900)**
	SUB - TOTAL (B)(2)	**8286442**	**247249**	**8533691**	**70.5341**	**8282832**	**246748**	**8529580**	**70.1314**	**(0.4026)**
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	8286442	247249	8533691	70.5341	8282832	246748	8529580	70.1314	(0.4026)
	TOTAL (A)+(B)	**11851424**	**247249**	**12098673**	**100.0000**	**11915525**	**246748**	**12162273**	**100.0000**	**0.0000**
C.	**SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
	GRAND TOTAL (A)+(B)+(C)	**11851424**	**247249**	**12098673**	**100.0000**	**11915525**	**246748**	**12162273**	**100.0000**	**0.0000**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(ii) Shareholding of promoters

Name of the Company : IZMO LIMITED

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% change in shareholding during the year
1	SANJAY SONI	2717582	22.4616	0	2722682	22.3862	0	0.0754
2	SHASHI SONI	611187	5.0515	0	612287	5.0341	0	0.0174
3	KIRAN SONI	236213	1.9523	0	297724	2.4477	0	-0.4954

(iii) Change in Promoters' Shareholding

Name of the Company : IZMO LIMITED

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl No	Name of the Share holder	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**SANJAY SONI**				
	At the beginning of the year 01-Apr-2016	2717582	22.4600	2717582	22.460
	Purchase 10-Jun-2016	2000	0.016531	2719582	22.4783
	Purchase 17-Jun-2016	2000	0.016531	2721582	22.4949
	Purchase 04-Nov-2016	1100	0.009044	2722682	22.3863
	At the end of the Year 31-Mar-2017			2722682	22.39
2	**SHASHI SONI**				
	At the beginning of the year 01-Apr-2016	611187	5.05	611187	5.05
	Purchase 04-Nov-2016	1100	0.009044	612287	5.034314
	At the end of the Year 31-Mar-2017			612287	5.03
3	**KIRAN SONI**				
	At the beginning of the year 01-Apr-2016	236213	1.95	236213	1.95
	Purchase 16-Sep-2016	30000	0.24666	266213	2.18884
	Purchase 23-Sep-2016	7500	0.06167	273713	2.25051
	Purchase 30-Sep-2016	5000	0.04111	278713	2.29162
	Purchase 07-Oct-2016	2911	0.02393	281624	2.31555
	Purchase 21-Oct-2016	10000	0.08222	291624	2.39778
	Purchase 04-Nov-2016	1100	0.00904	292724	2.40682
	Purchase 25-Nov-2016	5000	0.04111	297724	2.44793
	At the end of the Year 31-Mar-2017			297724	2.45

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : IZMO LIMITED

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl No	**Name of the Share holder**	**No of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
1	**KANCHANA RAO**				
	At the beginning of the year 01-Apr-2016	456403	3.7723	456403	3.7723
	At the end of the Year 31-Mar-2017			456403	3.7526
2	**URJITA J MASTER**				
	At the beginning of the year 01-Apr-2016	325000	2.6862	325000	2.6862
	At the end of the Year 31-Mar-2017			325000	2.6721
3	**PORINJU V VELIYATH**				
	At the beginning of the year 01-Apr-2016	215000	1.7770	215000	1.7770
	Purchase 17-Jun-2016	85000	0.6988	300000	2.4666
	Sale 24-Feb-2017	(110000)	(0.9044)	190000	1.5622
	Sale 03-Mar-2017	(40000)	(0.3288)	150000	1.2333
	At the end of the Year 31-Mar-2017			150000	1.2333
4	**AJAY BHARADWAJ** **JT1 : ARTI BHARDWAJ**				
	At the beginning of the year 01-Apr-2016	180000	1.4877	180000	1.4877
	At the end of the Year 31-Mar-2017			180000	1.4799
5	**LKP FINANCE LIMITED**				
	At the beginning of the year 01-Apr-2016	228650	1.89	228650	1.89
	Sale 21-Oct-2016	(3915)	(0.0322)	224735	1.8478
	At the end of the Year 31-Mar-2017			224735	1.8478
6	**KAVITA SONI**				
	At the beginning of the year 01-Apr-2016	151425	1.2515	151425	1.2515
	At the end of the Year 31-Mar-2017			151425	1.2450
7	**KOTESWAR RAO MORUSU**				
	At the beginning of the year 01-Apr-2016	86200	0.7124	86200	0.7124
	Sale 19-Aug-2016	(1000)	(0.0082)	85200	0.7005
	Sale 02-Sep-2016	(1000)	(0.0082)	84200	0.6923
	Sale 11-Nov-2016	(10135)	(0.0833)	74065	0.6089

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl No	**Name of the Share holder**	**No of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	Sale 18-Nov-2016	(13605)	(0.1118)	60460	0.4971
	Sale 02-Dec-2016	(4400)	(0.0361)	56060	0.4609
	Sale 09-Dec-2016	(62)	(0.0005)	55998	0.4604
	Sale 16-Dec-2016	(2000)	(0.0164)	53998	0.4439
	Sale 24-Feb-2017	(2400)	(0.0197)	51598	0.4242
	Sale 03-Mar-2017	(4598)	(0.0378)	47000	0.3864
	Sale 17-Mar-2017	(4000)	(0.0328)	43000	0.3535
	Sale 31-Mar-2017	(5000)	(0.0411)	38000	0.3124
	At the end of the Year 31-Mar-2017			38000	0.3124
8	**M/S SPARROW TECHNOLOGIES LTD**				
	At the beginning of the year 01-Apr-2016	79974	0.6610	79974	0.6610
	Sale 17-Jun-2016	(2000)	(0.01653)	77,974	0.6445
	Purchase 24-Jun-2016	2000	0.01653	79,974	0.6610
	Purchase 05-Aug-2016	5000	0.04133	84,974	0.7023
	Purchase 10-Mar-2017	13000	0.10689	97,974	0.8092
	At the end of the Year 31-Mar-2017			97,974	0.8092
9	**MANJUNATH S**				
	At the beginning of the year 01-Apr-2016	85200	0.7041	85200	0.7041
	At the end of the Year 31-Mar-2017			85200	0.7005
10	**EQUITY INTELLIGENCE INDIA PRIVATE LIMITED**				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 17-Jun-2016	130000	1.0688	130000	1.0688
	Sale 24-Mar-2017	(50000)	(0.4111)	80000	0.6577
	At the end of the Year 31-Mar-2017			80000	0.6577

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Company : IZMO LIMITED

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl No	**Name of the Share holder**	**No of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
1	**SANJAY SONI**				
	At the beginning of the year 01-Apr-2016	2717582	22.46	2717582	22.46
	Purchase 10-Jun-2016	2000	0.0165	2719582	22.4783
	Purchase 17-Jun-2016	2000	0.0165	2721582	22.4949
	Purchase 04-Nov-2016	1100	0.0090	2722682	22.3863
	At the end of the Year 31-Mar-2017			2722682	22.39
2	**SHASHI SONI**				
	At the beginning of the year 01-Apr-2016	611187	5.05	611187	5.05
	Purchase 04-Nov-2016	1100	0.0090	612287	5.0343
	At the end of the Year 31-Mar-2017			612287	5.03
3	**KIRAN SONI**				
	At the beginning of the year 01-Apr-2016	236213	1.95	236213	1.95
	Purchase 16-Sep-2016	30000	0.2467	266213	2.1889
	Purchase 23-Sep-2016	7500	0.0617	273713	2.2505
	Purchase 30-Sep-2016	5000	0.0411	278713	2.2916
	Purchase 07-Oct-2016	2911	0.0240	281624	2.3155
	Purchase 21-Oct-2016	10000	0.0822	291624	2.3978
	Purchase 04-Nov-2016	1100	0.0090	292724	2.4068
	Purchase 25-Nov-2016	5000	0.0411	297724	2.4480
	At the end of the Year 31-Mar-2017			297724	2.45
4	**Ramanujam Krishnamurthy**				
	At the beginning of the year 01-Apr-2016	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2017			NIL	NIL
5	**Vijay Gupta**				
	At the beginning of the year 01-Apr-2016	37142	0.31	37142	0.31
	At the end of the Year 31-Mar-2017			37142	0.31
6	**Perur Phaneendra**				
	At the beginning of the year 01-Apr-2016	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2017			NIL	NIL
7	**Suraj Kumar Sahu**				
	At the beginning of the year 01-Apr-2016	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2017			NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	27,17,83,660	66,10,309	-	27,83,93,969
Change in Indebtedness during the financial year				
Additions	3,48,06,566	-	-	3,48,06,566
Reduction	6,95,88,192	39,14,169	-	7,35,02,361
Net Change Indebtedness at the end of the financial year	23,70,02,034	26,96,140	-	23,96,98,174

Note: For details refer Note No.5 to the Standalone financial statement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Sanjay Soni	Shashi Soni		
1.	**Gross salary** Salary including perquisites and other benefits as per provisions of Section 17 of Income tax Act, 1961	Rs.500,000/- Per Month	Rs. 16,337/- Per month from Apr'16 to Sept'16 and Rs.1,25,000/- Per Month thereafter		Rs.6,25,000/- Per Month as on 31.03.2017
2	Stock option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	Rs.500,000/- Per Month	Rs.1,25,000/- Per Month as on 31.03.2017		Rs.6,25,000/- Per Month as on 31.03.2017
	Ceiling as per the Act	Within Limit	Within Limit		Within Limit

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. Vijay Gupta	Mr. Ramanujam Krishnamurthy	Mr. Perur Phaneendra	
	(a) Fee for attending board & committee meetings	Rs.1,80,000/-	Rs.2,40,000/-	Rs.2,40,000/-	Rs. 7,60,000/-
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	Rs.1,80,000/-	Rs.2,40,000/-	Rs.2,40,000/-	Rs. 7,60,000/-
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others, please specify.	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	Rs.1,80,000/-	Rs.2,40,000/-	Rs.2,40,000/-	Rs. 7,60,000/-
	Overall Cieling as per the Act.	Within Limit	Within Limit	Within Limit	Within Limit

Note: For details refer Note No.5 to the Standalone financial statement.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	**Gross Salary** (a) Salary including perquisites and other benefits as per provisions of Section 17 of the Income Tax Act, 1961.	Rs. 2,50,000/- Per Month	Rs. 40,000/- Per Month	Rs. 2,90,000/- Per Month
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	**Rs. 2,50,000/- Per Month**	**Rs. 40,000/- Per Month**	**Rs. 2,90,000/- Per Month**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

	Type	Section of the Companies Act as per Companies Act, 1956	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeall made if any (give details)
	A. COMPANY (Compounding)					
	Izmo Limited	292A	Compounded on 06.01.2017	20,000	NCLT	No
		301	Compounded on 28.09.2016	3,000	RD	No
		372A(5)(a)	Compounded on 28.09.2016	3,000	RD	No
		383A	Compounded on 07.10.2016	85,300	NCLT	No
	B. DIRECTORS (Compounding)					
1	Mr. Sanjay Soni	211	Compounded on 23.01.2017	36,000	NCLT	No
		217(3)	Compounded on 23.01.2017	40,000	NCLT	No
		292A	Compounded on 06.01.2017	20,000	NCLT	No
		300	Compounded on 28.09.2016	10,000	RD	No
		301	Compounded on 28.09.2016	3000	RD	No
		372A(5)(a)	Compounded on 28.09.2016	3000	RD	No
		383A	Compounded on 07.10.2016	85,300	NCLT	No
		417	Compounded on 23.01.2017	5000	NCLT	No
2	Mrs. Shashi Soni	211	Compounded on 23.01.2017	36,000	NCLT	No
		217(3)	Compounded on 23.01.2017	40,000	NCLT	No
		292A	Compounded on 06.01.2017	20,000	NCLT	No
		300	Compounded on 28.09.2016	10,000	RD	No
		301	Compounded on 28.09.2016	3000	RD	No
		372A(5)(a)	Compounded on 28.09.2016	3000	RD	No
		383A	Compounded on 07.10.2016	85,300	NCLT	No
		417	Compounded on 23.01.2017	5000	NCLT	No
3	Mr. Vijay Gupta	217(3)	Compounded on 23.01.2017	40,000	NCLT	No
		417	Compounded on 23.01.2017	5000	NCLT	No
4	Mr. Roop Singh Chawan	217(3)	Compounded on 23.01.2017	40,000	NCLT	No
		417	Compounded on 23.01.2017	5000	NCLT	No

ANNEXURE B

POLICY RELATING TO THE REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. Preface:

Regulation 19 (4) and 20 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter alia, mandates the Nomination and Remuneration Committee of a listed entity to devise a policy on remuneration to directors, key managerial personnel and diversity of Board of Directors.

The Policy relating to the remuneration of the directors, key managerial personnel and other employees ("the Policy") sets out the approach to fix remuneration to all the employees of IZMO Limited ("the Company").

2. Definitions:

The definitions of some of the key terms used in this Policy are given below.

"Committee" means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Companies Act, 2013.

"Company" means IZMO Limited incorporated under the Companies Act, 1956

3. Policy relating to the remuneration for Directors, KMPs and other employees:

a) The remuneration / compensation / commission etc to Directors will be determined by the Committee and recommended to the Board for approval.

b) The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

d) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e) The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

4. Responsibility and Review:

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

ANNEXURE C Form AOC-I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES, PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013

FOR THE FINANCIAL YEAR 2016-17

Part "A" : Subsidiaries

S No.	Particulars	Europe Subsidiary	US Subsidiary	Singapore Subsidiary	France Subsidiary
1	Sl.No.	1	2	3	4
2	Name of the Subsidiary	Izmo Europe BVBA	Izmo Inc.,	Midrange Software Pte Ltd	Izmo France SARL
3	Reporting period	Apr'16 to Mar'17	Apr'16 to Mar'17	Apr'16 to Mar'17	Apr'16 to Mar'17
4	a) Reporting Currency	Euro	USD	SGD	Euro
	b) Exchange rate as on 31.03.2017	69.25	64.84	46.43	69.25
5	Share Capital	11,14,13,004	1,52,75,01,830	5,51,23,998	28,76,252
6	Reserves & Surplus	(7,44,55,943)	23,53,75,549	(2,05,43,292)	(2,04,16,318)
7	Total Assets	7,92,26,741	1,99,18,38,321	9,70,73,896	1,91,95,639
8	Total Liabilities	4,22,69,680	22,89,60,942	13,59,34,060	3,67,35,705
9	Investments	-	-	7,34,40,871	-
10	Turnover	10,89,47,912	34,06,85,400	4,82,08,351	4,41,44,157
11	Profit before Taxation	2,56,94,309	2,98,83,129	(26,18,136)	(1,39,06,346)
12	Provision for Taxation	-	-	-	-
13	Profit after Taxation	2,56,94,309	2,98,83,129	(26,18,136)	(1,39,06,346)
14	Proposed Dividend	-	-	-	-
15	% of Shareholding	100%	100%	100%	100% held by our Singapore 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

ANNEXURE D

Management Discussion & Analysis Report

Industry Structure and Developments

Your company operates in an environment of continuous innovation. Enterprises that stay ahead of the technology curve reap disproportionate rewards but have to be continuously on their guard against disruptive technology.

izmo has successfully launched several such cutting-edge technology solutions. Case in point is the izmoFx virtual reality automotive demos and FrogData data analytics solution for auto dealers.

Technological innovation and content expertise have enabled your company to successfully explore new markets and become market leaders in a few years. For example your company remains the online solutions market leader in the auto dealer segment, in countries like France and Mexico.

Opportunities and Threats

Presently izmo is aggressively promoting izmocars suite of online solutions for auto dealers, globally. The key difference between izmo and others in the market is that izmo owns the entire auto retail eco-system which enables dealers to get all their offerings from one online partner.

Simultaneously, izmo is also expanding its multimedia division. In addition to vehicle images covering all major model releases in the U.S. and Europe, cutting edge technology products like CGI is now finding market-traction, with an OEM onboard and others in the pipeline.

While disruptive technology is a threat to any IT enterprise, izmo has successfully built formidable entry barriers in our markets which alley competitive threats to a significant extent.

Segment wise or Product wise Performance

North America

USA

Your company continues to be the #1 provider of automotive imagery and visual marketing tools in the US as well as globally. Additionally, new technology initiatives like CGI is generating keen interest among OEMs.

Mexico

Your company continues to be the #1 automotive website provider in the country, adding more automotive OEMs to its existing portfolio. Izmo is also exploring the possibilities of launching other products and services in the fast-expanding market.

EUROPE

France

izmo continues to be the #1 provider of automotive retail websites in France with more than 30 automotive brands in its portfolio.

Other EU Nations

Your company continues to expand operations in other key EU territories. We have added several new clients to our Brussels based studio operations. izmo was also able to consolidate gains in Spain, Portugal, and Italy.

ASIA

India

In India we were able to expand izmoweb business and professional website offerings into the multi-website "Franchise" model. Presently we have websites in medical specialties, restaurants, legal services, beauty care, and more. We expect the SME segment to be a key business driver for the company in the coming years.

Place: Bengaluru
Date: 10th August 2017

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 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, 2017

To,

The Members of
IZMO LIMITED
#177/2C BILLEKAHALLIINDUSTRIAL AREA
BANNERGHATTA ROAD
BANGALORE-560076

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our 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, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2017. (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:

We 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 and External Commercial Borrowings;

(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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**

i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other laws applicable specifically to the Company namely:

- Information Technology Act, 2000 and the rules made thereunder.

We 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;

(ii) Listing Agreements entered into with both the Stock Exchanges (BSE & NSE).

We 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 period under review, the Company has complied with the provisions of the Acts Rules, Regulations, Guidelines, etc. mentioned above.

We 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. There were no changes in the composition of the Board of Directors during the period under review which required compliance with the provisions of the Act.

Adequate notice is 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 Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the Certificate of compliance furnished by the 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.

We further report that during the audit period, except for the proposal of issue of 6,00,000 Equity Shares on a preferential basis to EARC TRUST-SC38, there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.

Place: Bengaluru
3rd August, 2017

For V. Sreedharan & Associates
(Pradeep B. Kulkarni)
Partner
FCS 7260; CP No. 7835

ANNEXURE F

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

The Company's Philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders and stakeholders. Izmo believes that good governance practices stem from the culture and mind–set of the organization. Strong leadership and effective corporate governance practices have been Company's plus point.

A report, in line with the requirements of SEBI (Listing Obligations and disclosure Requirements Regulations, 2015) (hereinafter "Listing Regulations") for the year ended 31st March, 2017 is given below:

1. 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 having both Non-executive Directors and Executive Directors.

As on 31st March, 2017, the Board comprises of five Directors, two 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 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 Committee positions have been made by all the Directors.

B. Board Meetings:

The Board of Directors of the Company met 4 times during the Financial Year 2016-17. The composition of the Board and other Directorship/Membership of Committees held as on 31st March, 2017 along with attendance of Board/AGM during the year are given below:

Sr. No.	Name of the Director	Category	Date of Appointment	Attendance in Board Meetings during 2016-17	Attendance in last AGM as on 10th September, 2016	Boards / Committees as on 31.03.2017		
						Directorships (*)	Committee	
							Member	Chairman
1	Mrs. Shashi Soni	Chairperson Whole-Time Director Promoter	01.06.2001	3	Yes	1	Nil	Nil
2	Mr. Sanjay Soni	Managing Director Executive Director	01.04.1999	3	Yes	1	Nil	Nil
3	Mr. Perur Phaneendra	Non-Executive Independent Director	30.09.2014	4	Yes	3	4	3
4	Mr.Ramanujam Krishnamurthy	Non-Executive Independent Director	30.09.2014	4	Yes	3	4	1
5	Mr. Vijay Gupta	Non-Executive Independent Director	30.09.2014	3	No	1	2	Nil

CORPORATE GOVERNANCE REPORT

* This number excludes the directorships/committee memberships held in Private Limited Companies, Companies registered under Section 8 of the Companies Act, 2013. In accordance with provisions of Listing Regulation, Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public Limited Company including Izmo Limited have been considered.

Mr. Sanjay Soni was re-appointed as Managing Director of the Company with effect from 01.04.2016 in the Board meeting dated 13.02.2016.

Mrs. Shashi Soni was re-appointed as Chairperson cum Whole Time Director with effect from 01.10.2016 in the Board meeting dated 30.05.2016.

The relationships between directors: Mrs. Shashi Soni is the mother of Mr. Sanjay Soni.

Number of Board Meetings held during the year: 4

Dates on which Board Meeting held during the year 30.05.2016, 11.08.2016, 12.11.2016 and 13.02.2017.

Notes:

Information placed before the Board:

Agenda papers along with detailed notes are being circulated in advance of each meeting of the Board. Information pursuant to Corporate Governance practices as required under the Listing Regulations have been made available to the Board from time to time.

The company periodically places Compliance Reports/Certificates with respect to all applicable laws before the Board of Directors for its review.

Directors with material pecuniary or business relationship with the Company:

The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors during the year under review except payment of sitting fees and commission as disclosed in this report.

Meeting of independent directors:

During the year under review, the Independent Directors met on 11.08.2016 inter alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations, All the Independent Directors were present at the Meeting.

Web link of Familiarization programme imparted to Independent Directors: http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm

CORPORATE GOVERNANCE REPORT

2. Audit Committee

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. All the Members have relevant finance exposure:

1) Mr. Perur Phaneendra – Chairman
2) Mr. Ramanujam Krishnamurthy – Member
3) Mr. Vijay Gupta – Member

The Audit Committee has met 4 times during the year under review on 30.05.2016, 11.08.2016, 12.11.2016 and 13.02.2017.

Audit Committee Members	No. of meeting attended
Mr. Peru Phaneendra	4
Mr.Ramanujam Krishnamurthy	4
Mr. Vijay Gupta	3

Terms of Reference:

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

- To oversee the Company's financial reporting process and disclosure of its financial information;
- To recommend the appointment of Statutory Auditors and fixation of the audit fee;
- 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;
- Compliance with Accounting Standards;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- To review the functioning of the Whistle Blower mechanism;
- To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- To review the Company's financial and risk management policies;
- 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.
- Carrying out any such other functions as are mentioned in the terms of reference of the Audit Committee as per Regulation 18 of the Listing Regulations.

CORPORATE GOVERNANCE REPORT

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.

3. Nomination and Remuneration Committee

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.

Role of the Committee

a. 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;

b. Formulation of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. 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

e. Carry out evaluation of every director's performance.

f. Identifying the employees eligible for Stock options.

g. 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.

Composition

The Committee comprises three Non-executive Independent Directors.

The Nomination and Remuneration Committee is comprised of the following Directors:

1) Mr. Perur Phaneendra – Chairman
2) Mr. Ramanujam Krishnamurthy – Member
3) Mr. Vijay Gupta – Member

Remuneration Policy

Remuneration Policy of the Company is as given in **Annexure B** of this Annual Report.

The Nomination and Remuneration Committee has met once during the year under review on 30.05.2016.

CORPORATE GOVERNANCE REPORT

Nomination & Remuneration Committee	No. of meeting attended
Mr. Peru Phaneendra	1
Mr. Ramanujam Krishnamurthy	1
Mr. Vijay Gupta	1

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.

4. 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.30,000/- (Revised on the Board Meeting dated 12th November, 2016) for each meeting of the Board/Committees. Earlier the sitting fees was Rs. 20,000 /- per meeting.

Details of remuneration paid to Executive Directors, Non-Executive Directors and KMP are disclosed in MGT-9 (Annexure –A).

Details of Shareholding pattern of Executive Directors and Non-Executive Directors are disclosed in MGT-9 (Annexure –A).

None of the directors whether executive or not executive are intended for ESOP

5. Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee addresses the issues related to stake holders and is comprised of three independent directors.

1) Mr. Perur Phaneendra – Chairman
2) Mr. Ramanujam Krishnamurthy – Member
3) Mr. Vijay Gupta – Member

Mr. Suraj Kumar Sahu company secretary has designated as compliance officer

Number of Shareholder's Complaints received so far- Nil

Number not solved to the satisfaction of shareholders- Nil

Number of pending complaints- Nil

There were no pending complaints as on 31st March, 2017.

6. General Body Meeting

Following are the details of the last three Annual General Meetings:

Year	Venue	Date	Time
2013-14	Bharatiya Vidya Bhavan Race Course Road	30.09.2014	9.30 AM
2014-15	Bharatiya Vidya Bhavan Race Course Road	29.09.2015	9.30 AM
2015-16	Bharatiya Vidya Bhavan Race Course Road	10.09.2016	9.30 AM

CORPORATE GOVERNANCE REPORT

Special resolutions passed in the previous 3 AGMs.

Financial Year	Resolutions Passed	Date of passing special resolution
2013-14	NIL	NA
2014-15	NIL	NA
2015-16	1. Reappointment of Mr. Sanjay Soni as Managing director of the company. 2. Reappointment of Mrs. Shashi Soni as Chairperson and Whole time Director of the company. 3. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company. 4. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company's subsidiaries under the plan.	10.09.2016

7. Postal Ballot:

No Postal Ballot was conducted during the financial year 2015- 2016.

8. Means of Communication:

Quarterly results are published in daily newspapers viz, Financial Express/Vartha Bharati. These quarterly results are also made available in the official website of the Company www.izmoltd.com.

9. General Shareholders Information:

Annual General Meeting for the financial year 2016-17 is scheduled to be held on Wednesday, the 20th day of September 2017 at 9.30 A.M at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001.

Dates of book closure: The Company's Register of Members and Share Transfer Books will remain closed from 14th September, 2017 to 20th September, 2017 (both days inclusive).

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 2016-17.

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

BSE Limited, Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 (BSE)

The National Stock Exchange of India Ltd, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051 (NSE)

Listing fees have been paid for the Financial Year 2017-2018.

Scrip Code at:

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

BSE Limited – **532341**

ISIN in NSDL & CDSL - **INE848A01014**

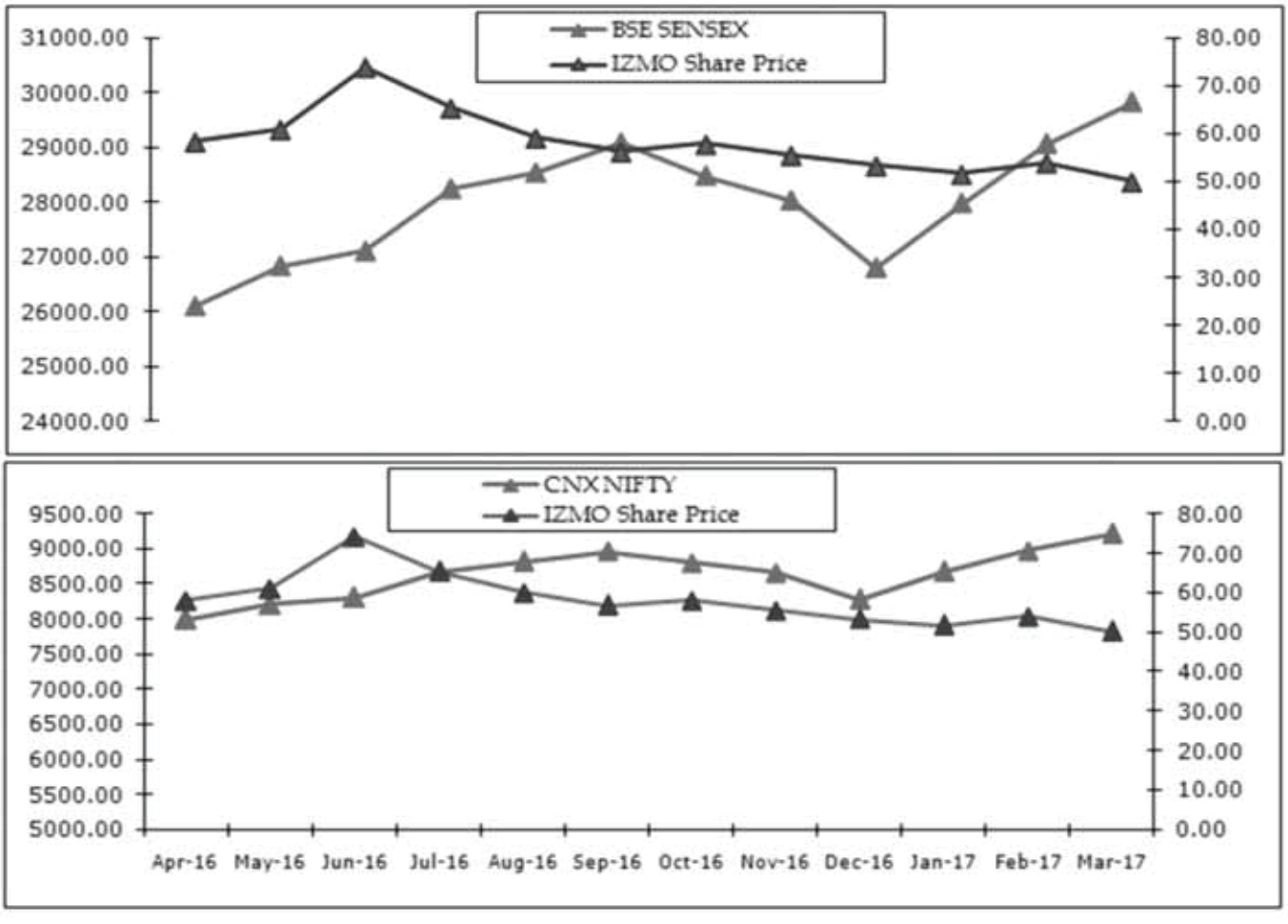
CORPORATE GOVERNANCE REPORT

Market Price Data: High/Low, Number of shares traded during each month in the last F.Y-2016-17

Month	BSE		NSE	
	High	Low	High	Low
April 2016	58.40	47.35	58.00	47.50
May 2016	61.00	46.20	61.00	46.60
June 2016	74.00	44.05	74.25	45.00
July 2016	65.40	54.40	65.50	54.50
August 2016	59.20	50.10	60.00	47.80
September 2016	56.30	46.70	56.75	46.10
October 2016	57.85	49.90	58.00	49.35
November 2016	55.60	40.10	55.55	40.00
December 2016	53.40	44.15	53.40	44.25
January 2017	51.60	45.45	51.80	44.10
February 2017	54.00	43.00	54.00	46.05
March 2017	50.00	44.90	50.20	44.75

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

A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as CNX NIFTY



CORPORATE GOVERNANCE REPORT

Share Transfer System:

To expedite the transfer in physical mode, authority has been delegated to Stakeholders Relationship Committee of the Board. The Committee 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. In compliance with the listing Guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him. Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained.

Distribution Schedule: As of 31st March, 2017 the distribution of the Company's shareholding was as follows:

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF STOTAL
1	between 1 and 1000	4477	45.95	3072550	2.53
2	between 1001 and 5000	3192	32.76	9564040	7.86
3	between 5001 and 10000	993	10.19	8329640	6.85
4	between 10001 and 20000	525	5.39	8148730	6.70
5	between 20001 and 30000	182	1.87	4682100	3.85
6	between 30001 and 40000	93	0.95	3288810	2.70
7	between 40001 and 50000	76	0.78	3564260	2.93
8	between 50001 and 100000	112	1.15	8234480	6.77
9	> 100000	94	0.96	72738120	59.81
	Total	9744	100.00	121622730	100.00

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).The status of dematerialization of shares as on 31st March, 2017 is as under:

Particular	No. of Share	% of total capital issued
Held in dematerialized form in CDSL	60,44,618	49.6997
Held in dematerialized form in NSDL	58,70,907	48.2715
Physical	2,46,748	2.0288

CORPORATE GOVERNANCE REPORT

Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:

As of 31st March 2017, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company except Employees Stock Option Scheme 2013. The details of which have been disclosed in the Directors' Report.

Disclosure of foreign exchange risks and hedging activities:

The Company had managed the foreign exchange risk. The company did not have any hedging activities during the financial year ended 31st March 2017.

Details of compliance with the mandatory requirements and adoption of the non mandatory requirements:

The Company has complied with all mandatory requirements of the SEBI (LODR) Regulations, 2015.

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:

M/s Cameo Corporate Services Limited "Subramanian Building", 5th Floor, 1, Club House Road, Chennai – 600 002 Tel: 044-28460390/95 Fax: 044-28460129 Email: investor@cameoindia.com	**Mr. Suraj Kumar Sahu** Company Secretary & 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

OTHER DISCLOSURES:

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The disclosure with respect to materially significant related party transactions are given note No. 24.15 of notes to Standalone financials statement.

(b) There was no any non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

(c) 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.

CORPORATE GOVERNANCE REPORT

(d) We have complied with mandatory requirements and not adopted non-mandatory requirements.

(e) 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.html

The chairperson of the company is executive director and the company makes payment of sitting fees to the independent directors

We complied with the disclosure of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance.

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

In tune with the corporate philosophy, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company in terms of provisions of the SEBI (LODR) 2015. The Code of Conduct is uploaded at the Company's website.

I hereby confirm that the Company has obtained from all members of the Board and Senior Management personnel, affirmation that they complied with Code of Conduct for the Financial Year 2016-17.

Place: Bengaluru

Date: 10th August, 2017

Sanjay Soni

Managing Director

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

To,

The Board of Directors

IZMO LTD

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity 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 these deficiencies.

D. We have indicated to the auditors and the Audit committee

a) significant changes in internal control over financial reporting during the year

b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) instances of 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.

Sanjay Soni	Kiran Soni	Place: Bengaluru
Managing Director	CFO	Date: 30.05.2017

AUDITORS'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Izmo Limited

I have examined the compliance of conditions of corporate governance by Izmo Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2017 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

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

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ramaswamy Vijayanand

Chartered Accountant

M.No. 202118

Date: 10th August, 2017

Place: Bengaluru

ANNEXURE G

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	13.02:1 (Sanjay Soni) 3.25:1 (Shashi 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;	765% increase in remuneration of Director (Shashi Soni)
iii.	The percentage increase in the median remuneration of employees in the financial year.	15.20% increased in median remuneration of employees
iv.	The number of permanent employees on the rolls of company;	259 employees.
v.	The explanation on the relationship between average increase in remuneration and company performance;	Increase in the remuneration of employee is in line with industry standards.
vi	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of the KMP's are in line with the remuneration policy of the company where their remuneration is determined based on their performance which is co-related to the performance of the company.
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The market capitalization of the company as on march 31, 2017 decreased by -6.52% when compared to previous year ended march 31, 2016 further the market capitalization Increased by 436.85% when compared to the market capitalization when the company came out with the last public offer. The EPS of the company as on March 31, 2017 has improved By 2.73 when compared to the EPS on March 31, 2016 on consolidated basis.
viii.	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;	15.20% : 21.04%
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Mr. Sanjay Soni Managing Director's remuneration constitutes 8.18% of the EBIDTA of the company while for Mrs. Kiran Soni , CFO it is 4.09% of EBIDTA.
x.	The key parameters for any variable component of remuneration availed by the directors;	Not Applicable.
xi.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable.
xii.	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.

By order of the Board
For IZMO Limited

Place: Bengaluru
Date: 10.08.2017

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

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

Independent Auditor's Report

TO THE MEMBERS OF IZMO LIMITED

Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of **Izmo Limited** (the Company), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Amendment Rules, 2017. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure A, a statement on the matters specified in the paragraph 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 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 Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

   e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 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"; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, Amendment Rules, 2017 in my opinion and to the best of my information and according to the explanations given to me.

I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.3 (a) & (b) 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. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance. During the period 8th November 2016 to 30th December 2016 and these are in accordance with books of accounts maintained by the Company. Refer Note 24.24 to the Standalone financial statements.

Ramaswamy Vijayanand

Chartered Accountant

M. No: 202118

Place: Dubai

Date: 30th May 2017

Annexure to the Independent Auditor's Report

Annexure - A to the Auditors' Report

The Annexure referred to in my Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, I report that:

i)

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In my opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

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)

a) The Company had granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and the entire principal amount has been written off as not recoverable during the year.

b) In view of point (a) above the question of regularity of repayment does not arise.

c) In view of point (a) above and as per information provided to us all steps taken by the company did not yield any result and hence Company was unable to recover the dues.

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, with respect to the loans and investments made.

v) The Company has not accepted any deposits from the public.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii)

a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

b) 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:

Annexure to the Independent Auditor's Report

Name of the statute	Nature of dues	Amount (Rs)	Amount Paid under protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Transfer Pricing	5,51,67,570	NIL	F.Y 2008-09	Company is preferring Appeal to be filed before High Court
Income Tax Act, 1961	Transfer Pricing	3,67,50,932	70,00,000	F.Y 2009-10	Appellate Tribunal
Income Tax Act, 1961	Transfer Pricing	3,09,10,300	NIL	F.Y 2010-11	Appellate Tribunal
Income Tax Act, 1961	Income Tax	84,23,520	NIL	F.Y 2012-13	CIT Appeals
Karnataka Value Added Tax act, 2003	VAT & CST	43,00,463	14,78,353	F.Y 2010-11	JCCT (A)-4

viii) According to the Information and explanations given to me and on the basis of examination of books of accounts, The outstanding liability of loan payable to State Bank of Mysore amounting to Rs. 18.95 (Including Interest) was transferred to Edelweiss Asset Reconstruction Company. The Company has subsequently adhere to the terms of repayment as upto 31st March 2017. However, the issue of shares as per terms of repayment for issue of 6 lakh shares were pending as on 31st March 2017.

ix) The Company did not raise any money by way of initial public offer and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

x) According to the information and explanations given to me, no material fraud by the Company or by its officers or employees has been noticed or reported during the course of my audit.

xi) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Act.

xii) In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where 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 shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable .

xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934

Ramaswamy Vijayanand
Chartered Accountant
M. No.: 202118

Place: Dubai
Date: 30th May 2017

Annexure to the Independent Auditor's Report

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 31st March 2017 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 Company's management 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 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 to 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.

Annexure to the Independent Auditor's Report

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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ramaswamy Vijayanand

Chartered Accountant
M. No.: 202118

Place: Dubai
Date: 30th May 2017

Balance Sheet
as at 31st March, 2017

(Amount in Rs.)

	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	**12,16,22,730**	12,09,86,730
Reserves and Surplus	2	**1,50,76,11,045**	1,49,70,10,613
		1,62,92,33,775	1,61,79,97,343
Non-Current Liabilities			
Other Long Term Liabilities	3	**1,46,98,550**	1,47,17,166
Long Term Provisions	4	**1,10,87,858**	85,63,862
		2,57,86,408	2,32,81,028
Current Liabilities			
Short Term Borrowings	5	**23,96,98,174**	27,83,93,969
Trade Payables	6	**13,35,06,669**	14,24,75,394
Other Current Liabilities	7	**4,27,25,471**	9,11,15,542
Short Term Provisions	8	**46,43,909**	11,43,823
		42,05,74,223	51,31,28,728
TOTAL		**2,07,55,94,406**	2,15,44,07,099
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		**4,10,29,723**	4,45,56,702
Intangible Assets		**10,31,699**	5,11,13,968
Capital Work-in-Progress		**3,87,98,065**	2,29,05,002
Non-Current Investments	10	**1,60,09,38,496**	1,60,29,78,996
Deferred Tax Assets (Net)		**2,31,00,333**	1,31,02,145
Long Term Loans & Advances	11	**2,55,97,085**	3,55,85,523
		1,73,04,95,401	1,77,02,42,336
Current Assets			
Current Investments	12	**7,26,74,810**	14,51,30,146
Inventories	13	**1,07,814**	1,95,180
Trade Receivables	14	**19,62,06,728**	16,22,98,083
Cash and Bank Balances	15	**69,46,887**	2,39,33,112
Short Term Loans & Advances	16	**6,91,62,765**	5,26,08,242
		34,50,99,005	38,41,64,763
TOTAL		**2,07,55,94,406**	2,15,44,07,099
Notes to Accounts & Significant Accounting policies	1 to 24		

Notes to Accounts & Significant Accounting policies form an integral part of the Balance Sheet.

for and on behalf of the Board

As per my Report of even date

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Statement of Profit and Loss
For the Year ended March 31, 2017

(Amount in Rs.)

	Note No.	As at March 31, 2017	As at March 31, 2016
INCOME			
Revenue from Operations	17	**21,63,90,305**	18,50,71,643
Other Income	18	**3,39,09,001**	2,57,86,980
TOTAL REVENUE		**25,02,99,306**	21,08,58,623
EXPENDITURE			
Direct Cost of Operation	19	**70,21,752**	65,28,870
(Increase)/Decrease in Stocks/Work-in-Progress	20	**87,366**	(56,981)
Employee Benefit Expenses	21	**11,30,93,976**	8,29,42,505
Financial Costs	22	**1,18,36,852**	1,86,43,933
Depreciation/Amortisation Expenses	9	**5,86,94,582**	5,70,27,787
Other Expenses	23	**5,67,85,617**	6,25,35,143
TOTAL EXPENSES		**24,75,20,145**	22,76,21,257
Profit Before Tax & Exceptional item		**27,79,161**	(1,67,62,634)
Exceptional / Extraordinary Items		**-**	-
Profit Before Tax		**27,79,161**	(1,67,62,634)
Tax Expenses			
Current Tax		**(21,76,917)**	-
Less: MAT Credit Adjustment		**-**	-
Deferred Tax		**99,98,188**	61,44,606
		78,21,271	61,44,606
Net Profit for the Year		**1,06,00,432**	(1,06,18,028)
Earnings Per Share of Face Value Rs. 10/- each			
Basic		**0.87**	(0.88)
Diluted		**0.87**	(0.88)
(Refer Note No. 24.12)			
Notes to Accounts & Significant Accounting Policies	**1 to 24**		

Notes to Accounts and Significant Accounting policies form an integral part of the Balance Sheet.

for and on behalf of the Board

As per my Report of even date

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Cash Flow Statement
For the Year ended March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	**27,79,161**	(1,67,62,634)
Adjustments for:		
Depreciation	**5,86,94,582**	5,70,27,787
Interest Expense	**1,18,36,852**	1,86,43,933
Interest Income	**(2,35,159)**	(6,16,952)
Dividend Income	-	(41,404)
Rental Income	**(98,53,034)**	(1,13,19,598)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	**20,40,500**	88,32,870
Short term capital gain on redemption of mutual funds	**(1,34,52,493)**	(20,15,364)
Profit on Sale of Assets	**(1,10,546)**	-
Operating Profit Before Working Capital Changes	**5,16,99,863**	5,37,48,638
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	**(3,39,08,645)**	(4,46,29,808)
(Increase)/Decrease in Current Investment	**7,24,55,336**	2,69,84,636
(Increase)/Decrease in Inventories	**87,366**	(56,981)
(Increase)/Decrease in short term Loans and Advances	**(1,65,54,523)**	(1,47,40,301)
Increase/(Decrease) in Current Liabilities and Provisions	**(9,47,31,422)**	3,42,08,810
Cash Generated from Operations	**(2,09,52,025)**	5,55,14,993
Direct Taxes paid (Net of Refunds)	-	-
Net cash from Operating Activities	**(2,09,52,025)**	5,55,14,993
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	**(51,21,591)**	(85,97,635)
Capital Work-in-Progress	**(1,58,93,063)**	(1,38,92,678)
Proceeds from Sale of Fixed Assets	**1,46,802**	-
Rental deposit for buildings received	**(18,616)**	(3,75,865)
(Profit)/ Loss on short term investments, includes dividend income (net of related expenses)	**(20,40,500)**	(88,32,870)
Short term capital gain on redemption of mutual funds	**1,34,52,493**	20,15,364
Investment in Equity shares	**20,40,500**	1,00,00,000
Long term loans & Advances	**99,88,438**	(2,01,03,354)
Long term Provisions	**25,23,996**	14,20,498
Rental Income	**98,53,034**	1,13,19,598
Interest Received	**2,35,159**	6,16,952
Dividend Income	-	41,404
Net cash used in Investing Activities	**1,51,66,653**	(2,63,88,585)
C. Cash Flows from Financing Activities		
Long Term Borrowings (Term loan & others)	-	-
Proceeds from issue of share capital (net of expenses)	**6,36,000**	-
Interest paid	**(1,18,36,852)**	(1,86,43,933)
Net Cash used in Financing Activities	**(1,12,00,852)**	(1,86,43,933)
Net increase in Cash and Cash Equivalents (A + B + C)	**(1,69,86,225)**	1,04,82,476
Cash and Cash Equivalents at the Beginning of the Year	**2,39,33,112**	1,34,50,636
Cash and Cash Equivalents at the End of the Year	**69,46,887**	2,39,33,112

Components of Cash and Cash Equivalents	**March 31, 2017**	March 31, 2016
Balances with Scheduled Banks		
- In Current Account	**41,01,656**	1,92,80,084
- In Deposit Account linked to Current Account	-	29,808
- In EEFC Account	-	-
Cash on Hand	**23,121**	23,381
b. Earmarked balance with banks (Unpaid dividend)	-	17,77,729
Deposit with Bank	**28,22,110**	28,22,110
TOTAL	**69,46,887**	2,39,33,112

for and on behalf of the Board

As per my Report of even date

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Notes on Financial Statements
for the Year ended 31st March, 2017

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 1: SHARE CAPITAL		
Authorised Capital		
13,200,000 Equity Shares of Rs. 10 each, fully paid		
(Previous Year :13,200,000 Equity Shares of Rs. 10 each fully paid)	**13,20,00,000**	13,20,00,000
Issued, Subscribed and Paid Up Capital		
12,162,273 Equity Shares of Rs. 10/- each fully paid		
(Previous Year :12,098,673 Equity Shares of Rs. 10/- each fully paid)	**12,16,22,730**	12,09,86,730

Note 1(a): The details of Shareholders holding more than 5% of Shares:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	**% held**	No. of Shares	% held
SANJAY VEDPRAKASH SONI	**27,22,682**	**22.39**	27,17,582	22.46
SHASHI SONI	**6,12,287**	**5.03**	6,11,187	5.05

Note 1(b): The reconciliation of number of shares outstanding is as given below:

Particulars	As at March 31, 2017 No. of Shares	As at March 31, 2016 No. of Shares
Equity Shares at the beginning of the year	**1,20,98,673**	1,20,98,673
Add: Shares issued during the year (ESOP issued to employees)	**63,600**	-
Less: shares cancelled on buy back of Equity Shares		-
Equity shares at the end of the year TOTAL	**1,21,62,273**	1,20,98,673

Note 2: RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	**1,44,72,93,217**	1,44,72,93,217
Additions during the year:	**-**	-
	1,44,72,93,217	1,44,72,93,217
General Reserve		
As per last Balance Sheet	**63,39,532**	63,39,532
Add: Transfer from Statement of Profit & Loss	**-**	-
Closing Balance	**63,39,532**	63,39,532
Surplus		
As per last Balance Sheet	**4,33,77,863**	5,39,95,891
Add: Net Profit after Tax for the year	**1,06,00,432**	(1,06,18,028)
	5,39,78,295	4,33,77,863
TOTAL	**1,50,76,11,045**	1,49,70,10,613

Notes on Financial Statements
for the Year ended 31st March, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 3: OTHER LONG TERM LIABILITIES		
Rental Deposit refundable	**1,21,91,550**	1,22,10,166
Liability towards Investment in Subsidiary	**25,07,000**	25,07,000
TOTAL	**1,46,98,550**	1,47,17,166
Note 4: LONG TERM PROVISIONS		
Long Term Provisions for Gratuity	**71,65,746**	53,70,175
Long Term Provisions for Compensatory Absences	**39,22,112**	31,93,687
TOTAL	**1,10,87,858**	85,63,862
Note 5: SHORT TERM BORROWINGS		
From Banks-Secured:		
Working Capital Facilities from Barclays bank (Secured against short term investments and personal guarantee by Promoter Directors)	**6,75,02,034**	13,20,90,226
From Others-Secured:		
Term Loan - Edelweiss ARC (Secured against first charge on inventories & receivables, immovable property, second charge on moveable assets and personal guarantee by Promoter Directors)	**16,95,00,000**	13,96,93,434
From Others-Unsecured:		
Car Loan from HDFC	**6,51,712**	8,52,913
Geeta Monitors Pvt Ltd	**15,46,047**	48,60,315
Pragathi Computers Pvt Ltd	**4,98,381**	8,97,081
TOTAL	**23,96,98,174**	27,83,93,969

Note: SBM Working Capital has been sold to Edelweiss ARC.

Note 6: TRADE PAYABLES		
Sundry Creditors	**13,35,06,669**	14,24,75,394
TOTAL	**13,35,06,669**	14,24,75,394
Note 7: OTHER CURRENT LIABILITIES		
Unclaimed Dividend	**-**	17,77,728
Share Warrant Application Money pending allotment (Refer Note No.24.5)	**3,30,000**	3,30,000
Statutory dues	**23,48,481**	18,23,020
Deferred Income	**27,29,794**	36,24,914
Other payables	**3,73,17,196**	8,35,59,881
TOTAL	**4,27,25,471**	9,11,15,542
Note 8: SHORT TERM PROVISIONS		
Provision for Taxation	**21,76,917**	-
Short term Provision for Gratuity	**16,14,192**	7,71,534
Short term Provision for Compensated absences	**8,52,800**	3,72,289
TOTAL	**46,43,909**	11,43,823

Notes on Financial Statements
For the Year ended 31st March, 2017

Note 9: FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION /AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions	Deletions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deletions/ Adjustments	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Asset										
1. Land	46,74,279	-	-	46,74,279	-	-	-	-	46,74,279	46,74,279
2. Buildings	4,91,78,564	-	-	4,91,78,564	2,54,00,901	10,81,072	-	2,64,81,973	2,26,96,591	2,37,77,663
3. Computers	4,85,87,770	36,88,830	68,300	5,22,08,300	3,95,46,769	55,11,319	32,043	4,50,26,045	71,82,255	90,41,001
4. Plant and Machinery	68,71,701	-	-	68,71,701	67,35,237	18,317	-	67,53,553	1,18,148	1,36,465
5. Office Equipments	67,38,595	3,24,813	-	70,63,408	62,11,925	2,01,058	-	64,12,983	6,50,425	5,26,670
6. Diesel Generators	21,24,486	-	-	21,24,486	15,45,369	72,104	-	16,17,473	5,07,013	5,79,117
7. Electrical Installations	67,52,729	1,43,464	-	68,96,193	43,36,945	4,04,424	-	47,41,369	21,54,824	24,15,784
8. Furniture & Fittings	52,12,123	2,04,905	-	54,17,028	43,93,513	1,50,746	-	45,44,260	8,72,768	8,18,610
9. Interiors	80,95,981	-	-	80,95,981	77,17,442	49,767	-	77,67,209	3,28,772	3,78,538
10.Vehicles	1,40,56,102	-	25,21,224	1,15,34,878	1,18,47,526	3,63,927	25,21,224	96,90,230	18,44,648	22,08,575
11. Canteen Structure	3,01,039	-	-	3,01,039	3,01,039	-	-	3,01,039	-	-
Total (A)	**15,25,93,369**	**43,62,012**	**25,89,524**	**15,43,65,857**	**10,80,36,666**	**78,52,734**	**25,53,267**	**11,33,36,134**	**4,10,29,723**	**4,45,56,702**
Intangible Asset										
12. Software	6,74,49,327	7,59,579	-	6,82,08,906	6,63,54,407	8,22,800	-	6,71,77,207	10,31,699	10,94,921
13. Intellectual Property	20,00,76,188	-	-	20,00,76,188	15,00,57,141	5,00,19,047		20,00,76,188	-	5,00,19,047
Total (B)	**26,75,25,515**	**7,59,579**	**-**	**26,82,85,094**	**21,64,11,547**	**5,08,41,847**	**-**	**26,72,53,395**	**10,31,699**	**5,11,13,968**
Grand Total (A+B)	**42,01,18,884**	**51,21,591**	**25,89,524**	**42,26,50,951**	**32,44,48,214**	**5,86,94,582**	**25,53,267**	**38,05,89,529**	**4,20,61,422**	**9,56,70,670**
Previous Year	41,15,21,249	85,97,635	-	42,01,18,884	26,74,20,427	5,70,27,787	-	32,44,48,214	9,56,70,670	14,41,00,822

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 10: NON-CURRENT INVESTMENTS		
Other than Trade, Unquoted		
Investment in Equity Instruments of Subsidiaries(at Cost)		
i) Investment in Equity Shares of Midrange Software Pte Ltd, Singapore		
(1,904,915 Equity Shares of face value SGD 1 each fully paid)		
(Previous Year: 1,904,915 Equity Shares of face value SGD 1 each fully paid)	**5,51,23,998**	5,51,23,998
ii) Investment in Equity Shares of Izmo Inc (Formerly Logix Americas Inc.,)		
(100,000 Equity Shares of face value USD 1 each fully paid, issued at USD 195.01 per share)		
(Previous Year: 100,000 Equity Shares of face value USD 1 each fully paid, issued at USD 195.01 per share)	**1,45,69,37,211**	1,45,69,37,211
(50,000 Equity Shares of face value USD 1 each fully paid, issued at USD 266.942 per share)		
(Previous Year: 50,000 Equity Shares of face value USD 1 each fully paid, issued at USD 266.942 per share)		
iii) Investment in Equity Shares of Logix Microsystems Inc., USA		
(65,500 Equity Shares of face value USD 1 each fully paid)		
(Previous Year: 65,500 Equity Shares of face value USD 1 each fully paid)	**30,71,845**	30,71,845
iv) Investment in Equity Shares of Carazoo Online Services Pvt.Ltd		
(Current Year: NIL)		
(Previous Year: 48,810 Equity Shares of face value Rs.10 each fully paid)	**-**	20,40,500
v) Investment in Equity Shares of Izmo Europe BVBA, Belgium		
(1,359,093 Equity Shares of Euro 1 each fully paid)		
(Previous Year: 1,359,093 Equity Shares of Euro 1 each fully paid)	**8,88,77,287**	8,88,77,287
Less: Reserve for Diminution in value of Investment	**(30,71,845)**	(30,71,845)
TOTAL	**1,60,09,38,496**	1,60,29,78,996

Notes on Financial Statements
For the Year ended 31st March, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 11: LONG TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Deposits	**1,38,72,085**	1,33,42,085
Unsecured Loan to Carazoo	**-**	1,05,18,438
Advance for Commercial Property	**1,17,25,000**	1,17,25,000
TOTAL	**2,55,97,085**	3,55,85,523
Note 12: CURRENT INVESTMENTS		
Trade Investments, Quoted: (Valued at Lower of Cost)		
Investment in Mutual Funds:	**7,26,74,810**	14,51,30,146
TOTAL	**7,26,74,810**	14,51,30,146
Note 13: INVENTORIES		
Stock in Trade	**1,07,814**	95,180
Software work-in-Progress	**-**	-
TOTAL	**1,07,814**	1,95,180
Note 14: TRADE RECEIVABLES		
Debts outstanding for a period exceeding 6 months		
Unsecured, Considered Good	**8,96,23,295**	4,92,62,186
Unsecured, Considered Doubtful	**-**	-
Other Debts (Unsecured, Considered Good)	**10,65,83,433**	11,30,35,897
	19,62,06,728	16,22,98,083
Less: Provision for Doubtful Debts	**-**	-
TOTAL	**19,62,06,728**	16,22,98,083
Note 15: CASH AND BANK BALANCES		
a. Cash & Cash equivalents		
i)Balances with Scheduled Banks		
Current Account	**41,01,656**	1,92,80,084
Fixed Deposit Account	**-**	29,808
ii) Cash on Hand	**23,121**	23,381
b. Earmarked balance with banks (Unpaid dividend)	**-**	17,77,729
c. Deposit with Banks	**28,22,110**	28,22,110
(The above deposit is held as Margin money against Bank Guarantee's availed)		
TOTAL	**69,46,887**	2,39,33,112
Note 16: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good:		
Loans and advances to related parties (Refer Note No.24.15)	**1,55,19,975**	1,55,19,975
Employee Loans & Advances	**4,01,066**	5,21,000
Income-tax Paid at Source	**55,66,057**	57,15,259
Income Tax refund receivable	**84,43,370**	58,71,243
Other Short term Loans & Advances	**3,92,32,298**	2,49,80,765
TOTAL	**6,91,62,765**	5,26,08,242

Notes on Financial Statements
For the Year ended 31st March, 2017

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Note 17: REVENUE FROM OPERATION		
Software Sales & Services		
-Domestic	**1,48,56,920**	92,39,812
-Exports	**20,15,33,385**	17,58,31,831
TOTAL	**21,63,90,305**	18,50,71,643
Note 18: OTHER INCOME		
Interest Income [TDS: Rs. 23,333/-(Previous Year: Rs.34,470)]	**2,35,159**	6,16,952
Dividend Income	**-**	41,404
Income from Investments	**-**	11,17,880
Other Non-operating income		
-Rental Income	**98,53,034**	1,13,19,598
-Service Charges received (Carazoo)	**25,77,264**	33,50,374
-Profit on Sale of Fixed Assets	**1,10,546**	-
-Reimbursement of expenses	**25,06,828**	23,86,101
-Short term Captial gain	**1,34,52,493**	20,15,364
-Miscellaneous Income	**51,73,678**	49,39,307
TOTAL	**3,39,09,001**	2,57,86,980
Note 19: DIRECT COST OF OPERATION		
Cost of Purchase for Resale	**69,73,937**	65,28,870
Customs duty	**47,815**	-
TOTAL	**70,21,752**	65,28,870
Note 20: (INCREASE)/DECREASE IN STOCK/ WORK-IN-PROGRESS		
Opening Stock		
Stock in Trade	**1,95,180**	1,38,199
Software Work in Progress	**-**	-
Total (A)	**1,95,180**	1,38,199
Closing Stock		
Stock in Trade	**1,07,814**	1,95,180
Software Work in Progress	**-**	-
Total (B)	**1,07,814**	1,95,180
(Increase)/Decrease in Work-in-Progress TOTAL	**87,366**	(56,981)
Note 21: EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages (Refer Note No. 24.11)	**10,56,56,038**	7,58,59,308
Contribution to Provident and Other Funds	**63,55,057**	39,47,406
Staff Welfare Expenses	**10,82,881**	31,35,791
TOTAL	**11,30,93,976**	8,29,42,505

Notes on Financial Statements
For the Year ended 31st March, 2017

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Note 22: FINANCIAL COSTS		
Interest Expense	**1,18,36,852**	1,86,43,933
TOTAL	**1,18,36,852**	1,86,43,933
Note 23: OTHER EXPENSES		
Directors Sitting Fees	**6,60,000**	5,20,000
Books & Periodicals	**31,939**	11,595
Corporate Expenses	**5,14,911**	3,45,701
Electricity, Generator & Water Charges	**40,85,341**	46,12,441
Insurance	**1,79,942**	1,76,437
Membership & Subscription	**2,63,183**	1,52,299
Miscellaneous Expenses	**74,721**	94,354
Office Expenses	**9,16,911**	10,30,275
Postage & Telecommunication	**29,49,137**	26,85,023
Professional, Legal & Consultancy Charges (Refer Note No.24.6)	**34,44,822**	36,33,539
Printing & Stationery	**5,03,247**	4,88,304
Rent	**87,78,139**	83,39,933
Rates & Taxes	**10,90,434**	4,20,642
Repairs & Maintenance	**43,65,347**	16,95,913
Recruitment expenses	**6,180**	52,712
Security Charges	**10,79,600**	13,43,419
STPI - Service Charges	**2,15,000**	2,15,000
Traveling & Conveyance	**1,03,59,822**	1,24,30,815
Vehicle Maintenance	**15,90,746**	13,99,317
Exchange Rate Difference	**9,79,115**	1,15,96,751
Bank Charges	**1,44,675**	1,25,685
Bad Debts written off	**1,08,82,591**	-
Advertisement Expenses	**3,38,082**	2,94,180
Business Promotion	**12,21,972**	8,40,734
Exhibition & Seminar Expenses	**-**	15,400
Entertainment Expenses	**69,261**	63,923
Loss on sale of Investment	**20,40,500**	99,50,750
TOTAL	**5,67,85,617**	6,25,35,143

Notes on Financial Statements
For the Year ended 31st March, 2017

24 NOTES ON ACCOUNTS

24.1 Significant Accounting Policies

a. Basis of Preparation

The financial statements are prepared under the historical cost convention, in accordance with the accounting standards and the provisions of the Companies' Act, 2013 as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

The preparation of statements in conformity with accounting standards, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Examples of such expenses include provision for doubtful debts, miscellaneous expenditure and useful lives of fixed assets. Actual results could differ from those estimates. Any revision to such accounting estimates is recognized in the accounting period in which such revision takes place.

b. Revenue Recognition

izmo Cars Solutions

Revenue from fixed price software contracts are recognized principally on the basis of completed mile-stones as specified in the contracts. Revenue from software development and service on time basis is recognized as per terms of specified contracts.

Enterprise Connectivity & Security

Revenue from sale of hardware and software products is recognized on the dispatch of goods from the company's premises/transfer of licenses. Income from Maintenance Contracts is accounted for in the ratio of the period expired to the total period of contract and the amount invoiced from the customers towards the unexpired portion of such contracts is treated as Deferred Revenue.

Dividend Income & Interest Income

Dividend income is recognized when the right to receive dividend is established and Interest income is accrued at the applicable interest rate.

c. Inventory Valuation

Trading Stock have been valued at the lower of cost or net realizable value. Software Work-in Process is valued at the cost incurred on the specific project up to the date of Balance Sheet pending achievement of requisite mile-stone on which revenue is recognized subsequent to the date of the Balance Sheet.

d. Fixed Assets

Fixed Assets are stated at the original cost of acquisition less depreciation. Original cost includes purchase price, levies, directly attributable cost of bringing the assets to its working condition for its intended use as also the capitalized portion of pre-operative expenses.

e. Depreciation

Depreciation is provided at the rates prescribed in Schedule II of the Companies Act, 2013, under Straight line Method considering useful life of the Asset. Depreciation is charged on prorata basis on the additions during the year. Intangible assets are amortized over a period of 3-5 years.

f. Investments

Subsidiary Companies: Investments held by the company are long term in nature and are stated at cost unless there is a permanent diminution in the value of the Investment.

g. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at a rate which approximates the exchange rate prevailing on the date of the transaction. Current Assets and Liabilities denominated in Foreign Currency are translated at the exchange rate as at the Balance Sheet date. The resulting net gain or loss is recognized in the Profit and Loss Account.

h. Borrowing Cost

Borrowing costs that are attributable to the acquisition/construction of fixed assets are capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they are incurred.

i. Taxation

Provision for Income-tax has been made at the current tax rates at the higher of that on the basis of estimated assessable income or on the basis of Section 115 J B of the Income Tax Act, 1961

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. Retirement/ Employee Benefits

In accordance with the requirements of revised Accounting Standard-15 "Employee Benefits", the company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an Actuary using the Projected Unit Credit Method. The liability in unfunded Actuarial gains or losses arising from the changes in the actuarial assumptions are charged or credited to the Profit and Loss account in the year in which such gains or losses arise.

Leave encashment benefits payable to the employees of the Company with respect to accumulated leave outstanding at the year end are accounted for on the basis of actuarial valuation using Projected Unit Credit Method as at the Balance Sheet date. The liability is unfunded.

The Company's contribution to employee' Provident Fund is accounted on accrual basis.

Other Employee benefits are accounted for on accrual basis.

"Since the attrition rate in the software industry is significant ,the company has taken the stand, as in the previous years , not to provide for superannuation benefits to the employees . Superannuation expenses will be charged to the Profit & Loss Account as and when it is paid. Due to the nature of the industry , the company does not foresee significant expenses under this head in the foreseeable future."

k. Intangible Assets

Intangible assets, mainly software and Intellectual property, are capitalized at cost. Based on the managements estimate of useful life, the same are amortized over 3-5 years All Intangible assets are reviewed as at the date of the financial statements for impairment.

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. Provisions & Contingent Liabilities

Provisions and Contingent Liabilities: The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

24.2 Turnover is stated net of Sales-tax, Cess, Surcharge, Service tax and Sales Returns.

24.3 (a) Contingent Liabilities (to the extent of which not provided for)

Particulars	Current Year	PreviousYear
Money for which the company is contingently liable:		
Bank Guarantee*	28,22,110	28,22,110

*Bank Guarantee issued to DCCT(A& R)
4.8 towards VAT & CST tax demand in dispute for FY 2010-11.

24.3 (b) 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	5,51,67,570	-	2009-10	Appeal to be filed with the HC
Income-tax Act, 1961	Transfer pricing	3,67,50,932	70,00,000	2010-11	Appellate Tribunal
Income-tax Act, 1961	Transfer pricing	3,09,10,300	-	2011-12	Appellate Tribunal
Income-tax Act, 1961	Income-tax	84,23,520	-	2013-14	CIT(A)

Note: In respect of the above listed tax demands in dispute, the Company believes that, there is a strong case in its favour and does not envisage any liability on account of the same.

24.3 (C)Commitments (to the extent of which not provided for)

i)	Unexpired Letters of Credit	0	0
ii)	Warranty Costs on Software Sale*	Not Quantified	Not Quantified

* The company does not envisage any liability on account of a back to back arrangement with the suppliers for any such claims.

24.4 The balances in the share refund account and the related bank account was pending reconciliation. The unreconciled difference amounts to Rs.5.12 lakhs.

24.5 In accordance with Section 125(2)(h) of Companies Act, 2013, Share Warrant Application money, pending allotment and due for refund amounting to Rs.3.30 lakhs remaining unpaid since 31st March 2010 has been transferred to Investor Education and Protection Fund after the completion of 7 years, within due date.

24.6 Payment to Auditors (net of service tax input credit where applicable)

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	2,70,000	2,20,000
Taxation & other matters	80,000	80,000
Professional charges *	1,40,000	92,000
* Including Statutory Certification fees		
Total	**4,90,000**	**3,92,000**

24.7 C I F Value of Imports (Amount in Rs.)

Particulars	Current Year	Previous Year
Purchases	69,73,937	65,28,870
Capital Goods	-	-
Total	**69,73,937**	**65,28,870**

24.8 Expenditure in Foreign Currency (Amount in Rs.)

Particulars	Current Year	Previous Year
Purchases	69,73,937	65,28,870
Capital goods	-	-
Foreign Travel	65,99,824	87,32,433
Rebate on Export	-	-
Total	**1,35,73,761**	**1,52,61,303**

24.9 Earnings in Foreign Currency (Amount in Rs.)

Particulars	Current Year	Previous Year
Software Exports & Consultancy	20,15,33,385	17,58,31,831
Reimbursements in respect of Marketing costs	-	-

24.10 Quantitative Details of Trading (In Nos)(as furnished by the management)

Particulars	Opening Stock	Purchases/ Sales Returns	Sales/Purchase Returns/Disposals	Closing Stock
Current Year Software	8	5	9	4
Previous Year Software	6	5	3	8

24.11 Managerial Remuneration (Amount in Rs.)

Particulars	Current Year	Previous Year
Salary & Allowances	64,21,956	57,75,912
Contribution to Provident Fund	4,26,066	4,20,132
Total	**68,48,022**	**61,96,044**

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.

Directors remuneration for the current year is sum of Rs.60.00 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 30th September 2013. but in excess of the limits prescribed under the Companies Act. The Company had obtained the requisite approval from the Central Government.

24.12 Earning per Share:

Computation of earnings per share (basic & diluted) -

Particulars		After extraordinary items		Before extraordinary items	
		2016-17	2015-16	2016-17	2015-16
Basic					
Net Profit after tax attributable to Equity share holders (Rs)	A	1,06,00,432	(1,06,18,028)	1,06,00,432	(1,06,18,028)
Weighted average number of shares outstanding *	B	1,21,62,273	1,20,98,673	1,21,62,273	1,20,98,673
Basic EPS (Rs)	**A/B**	**0.87**	**(0.88)**	**0.87**	**(0.88)**
Diluted					
Net Profit after tax attributable to Equity share holders (Rs)	A	1,06,00,432	(1,06,18,028)	1,06,00,432	(1,06,18,028)
Weighted average number of shares outstanding*	B	1,21,62,273	1,20,98,673	1,21,62,273	1,20,98,673
Add : Weighted average no of potential equity shares on account of ESOP	C	-	-	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	1,21,62,273	1,20,98,673	1,21,62,273	1,20,98,673
Diluted EPS (Rs)	**A/D**	**0.87**	**(0.88)**	**0.87**	**(0.88)**
Face value per share (Rs)		**10**	**10**	**10**	**10**

24.13 The details of intangible assets (software) is as under:

(Rs. In Lakhs)

Particulars	Gross			Amortization			Net	
	Opening	Addition	Total	Opening	for the year	Total	Opening	Closing
(a) Internally Generated Software	40.00	-	40.00	40.00	-	40.00	-	-
(b) Acquired Software	634.49	7.60	642.09	623.55	8.23	631.78	10.94	10.31
TOTAL	**674.49**	**7.60**	**682.09**	**663.55**	**8.23**	**671.78**	**10.94**	**10.31**
(c) Intellectual Property	2,000.76	-	2,000.76	1,500.57	500.19	2,000.76	500.19	-
TOTAL	**2,675.25**	**7.60**	**2,682.85**	**2,164.12**	**508.42**	**2,672.54**	**511.13**	**10.31**

24.14 Lease-Operating Lease

The Company is obligated under cancelable lease for the office space that is renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under cancelable operating leases for the year ended 31 March 2017 are as follows.

Particulars	Current Year	Previous Year
		(Amount in Rs.)
Minimum Lease Payment	5,47,14,695	4,25,51,178
Contingent Rent	-	-
Amount due within 1 Year	95,24,004	78,93,504
Amount due later than 1 Year & not later than 5 Years	4,51,90,691	3,46,57,674

24.15 List of Related Parties

a) Enterprises Controlled by the Company

Midrange Software Pte Ltd, Singapore	Wholly Owned Subsidiary
Izmo Inc., USA	Wholly Owned Subsidiary
Izmo Europe BVBA	Wholly Owned Subsidiary
Izmo France SARL	Subsidiary of our Wholly Owned Subsidiary (Midrange Software Pte.Ltd)
Carazoo Online Solutions Pvt Ltd.	49% of Equity Shares held by Izmo Ltd

b) Key Management Personnel

Mrs. Shashi Soni
Mr. Sanjay Soni
Mrs. Kiran Soni

c) Enterprises in which Key Management personnel/their relatives have a significant influence

Aries Gases Private Limited
Deep Heritage
Deep Oxygen Private Limited, India
Deep Investment Advisory Bangalore Private Limited
Si2 Microsystems Pvt Ltd., India
D'Gipro Design Automation & Marketing Pvt Ltd.,
D'Gipro Systems Pvt Ltd.,
Carazoo Online Solutions Pvt Ltd.

(Amount in Lakhs.)

Nature of Transactions	Subsidiary Companies		Key Management Personnel		Enterprises in which Key Management Personnel or their relative have a significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services/Re-imbursement of Expenses/Investment						
Deep Heritage	-	-	-	-	-	-
Si2 Microsystems Pvt Ltd.,	-	-	-	-	10.39	21.42
D'Ggipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	-	-
Remuneration & Salaries	-	-	98.48	78.46	-	-
Software Sales & Service Exports						
Izmo Inc., USA	2,073.02	1,755.33	-	-	-	-
Midrange Software Pte Ltd.,	0.37	2.98	-	-	-	-
Rental Income						
Si2 Microsystems Pvt Ltd.,	-	-	-	-	41.39	51.50
D'Ggipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	-	8.50
Receivables						
Izmo Inc., USA	1,963.91	1,601.76	-	-	-	-
Carazoo Online Solutions Pvt Ltd	-	105.18	-	-	-	-
D'Ggipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	155.20	155.20
Dgipro systems Private limited					18.00	-
Payables						
Homestar LLC	13.50	13.82	-	-	-	-
Izmo Inc., USA	1,191.41	1,218.87	-	-	-	-
Si2 Microsystems Pvt Ltd.,	-	-	-	-	47.44	111.69
Carazoo Online Solutions Pvt Ltd	-	-	-	-	0.66	-

24.16 Sundry Debtors includes the following amounts in respect of dues from Subsidiaries: (Amount in Lakhs.)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Claaosing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Izmo Inc.	1,963.91	2,177.54	1,601.76	1,649.60

Sundry Debtors includes a sum of Rs. 8.92 crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date.

24.17 Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2,2006, the company is required to make certain disclosure relating to Micro, Small and Medium Enterprises. The company is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosure have been made in the Accounts.

24.18 Income from Investments comprises of : (Amount in Rs.)

Particulars	Current Year Rs.	Previous Year Rs.
Dividend	-	41,404
Income from Mutual fund (Debt fund)	1,34,52,493	20,15,364
Profit / (Loss) on sale of investments	(20,40,500)	(88,20,443)
Total	**1,14,11,993**	**(67,63,675)**

24.19 Provision Taxation:

Provision for current tax has been made considering the taxes on book profits as under section 115JB

The Deferred tax balance comprises of the following:

(Amount in Lakhs.)

Particulars	Current Year Rs.	Previous Year Rs.
Deferred Tax Asset\(Liabilities)		
Depreciation	88.09	56.59
Leave Salary & Gratuity	11.89	4.86
Timing differences u/s 40(a)(ia) of Income Tax Act, 1961	-	-
Total	**99.98**	**61.45**

24.20 Segment Reporting

Primary Segments

Based on the guiding principles in 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

Particulars	Current Year	Previous Year
Revenue:		
Export *	2015.33	1758.32
Domestic *	148.57	92.40
Net Income from Operations	**2163.90**	**1850.72**
Add: Income from Exceptional Items/Other Income	339.09	257.87
Profit before Depreciation/Tax/Interest/Amortization :		
-from Exports	619.34	394.57
-from Domestic*	(223.87)	(62.09)
Income from Exceptional Items/Other Income	339.09	257.87
Total	**734.55**	**590.35**
Less: (1) Interest	119.82	187.70
(2) Other Unallocated Expenses	0.00	0.00
(3) Depreciation/Amortization	586.95	570.28
Profit Before Taxation	**27.79**	**(167.63)**

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 discloser relating to segments assets and liabilities are made.

24.21 Defined Benefit Plans

a. Gratuity

b. Leave Encashment

The disclosure as per the revised AS-15 are as follows:

a) Change in defined benefit obligation

(Amount in Lakhs.)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Projected Benefit Obligation at the beginning of the year	61.42	51.99	35.66	29.36
Current Service Cost	10.07	9.84	0.84	4.14
Interest Cost	4.74	4.05	2.38	2.05
Actuarial (gain)/loss on obligations	12.12	(1.84)	18.83	7.66
Benefits Paid	(0.55)	(2.63)	(9.96)	(7.55)
Projected Benefit obligation at the end of the year	87.80	61.42	47.75	35.66

b) The fair value of the plan assets is NIL since employee benefits plans are wholly unfunded as on March 31,2017

c) Amount recognized in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of the obligation as at the end of the year	87.80	61.42	47.75	35.66
Fair Value of plan assets as at the end of the period	-	-	-	-
Funded status	87.80	61.42	47.75	35.66
Unrecognized actuarial (gains)/losses	-	-	-	-
Net Liability recognized in the Balance Sheet	87.80	61.42	47.75	35.66

d) Net periodic gratuity cost

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	10.07	9.84	0.84	4.14
Interest Cost	4.74	4.05	2.38	2.05
Expected return on plan assets	-	-	-	-
Net actuarial (gains)/loss recognized	12.12	(1.84)	18.83	7.66
Expenses recognized in the statement of Profit and Loss	26.93	12.06	22.05	13.85

e) Principal actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rates	7.25%	7.75%	7.25%	7.75%
Future salary increases	7.00%	7.00%	7.00%	7.00%

f) The discount rate is based on the market yield available on Government bonds at the accounting date with a term that matches the liabilities .

g) The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

h) The employees are assumed to retire at the age of 60 years

i) The mortality rate considered are as per the published rates in the IALM (2006-08) mortality tables.

24.22 Transfer Pricing

The company derives a significant portion of its revenue (Rs.1963.91 lakhs) from services, rendered to its subsidiary M/s.Izmo Inc., USA. The revenue in this regard is recognized on the basis of a services agreement with the subsidiary or Purchase Orders raised by the subsidiary. The Company has carried out a Transfer pricing study during the previous year based on which the Company's management is of the opinion that these international transactions are at arm's length and believes that the transfer pricing legislation will not have any impact on the Financial statements for the year ended March 2017, particularly on their amount of tax expense and that of the provision for taxation.

24.23 The Company has filed appeals before Appellate Tribunal against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2011-12 and cases are pending for disposal, as on Balance sheet date.

24.24 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as provided in the table below;

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	8,000	4,350	12,350
(+) Permitted receipts	25,000	2,57,809	2,82,809
(-) Permitted payments	-	2,42,665	2,42,665
(-) Amount deposited in Banks	33,000	-	33,000
Closing cash in hand as on 30.12.2016	-	19,494	19,494

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

24.26 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.

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for and on behalf of the Board

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

As per my Report of even date

Ramaswamy Vijayanand
Chartered Accountant
Membership No.202118

Place: Bengaluru
30th May, 2017

Auditor's Report on the consolidated financial statements

Independent Auditor's Report on the consolidated financial statements of IZMO Limited for the year ended March 31st, 2017

To the members of IZMO Limited,

Report on the Consolidated Financial Statements

I have Audited the accompanying consolidated financial statements of IZMO Limited (' the Company') and its subsidiaries, which comprises the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss and consolidated cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its subsidiaries in accordance with the accounting principles generally accepted in India.

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statement based on my examination. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that, the explanations and information I have obtained, is sufficient and appropriate to provide a basis for my audit opinion.

Opinion.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statement give the information required by the Act, in the manner s required and give true and fair view in conformity with the accounting principle generally accepted in India, of the consolidated state of affairs of the group , its associates and jointly controlled entities as at 31 March, 2017, and their consolidated profit and consolidated cash flow for the year ended on that date.

Other Matter

I have 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

Rs.178.81 crores as at 31st March, 2017 and total revenue from operations of Rs. 54.28 crores for the year ended. The Financial Statements of subsidiaries incorporated outside India are unaudited and have been certified by the management.

Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, I report, to the extent applicable, 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, 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 the consolidated financial statements.

d. In my opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 its financial position in its financial statements – Refer Note 24.4 (a), (b) & (c) to the financial statements;

ii. The Consolidated financial statements 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 Holding Company and its subsidiaries incorporated in India ;

iv. The Company has provided requisite disclosures in its Consolidated financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance. during the period 8th November 2016 to 30th December 2016 and these are in accordance with books of accounts maintained by the Company. Refer Note 24.13 to the Consolidated financial statements.

Place : Dubai
Date : 30th May 2017

Ramaswamy Vijayanand
Chartered Accountant
M.No:202118

Annexure to the Auditor's Report

Report on the Internal Financial Controls 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 31 March 2017, I have audited the internal financial controls over financial reporting of Izmo Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding 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 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 have conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI 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 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 auditors' 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 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 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, the Holding 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place : Dubai
Date : 30th May 2017

Ramaswamy Vijayanand
Chartered Accountant
M.No:202118

Consolidated Balance Sheet
as at 31st March, 2017

	Note No.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	**12,16,22,730**	12,09,86,730
Reserves and Surplus	2	**1,66,65,67,889**	1,61,69,14,502
		1,78,81,90,619	1,73,79,01,232
Non-Current Liabilities			
Other Long Term Liabilities	3	**1,46,98,550**	1,47,17,166
Long Term Provisions	4	**1,10,87,858**	85,63,862
		2,57,86,408	2,32,81,028
Current Liabilities			
Short Term Borrowings	5	**23,96,98,174**	27,83,93,969
Trade Payables	6	**8,49,31,472**	3,96,88,527
Other Current Liabilities	7	**2,59,88,574**	10,24,34,923
Short Term Provisions	8	**46,43,909**	11,43,823
		35,52,62,129	42,16,61,242
TOTAL		**2,16,92,39,156**	2,18,28,43,502
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		**5,31,58,376**	5,94,01,651
Intangible Assets		**1,58,32,25,799**	1,56,68,76,147
Capital Work-in-Progress		**5,26,47,585**	2,29,05,002
Non-Current Investments	10	**64,83,860**	20,40,500
Deferred Tax Assets (Net)		**2,31,00,333**	1,31,02,145
Long Term Loans & Advances	11	**4,99,00,115**	12,75,41,299
		1,76,85,16,068	1,79,18,66,744
Current Assets			
Current Investments	12	**7,26,74,810**	14,51,30,146
Inventories	13	**1,07,814**	1,95,180
Trade Receivables	14	**12,71,81,904**	6,31,33,511
Cash and Bank Balances	15	**2,82,97,884**	5,33,48,081
Short Term Loans & Advances	16	**17,24,60,676**	12,91,69,840
		40,07,23,088	39,09,76,758
TOTAL		**2,16,92,39,156**	2,18,28,43,502

Notes to Accounts & Significant Accounting policies 1 to 24

Notes to Accounts and Significant Accounting policies form an integral part of the Balance Sheet.

for and on behalf of the Board

As per my Report of even date

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Consolidated Statement of Profit & Loss
For the Year ended March 31, 2017

	Note No.	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
INCOME			
Revenue from Operations	17	**54,28,06,777**	42,88,59,015
Other Income	18	**4,19,19,628**	8,31,60,146
TOTAL REVENUE		**58,47,26,405**	51,20,19,161
EXPENDITURE			
Direct Cost of Operation	19	**70,21,752**	65,28,870
(Increase)/Decrease in Stocks/Work-in-Progress	20	**87,366**	(56,981)
Employee Benefit Expenses	21	**21,85,91,018**	19,54,81,873
Financial Costs	22	**1,18,36,853**	1,86,43,934
Depreciation/Amortisation Expenses		**11,92,52,456**	12,19,39,479
Other Expenses	23	**18,61,04,843**	15,92,87,346
TOTAL EXPENSES		**54,28,94,288**	50,18,24,520
Profit Before Tax & Exceptional item		**4,18,32,117**	1,01,94,641
Exceptional Items		**-**	-
Profit Before Tax		**4,18,32,117**	1,01,94,641
Tax Expenses			
Current Tax		**(21,76,917)**	-
Less: MAT Credit Adjustment		**-**	-
Deferred Tax		**99,98,188**	61,44,606
		78,21,271	61,44,606
Net Profit for the Year		**4,96,53,388**	1,63,39,247

Earnings Per Share of Face Value Rs. 10/- each

Basic	**4.08**	1.35
Diluted	**4.08**	1.35

(Refer Note No. 24.6)

Notes to Accounts & Significant Accounting Policies1 to 24

Notes to Accounts and Significant Accounting policies form an integral part of the Balance Sheet.

for and on behalf of the Board | **As per my Report of even date**

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Consolidated Cash Flow Statement
For the Year ended March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Taxation	**4,18,32,117**	1,01,94,641
Adjustments for:		
Depreciation	**11,92,52,456**	12,19,39,479
MAT credit adjustment	**-**	-
Interest Expense	**1,18,36,853**	1,86,43,934
Interest Income	**(2,35,159)**	(6,16,952)
Dividend Income	**-**	(41,404)
Rental Income	**(98,53,034)**	(1,13,19,598)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	**20,40,500**	88,32,870
Short term capital gain on redemption of mutual funds	**(1,34,52,493)**	(20,15,364)
Profit on Sale of Assets	**(1,10,546)**	-
Operating Profit Before Working Capital Changes	**15,13,10,694**	14,56,17,605
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	**(6,40,48,393)**	(3,30,15,414)
(Increase)/Decrease in Current Investment	**7,24,55,336**	2,69,84,636
(Increase)/Decrease in Inventories	**87,366**	(56,981)
(Increase)/Decrease in short term Loans and Advances	**(4,32,90,837)**	(2,17,58,625)
Increase/(Decrease) in Current Liabilities and Provisions	**(6,85,76,030)**	(45,14,288)
Cash Generated from Operations	**4,79,38,136**	11,32,56,933
Direct Taxes paid (Net of Refunds)	**-**	-
Net cash from Operating Activities	**4,79,38,136**	11,32,56,933
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	**(12,93,95,089)**	(7,44,10,825)
Capital Work-in-Progress	**(2,97,42,583)**	(1,38,92,678)
Proceeds from Sale of Fixed Assets	**1,46,803**	-
Rental deposit for buildings received	**(18,616)**	(3,75,865)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	**(20,40,500)**	(88,32,870)
Short term capital gain on redemption of mutual funds	**1,34,52,493**	20,15,364
Additional Investment during the year	**(44,43,360)**	1,00,00,000
Long term loans & Advances	**7,76,41,183**	(1,35,76,329)
Long term Provisions	**25,23,996**	14,20,498
Rental Income	**98,53,034**	1,13,19,598
Interest Received	**2,35,159**	6,16,952
Dividend Income	**-**	41,404
Net cash used in Investing Activities	**(6,17,87,480)**	(8,56,74,750)
C. Cash Flows from Financing Activities		
Long Term Borrowings (Term loan & others)	**-**	-
Proceeds from issue of share capital (net of expenses)	**6,36,000**	-
Interest paid	**(1,18,36,853)**	(1,86,43,934)
Net Cash used in Financing Activities	**(1,12,00,853)**	(1,86,43,934)
Net increase in Cash and Cash Equivalents (A + B + C)	**(2,50,50,197)**	89,38,249
Cash and Cash Equivalents at the Beginning of the Year	**5,33,48,081**	4,44,09,832
Cash and Cash Equivalents at the End of the Year	**2,82,97,884**	5,33,48,081
Components of Cash and Cash Equivalents	**March 31, 2017**	**March 31, 2016**
Balances with Scheduled Banks		
- In Current Account	**2,53,92,807**	4,86,33,828
- In Deposit Account linked to Current Account	**-**	29,808
- In EEFC Account	**-**	-
Cash on Hand	**82,967**	84,606
Earmarked balance with banks (Unpaid dividend)	**-**	17,77,729
Deposit with Bank	**28,22,110**	28,22,110
TOTAL	**2,82,97,884**	5,33,48,081

for and on behalf of the Board **As per my Report of even date**

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

Notes on Consolidated Financial Statements

For the Year ended 31st March, 2017

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 1: SHARE CAPITAL		
Authorised Capital		
13,200,000 Equity Shares of Rs. 10 each, fully paid		
(Previous Year :13,200,000 Equity Shares of Rs. 10 each fully paid)	**13,20,00,000**	13,20,00,000
Issued, Subscribed and Paid Up Capital		
12,162,273 Equity Shares of Rs. 10/- each fully paid		
(Previous Year :12,098,673 Equity Shares of Rs. 10/- each fully paid)	**12,16,22,730**	12,09,86,730

Note 1(a): The details of Shareholders holding more than 5% of Shares:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	**% held**	No. of Shares	% held
SANJAY VEDPRAKASH SONI	**27,22,682**	**22.39**	27,17,582	22.46
SHASHI SONI	**6,12,287**	**5.03**	6,11,187	5.05

Note 1(b): The reconciliation of number of shares outstanding is as given below:

Particulars	As at March 31, 2017 No. of Shares	As at March 31, 2016 No. of Shares
Equity Shares at the beginning of the year	**1,20,98,673**	1,20,98,673
Add: Shares issued during the year (ESOP issued to employees)	**63,600**	-
Less: shares cancelled on buy back of Equity Shares	-	-
Equity shares at the end of the year	**1,21,62,273**	1,20,98,673

Note 2: RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	**1,44,72,93,217**	1,44,72,93,217
Additions during the year:	-	-
	1,44,72,93,217	1,44,72,93,217
General Reserve		
As per last Balance Sheet	**63,39,532**	63,39,532
Add: Transfer from Statement of Profit & Loss	-	-
Closing Balance	**63,39,532**	63,39,532
Surplus		
As per last Balance Sheet	**16,32,81,752**	14,69,42,505
Add: Net Profit after Tax for the year	**4,96,53,388**	1,63,39,247
	21,29,35,140	16,32,81,752
TOTAL	**1,66,65,67,889**	1,61,69,14,502

Notes on Consolidated Financial Statements
For the Year ended 31st March, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 3: OTHER LONG TERM LIABILITIES		
Rental Deposit refundable	**1,21,91,550**	1,22,10,166
Liability towards Investment in Subsidiary	**25,07,000**	25,07,000
TOTAL	**1,46,98,550**	1,47,17,166
Note 4: LONG TERM PROVISIONS		
Long Term Provisions for Gratuity	**71,65,746**	53,70,175
Long Term Provisions for Compensatory Absences	**39,22,112**	31,93,687
TOTAL	**1,10,87,858**	85,63,862
Note 5: SHORT TERM BORROWINGS		
From Banks-Secured:		
Working Capital Facilities from Barclays bank (Secured against short term investments and personal guarantee by Promoter Directors)	**6,75,02,034**	13,20,90,226
From Others-Secured:		
Term Loan - Edelweiss ARC (Secured against first charge on inventories & receivables, immovable property, second charge on moveable assets and personal guarantee by Promoter Directors)	**16,95,00,000**	13,96,93,434
From Others - Unsecured:		
Car Loan from HDFC	**2,53,012**	8,52,913
Geeta Monitors Pvt Ltd	**15,46,047**	48,60,315
Pragathi Computers Pvt Ltd	**8,97,081**	8,97,081
TOTAL	**23,96,98,174**	27,83,93,969
Note: SBM Working Capital has been sold to Edelweiss ARC.		
Note 6: TRADE PAYABLES		
Sundry Creditors	**8,49,31,472**	3,96,88,527
TOTAL	**8,49,31,472**	3,96,88,527
Note 7: OTHER CURRENT LIABILITIES		
Unclaimed Dividend	**-**	17,77,728
Share Warrant Application Money pending allotment (Refer Note No. 24.7)	**3,30,000**	3,30,000
Statutory dues	**86,71,267**	85,91,591
Deferred Income	**1,08,68,970**	3,95,54,925
Other payables	**61,18,337**	5,21,80,680
TOTAL	**2,59,88,574**	10,24,34,923
Note 8: SHORT TERM PROVISIONS		
Provision for Taxation	**21,76,917**	-
Short term Provision for Gratuity	**16,14,192**	7,71,534
Short term Provision for Compensated absences	**8,52,800**	3,72,289
TOTAL	**46,43,909**	11,43,823

Notes on Consolidated Financial Statements
For the Year ended 31st March, 2017

Note: 9. FIXED ASSETS

(Amount in Rs.)

	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost on 01.04.2016	Additions	Deletions/ Transfer	Cost on 31.03.2017	Up to 31.03.2016	Deletions/ Transfer	For the Year	Up to 31.03.2017	WDV on 31.03.2017	WDV on 31.03.2016
	Tangible Assets	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	46,74,279	-	-	46,74,279	-	-	-	-	46,74,279	46,74,279
2	Buildings	6,14,84,949	-	-	6,14,84,949	3,47,81,386	-	22,57,511	3,70,38,897	2,44,46,053	2,67,03,564
3	Computers	4,86,26,769	45,69,955	68,300	5,31,28,424	3,95,62,510	32,043	57,66,795	4,52,97,262	78,31,162	90,64,259
4	Plant and Machinery	70,51,808	-	-	70,51,808	68,77,827	-	36,561	69,14,388	1,37,420	1,73,981
5	Office Equipments	7,86,23,946	27,88,487	-	8,14,12,434	6,97,42,062	-	44,76,744	7,42,18,806	71,93,628	88,81,884
6	Diesel Generators	21,24,486	-	-	21,24,486	15,45,369	-	72,104	16,17,473	5,07,013	5,79,117
7	Electrical Installations	67,52,729	1,43,464	-	68,96,193	43,36,945	-	4,04,424	47,41,368	21,54,825	24,15,784
8	Furniture & Fittings	1,03,27,071	11,51,963	-	1,14,79,034	85,63,582	-	5,36,874	91,00,456	23,78,578	17,63,489
9	Interiors	1,69,89,054	-	-	1,69,89,054	1,44,13,618	-	9,11,218	1,53,24,836	16,64,218	25,75,437
10	Vehicles	1,54,49,177	-	25,21,224	1,29,27,953	1,28,79,319	25,21,224	3,98,656	1,07,56,752	21,71,201	25,69,857
11	Canteen Structure	3,01,039	-	-	3,01,039	3,01,039	-	-	3,01,039	-	-
	TOTAL (A)	**25,24,05,308**	**86,53,870**	**25,89,524**	**25,84,69,654**	**19,30,03,657**	**25,53,267**	**1,48,60,888**	**20,53,11,277**	**5,31,58,376**	**5,94,01,652**
	Intangibles Assets										
12	Software*	7,19,88,729	7,59,579	-	7,27,48,308	7,08,93,809	-	8,22,800	7,17,16,609	10,31,699	10,94,920
13	Technical Know-how	2,17,89,96,138	11,99,81,641	-	2,29,89,77,779	66,34,16,325	-	5,33,67,354	71,67,83,679	1,58,21,94,100	1,51,55,79,813
14	Intelectual Property	21,74,27,487	-	-	21,74,27,487	16,72,26,074	-	5,02,01,414	21,74,27,487	-	5,02,01,414
15	Misc.Expenditure	3,07,01,226	-	-	3,07,01,226	3,07,01,226	-	-	3,07,01,226	-	-
	TOTAL (B)	**2,49,91,13,580**	**12,07,41,220**	**-**	**2,61,98,54,800**	**93,22,37,434**	**-**	**10,43,91,568**	**1,03,66,29,002**	**1,58,32,25,799**	**1,56,68,76,147**
	TOTAL (A+B)	**2,75,15,18,888**	**12,93,95,089**	**25,89,524**	**2,87,83,24,454**	**1,12,52,41,091**	**25,53,267**	**11,92,52,456**	**1,24,19,40,279**	**1,63,63,84,175**	**1,62,62,77,798**
	Previous Year	2,67,71,08,063	7,44,10,825	-	2,75,15,18,888	1,00,33,01,613	-	12,19,39,479	1,12,52,41,091	1,62,62,77,798	1,67,38,06,452

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 10: NON-CURRENT INVESTMENTS		
Other than Trade, Unquoted		
Investment others		
i) Investment in Carazoo Online Solutions Pvt. Ltd	-	20,40,500
ii) Investment in Frog Data, US	**64,83,860**	-
TOTAL	**64,83,860**	20,40,500
Note 11: LONG TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Deposits	**2,08,94,758**	1,91,55,978
Unsecured Loan from Carazoo	-	1,05,18,438
Advance for Commercial Property	**1,17,25,000**	1,17,25,000
Unsecured Loan to Oasis Venture Global Ltd	**1,72,80,357**	8,61,41,883
TOTAL	**4,99,00,115**	12,75,41,299
Note 12: CURRENT INVESTMENTS		
Trade Investments, Quoted: (Valued at Lower of Cost or Market Value)		
Investment in Mutual Funds	**7,26,74,810**	14,51,30,146
TOTAL	**7,26,74,810**	14,51,30,146

Notes on Consolidated Financial Statements
For the Year ended 31st March, 2017

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 13: INVENTORIES		
Stock in Trade	**1,07,814**	1,95,180
Software work-in-Progress	-	-
TOTAL	**1,07,814**	1,95,180
Note 14: TRADE RECEIVABLES		
Debts outstanding for a period exceeding 6 months		
Unsecured, Considered Good	**1,32,50,756**	6,10,29,481
Unsecured, Considered Doubtful	-	-
Other Debts (Unsecured, Considered Good)	**11,39,31,148**	21,04,030
	12,71,81,904	6,31,33,511
Less: Provision for Doubtful Debts	-	-
TOTAL	**12,71,81,904**	6,31,33,511
Note 15: CASH AND BANK BALANCES		
a. Cash & Cash equivalents		
i)Balances with Scheduled Banks		
Current Account	**2,53,92,807**	4,86,33,828
Fixed Deposit Account	-	29,808
ii) Cash on Hand	**82,967**	84,606
b. Earmarked balance with banks (Unpaid dividend)	-	17,77,729
c. Deposit with Banks	**28,22,110**	28,22,110
(The above deposit are held as Margin money against Bank Guarantee's availed)		
TOTAL	**2,82,97,884**	5,33,48,081
Note 16: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good:		
Loans and advances to related parties (Refer Note No. 24.8)	**1,55,19,975**	1,55,19,975
Employee Loans & Advances	**4,01,066**	5,21,000
Income-tax Paid at Source	**55,66,056**	57,15,259
Income Tax refund receivable	**84,43,370**	58,71,243
Other Short term Loans & Advances	**14,25,30,209**	10,15,42,364
TOTAL	**17,24,60,677**	12,91,69,840

Notes on Consolidated Financial Statements
For the Year ended 31st March, 2017

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Note 17: REVENUE FROM OPERATION		
Software Sales & Services		
-Domestic	**1,48,56,920**	92,39,812
-Exports	**52,79,49,857**	41,96,19,203
		-
TOTAL	**54,28,06,777**	42,88,59,015
Note 18: OTHER INCOME		
Interest Income [TDS: Rs. 23,333/-(Previous Year: Rs.34,470)]	**2,35,159**	6,16,952
Dividend Income	**-**	41,404
Income from Investments	**-**	11,17,880
Other Non-operating income		
-Rental Income	**98,53,034**	1,13,19,598
-Service charges received (Carazoo)	**25,77,264**	33,50,374
-Profit on Sale of Fixed Assets	**1,10,546**	-
-Exchange Gain (Net)	**80,10,626**	-
-Reimbursement of expenses	**25,06,828**	23,86,101
-Short term Capital gain	**1,34,52,493**	20,15,364
-Profit on sale of business	**-**	5,72,35,343
-Miscellaneous Income	**51,73,678**	50,77,130
TOTAL	**4,19,19,628**	8,31,60,146
Note 19: DIRECT COST OF OPERATION		
Cost of Purchase for Resale	**69,73,937**	65,28,870
Customs duty	**47,815**	-
TOTAL	**70,21,752**	65,28,870
Note 20: (INCREASE)/DECREASE IN STOCK/ WORK-IN-PROGRESS		
Opening Stock		
Stock in Trade	**1,95,180**	1,38,199
Software Work in Progress	**-**	-
Total (A)	**1,95,180**	1,38,199
Closing Stock		
Stock in Trade	**1,07,814**	1,95,180
Software Work in Progress	**-**	-
Total (B)	**1,07,814**	1,95,180
(Increase)/Decrease in Work-in-Progress	**87,366**	(56,981)
Note 21: EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	**21,11,53,080**	18,83,98,676
Contribution to Provident and Other Funds	**63,55,057**	39,47,406
Staff Welfare Expenses	**10,82,881**	31,35,791
TOTAL	**21,85,91,018**	19,54,81,873

Notes on Consolidated Financial Statements
For the Year ended 31st March, 2017

	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Note 22: FINANCIAL COSTS		
Interest Expense	**1,18,36,853**	1,86,43,934
TOTAL	**1,18,36,853**	1,86,43,934
Note 23: OTHER EXPENSES		
Directors Sitting Fees	**6,60,000**	5,20,000
Books & Periodicals	**31,939**	11,595
Corporate Expenses	**5,14,911**	3,45,701
Electricity, Generator & Water Charges	**40,85,341**	46,12,441
Insurance	**15,34,579**	11,46,875
Membership & Subscription	**2,98,425**	1,52,299
Miscellaneous Expenses	**5,00,295**	4,65,304
Office Expenses	**18,64,114**	14,70,199
Postage & Telecommunication	**49,99,435**	41,78,942
Professional, Legal & Consultancy Charges	**1,35,49,406**	63,55,673
Software Consultancy charges	**8,40,59,432**	6,94,01,513
Photoshoot & Development Expenses	**15,37,767**	13,58,877
Printing & Stationery	**5,10,379**	4,97,763
Rent	**1,82,02,010**	1,73,04,576
Rates & Taxes	**23,23,935**	9,13,259
Repairs & Maintenance	**46,05,478**	16,11,138
Recruitment expenses	**6,180**	52,712
Security Charges	**10,82,685**	13,54,915
STPI - Service Charges	**2,15,000**	2,15,000
Traveling & Conveyance	**1,81,46,056**	1,49,94,349
Vehicle Maintenance	**24,27,764**	14,24,433
Exchange Rate Difference	**-**	55,58,769
Bank Charges	**4,10,667**	4,01,153
Bad Debts written off	**1,08,82,591**	53,889
Advertisement Expenses	**3,38,082**	14,94,918
Business Promotion	**39,39,278**	14,49,892
Exhibition & Seminar Expenses	**-**	4,90,079
Entertainment Expenses	**69,261**	63,923
Commission on Sales	**72,69,332**	1,14,36,412
Loss on Sale of Investment	**20,40,500**	99,50,750
TOTAL	**18,61,04,843**	15,92,87,346

Notes on Consolidated Financial Statements

For the Year ended 31st March, 2017

24 NOTES ON ACCOUNTS

24.1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are prepared under the historical cost convention, in accordance with the accounting standards/Practices in the respective countries as adopted consistently by the company and its subsidiaries. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

The preparation of statements is in conformity with accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Examples of such expenses include provision for doubtful debts, miscellaneous expenditure and useful lives of fixed assets. Actual results could differ from those estimates.

b. Revenue Recognition

Revenue from fixed price software contracts are recognized principally on the basis of completed mile-stones as specified in the contracts. Revenue from software development and service on time basis is recognized as per terms of specified contracts. Revenue from software development and service on time basis is recognized as per terms of specified contracts. Revenue from sale of hardware and software products is recognized on the dispatch of goods from the company's premises/transfer of Licenses. No provision has been made for possible return/expenses. Income from Maintenance Contracts is accounted for in the ratio of the period expired to the total period of contract and the amount invoiced towards the unexpired portion of such contracts is treated as Deferred Income. Dividend income is recognized when the right to receive dividend is established.

c. Inventory Valuation

Trading Stock has been valued at the lower of cost or net realizable value. Software Work-in Process is valued at the cost incurred on the specific project up to the date of Balance Sheet pending achievement of requisite mile-stone on which revenue is recognized subsequent to the date of the Balance Sheet.

d. Fixed Assets

Fixed Assets are stated at the original cost of acquisition less depreciation. Original cost includes purchase price, levies, directly attributable cost of bringing the assets to its working condition for its intended use as also the capitalized portion of pre-operative expenses.

e. Depreciation

Depreciation on the assets of the Indian Parent Company is provided at the rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on the assets of the Subsidiaries is provided at the rates prescribed in the Accounting Standards of the respective countries. Intangible assets are amortized over a period of 3-5 years.

Depreciation is charged on pro rata basis on the additions during the year.

f. Investments

Short Term Investments: These are valued at the lower of cost or market value as at the year end.

g. Foreign Currency Transactions

The reporting currency of the Indian parent company is the Indian Rupee. Transactions in Foreign Currency of the Indian parent company are recorded at a rate which approximates the exchange rate prevailing on the date of the transaction. Current Assets and Liabilities denominated in Foreign Currency are translated at the rate of exchange at the Balance Sheet date. The resulting net gain or loss is recognized in the Profit and Loss Account. The reporting currency of the company's foreign subsidiaries is US Dollars, Euro & Singapore Dollars. The revenue items and the year end balances have been translated into Indian rupees using rate prevalent as at the date of the balance sheet respectively. The consequent difference on account of rate difference has been recognized in the Profit & Loss account of the period.

h. Borrowing Costs

Borrowing costs that are attributable to the acquisition/construction of fixed assets are capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they are incurred.

i. Taxation

Provision for Income-tax of the parent 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. 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.

The effect of deferred taxation is not considered in relation to the financial statements of the foreign subsidiaries.

j. Retirement/Employee Benefits

In accordance with the requirements of revised Accounting Standard-15 "Employee Benefits", the company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an Actuary using the Projected Unit Credit Method. The liability in unfunded Actuarial gains or losses arising from the changes in the actuarial assumptions are charged or credited to the Profit and Loss account in the year in which such gains or losses arise.

Leave encashment benefits payable to the employees of the Company with respect to accumulated leave outstanding at the year end are accounted for on the basis of actuarial valuation using Projected Unit Credit Method as at the Balance Sheet date. The liability is unfunded.

The Company's contribution to employee's Provident Fund is accounted on accrual basis.

Other Employee benefits are accounted for on accrual basis.

Since the attrition rate in the software industry is significant, the company has taken the stand, as in the previous years, not to provide for superannuation benefits to the employees. Superannuation expenses will be charged to the Profit & Loss Account as and when it is paid. Due to the nature of the industry, the company does not foresee significant expenses under this head in the foreseeable future.

k. Miscellaneous Expenditure

Pre-operative Expenses represent the cost incurred on setting-up of new projects / divisions prior to the commencement of commercial operations. These expenses are capitalized to the cost of the Fixed Assets of the specific division when the same are ready for use. Expenses incurred on raising additional capital is charged to the share premium account.

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. Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probable requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

24.2 The consolidated Financial Statement represents the consolidated of Accounts of Izmo Limited with its subsidiaries as detailed below:

Name	Country	Ownership/ Control
Midrange Software Pte Ltd	Singapore	100%
Izmo Inc	USA	100%
Izmo Europe BVBA	Belgium	100% *
Izmo France SARL	France	100% (Subsidiary of Midrange Software Pte.Ltd)

*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 31.03.2017. Accounting for investments in subsidiaries is under the equity method.

The financial statements of the Indian company are prepared in accordance with the 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

24.3 Turnover is stated net of Sales-tax, Cess, Surcharge, Service Tax and Sales Returns.

24.4(a) Contingent Liabilities (to the extent of which not provided for)

(Amount in Rs.)

Particulars	Current Year	Previous Year
Money for which the company is contingently liable:		
i) Bank Guarantees*	28,22,110	28,22,110

24.4 (b) Commitments (to the extent of which not provided for)

(Amount in Rs.)

Particulars	Current Year	Previous Year
i) Unexpired Letters of Credit	-	-
ii) Warranty Costs on Software Sale**	Not Quantified	Not Quantified

*Bank Guarantee issued to DCCT(A& R) 4.8 towards VAT & CST tax demand in dispute for FY 2010-11.

**The company does not envisage any liability on account of a back to back arrangement with the suppliers for any such claims.

24.4 (c) 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-taxAct,1961	Transfer pricing	5,51,67,570	-	2009-10	Appel to be filed before HC
Income-taxAct,1961	Transfer pricing	3,67,50,932	70,00,000	2010-11	Appellate Tribunal
Income-taxAct,1961	Transfer pricing	3,09,10,300	-	2011-12	Appellate Tribunal
Income-taxAct,1961	Income-tax	84,23,520	-	2013-14	CIT(A)

Note: In respect of the above listed tax demands in dispute, the Company believes that, there is a strong case in its favour and does not envisage any liability on account of the same.

24.5 Remuneration to Directors: (Amount in Rs.)

Particulars	Current Year	Previous Year
Salary & allowances	6,421,956	5,775,912
Contribution to Provident Fund	4,26,066	420,132
Total	**68,48,022**	**6,196,044**

(a) The above amount 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.

b) Directors remuneration for the current year is sum of Rs.60.00 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 30th September 2013, but in excess of the limits prescribed under the Companies Act. The Company had obtained the requisite approval from the Central Government.

24.6 Earnings per Share - Computation of earnings per share (basic & diluted)

Particulars		After extraordinary items		Before extraordinary items	
		2016 – 2017	2015 – 2016	2016 – 2017	2015 - 2016
Basic					
Net Profit after tax attributable to Equity share holders (Rs)	A	49,653,388	16,339,247	49,653,388	16,339,247
Weighted average number of shares outstanding *	B	12,162,273	12,098,673	12,162,273	12,098,673
Basic EPS (Rs)	**A/B**	**4.08**	**1.35**	**4.08**	**1.35**
Diluted					
Net Profit after tax attributable to Equity share holders (Rs)	A	49,653,388	16,339,247	49,653,388	16,339,247
Weighted average number of shares outstanding	B	12,162,273	12,098,673	12,162,273	12,098,673
Add : Weighted average no of potential equity shares on account of ESOP	C	-	-	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	12,162,273	12,098,673	12,162,273	12,098,673
Diluted EPS (Rs)	**A/D**	**4.08**	**1.35**	**4.08**	**1.35**
Face value per share (Rs)		**10**	**10**	**10**	**10**

24.7 In accordance with Section 125(2)(h) of Companies Act, 2013, Share Warrant Application money, pending allotment and due for refund amounting to Rs.3.30 lakhs remaining unpaid since 31st March 2010 has been transferred to Investor Education and Protection Fund after the completion of 7 years, within due date.

24.8 Consolidated Related Party disclosure

a. Key Management Personnel:
Mrs. Shashi Soni
Mr. Sanjay Soni
Mrs. Kiran Soni
Mr. Tej Soni

b. Enterprises in which Key Management personnel/their relatives have a significant influence
Aries Gases Private Limited
Deep Heritage
Deep Oxygen Private Limited
Deep Investment Advisory Bangalore Private Limited
D'gipro Design Automation & Marketing Private Limited
D'gipro Systems Private Limited
Si2 Microsystems Private Limited

(Amount in Lakhs)

Nature of Transctions	Key Management Personnel		Enterprise in which key Management Personnel their relative have a significant influence	
	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services/Reimbursements				
Si2 Microsystems Pvt Ltd	-	-	10.39	21.42
Remuneration & Salaries	98.48	78.46	-	-
Software Sales & Service Exports				
Si2 Microsystems Pvt Ltd.	-	-	-	-
D'gipro Design Automation and Marketing Pvt Ltd	-	-	-	-
Rental Income				
Si2 Microsystems Pvt Ltd.	-	-	41.39	51.5
D'gipro Design Automation and Marketing Pvt Ltd	-	-	-	8.5
Receivables	-	-	-	-
Si2 Microsystems Pvt Ltd.	-	-	-	-
D'gipro Design Automation and Marketing Pvt Ltd	-	-	155.2	155.2
D'gipro systems Private limited	-	-	18.00	-
Payables				
Si2 Microsystems Pvt Ltd.	-	-	47.44	111.69
D'gipro Design Automation and Marketing Pvt Ltd	-	-	-	-

24.9 Income from Investments comprises of:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Dividend	-	41,404
Income from Mutual fund (Debt fund)	13,452,493	2,015,364
Profit / (Loss) on sale of investments	(2,040,500)	(8,820,443)
Total	**11,411,993**	**(6,763,675)**

24.10 The inter company (between holding and subsidiaries and intra-subsidiary) balances as at 31.03.2017 are subject to reconciliation.

24.11 Defined Benefit Plans

a Gratuity

b Leave Encashment

The disclosures as per the revised AS-15 are as follows:

(a) Change in defined benefit obligation

(Amount in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Projected Benefit Obligation at the beginning of the year	61.42	51.99	35.66	29.36
Current Service Cost	10.07	9.84	0.84	4.14
Interest Cost	4.74	4.05	2.38	2.05
Actuarial (gain)/loss on obligations	12.12	(1.84)	18.83	7.66
Benefits Paid	(0.55)	(2.63)	(9.96)	(7.55)
Projected Benefit obligation at the end of the year	87.80	61.42	47.75	35.66

(b) The fair value of the plan assets is NIL since employee benefits plans are wholly unfunded as on March 31, 2017.

(c) Amount recognised in Balance Sheet

(Amount in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of the obligation as at the end of the year	87.80	61.42	47.75	35.66
Fair Value of plan assets as at the end of the period	-	-	-	-
Funded status	87.80	61.42	47.75	35.66
Unrecognized actuarial (gains)/losses	-	-	-	-
Net Liability recognized in the Balance Sheet	87.80	61..42	47.75	35.66

(d) Net periodic gratuity cost

(Amount in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	10.07	9.84	0.84	4.14
Interest Cost	4.74	4.05	2.38	2.05
Expected return on plan assets	-	-	-	-
Net actuarial (gains)/loss recognized	12.12	(1.84)	18.83	7.66
Expenses recognized in the statement of Profit and Loss	26.93	12.06	22.05	13.85

(e) Principal actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rates	7.25%	7.75%	7.25%	7.75%
Future salary increases	7.00%	7.00%	7.00%	7.00%

(f) The discount rate is based on the market yield available on Government bonds at the accounting date with a term that matches the liabilities

(g) The estimates of future salary increase considered in the actuarial valuation taken into account factors like inflation, seniority, promotion and other relevant factors.

(h) The employees are assumed to retire at the age of 60 years

(I) The mortality rates considered are as per the published rates in the IALM (2006-08) mortality tables.

24.12 Transfer Pricing

The company derives a significant portion of its revenue (Rs. 1963.91 lakhs) from services, rendered to its subsidiary M/s. Izmo Inc., USA. The revenue in this regard is recognized on the basis of a services agreement with the subsidiary.

The Company has carried out a Transfer pricing study during the previous year based on which the Company's management is of the opinion that these international transactions are at arm's length and believes that the transfer pricing legislation will not have any impact on the Financial statements for the year ended March 2017, particularly on their amount of tax expense and that of the provision for taxation.

24.13 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 are as provided in the table below;

(Amt. in. Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	8,000	4,350	12,350
(+) Permitted receipts	25,000	2,57,809	2,82,809
(-) Permitted payments	-	2,42,665	2,42,665
(-) Amount deposited in Banks	33,000	-	33,000
Closing cash in hand as on 30.12.2016	-	19,494	19,494

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

24.15 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.

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for and on behalf of the Board

As per my Report of even date

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Ramaswamy Vijayanand**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No.202118

Place: Bengaluru
30th May, 2017

IZMO Limited

Registered Office: 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bangalore–560076
Ph. 080-67125400 Fax: 080-67125408 www.izmoltd.com
CIN: L72200KA1995PLC018734; Email ID: Info@izmoltd.com

ATTENDANCE SLIP

Members or their proxies are requested to present this form for the admission, duly signed in accordance with their specimen signatures registered with the Company.

Name of the Shareholder/Proxy	
Registered folio Number	
Number of shares held	

I/we hereby record my/our presence at the 22nd Annual General Meeting of the members of the Company being held on 20th Day of September, 2017, at 09:30 hours at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001.

Please (√) in the box
Member ☐ Proxy ☐

Signature of Shareholder/Proxy

IZMO Limited

Registered Office: 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bangalore–560076

Ph. 080-67125400 Fax: 080-67125408 www.izmoltd.com

CIN: L72200KA1995PLC018734; Email ID: Info@izmoltd.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72200KA1995PLC018734

Name of the Company: IZMO LIMITED

Registered office: #177/2C Bilekahalli Industrial Area, Bannerghatta Road, Bangalore – 560076

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, being the member (s) of ……. shares of the above named company, hereby appoint

1.Name:
Address:

E-mail Id:
Signature: , or failing him

1.Name:
Address:

E-mail Id:
Signature: , or failing him

1.Name:
Address:

E-mail Id:
Signature: , or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the 20th day of September, 2017 at 09:30 Hrs at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

		Votes	
Resolution No.	**Resolution**	**For**	**Against**
Ordinary Business:	**Ordinary Resolution:**		
01.	Adoption of Account		
02.	Re-appointment of director retires by rotation		
03.	Appointment of Auditor		
Special Business:	**Ordinary / Special Resolutions:**		
04.	Increase in Authorised Capital		
05.	Amendment to Memorandum of Association		

Signed this…… day of ……., 20….

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

INSTRUCTIONS FOR FILLING, STAMPING, SIGNING AND/OR DEPOSITING THE PROXY FORM

If any shareholder is unable to attend the meeting and would like to appoint a proxy to attend and vote on his/her behalf then he/she can appoint a proxy using the proxy form (MGT 11) attached to this Notice.

Following are the instruction for filling the proxy form:

1. Fill in your Name, Address, e-mail id and Address in the space provided;
2. Fill in the number of shares held by you in the space provided;
3. You can appoint more than one proxies, provision for appointing upto 3 proxies is made in the form attached with this notice;
4. Fill in the Name, Address, e-mail id of the proxy;
5. A specimen signature of the person appointed as proxy needs to be appended in the space provided;
6. The instrument of Proxy shall be signed by the Shareholder or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it and proxy holder(s);
7. An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof;
8. An instrument of Proxy is valid only if it is properly stamped by affixing 1 Rupee (One Rupee) Revenue Stamp as per the Indian Stamp Act, 1899. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled should be considered as invalid.
9. The Proxy-holder shall prove his identity at the time of attending the Meeting.

   Proxies shall be deposited with the company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday

Defence Manufacturing

Ammunition

izmo has initiated the manufacturing of ammunition for small arms, including 9mm – various types, 7.62x39mm, 7.62x51mm, 23mm 7.62x54mm, 12.7x108mm, 14.5x114mm, 5.56x45 mm and .50 CAL.



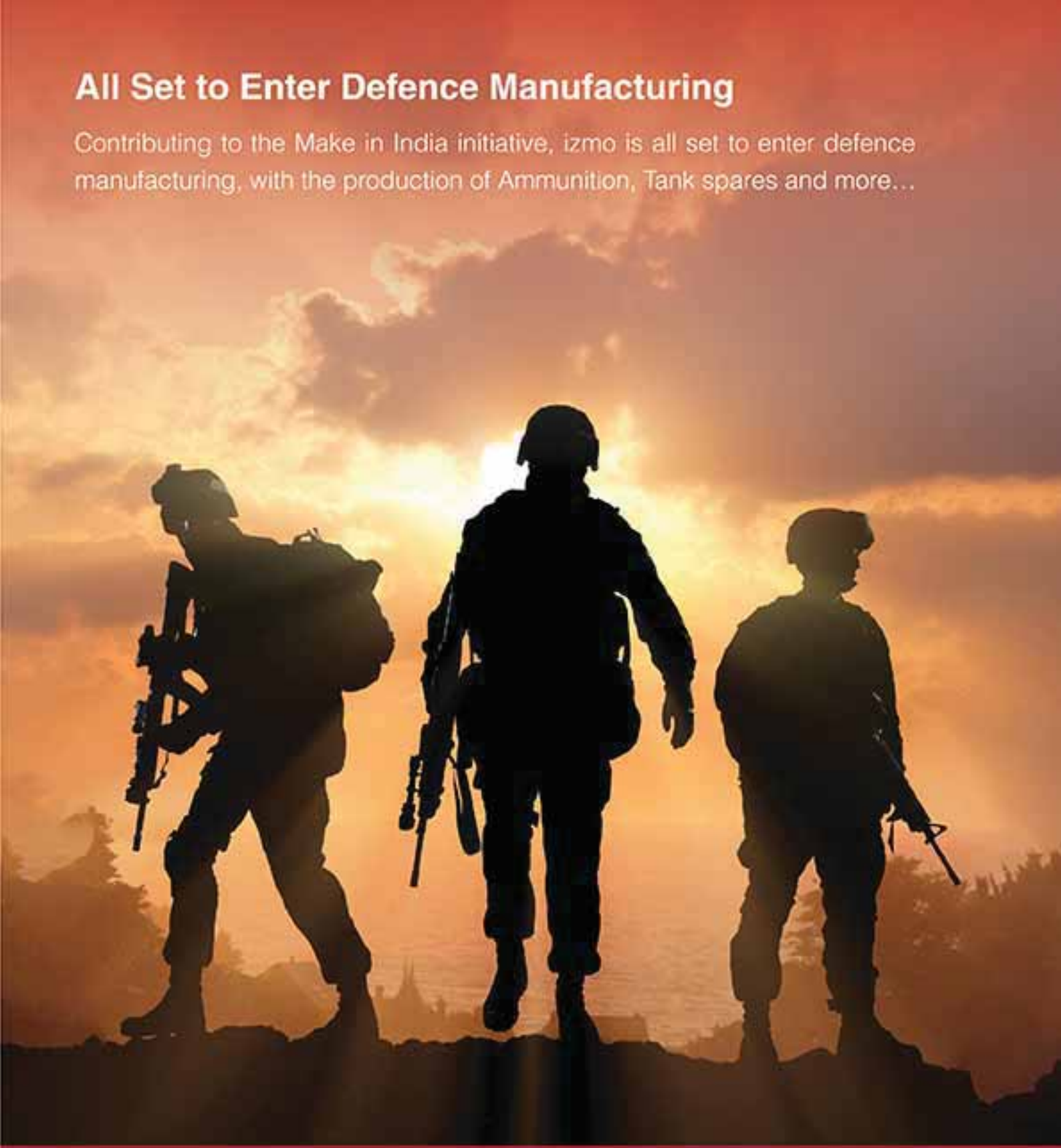
Tank Spares

izmo has initiated the manufacturing of Tank spares under the "Make in India" initiative, including Tank tracks.



All Set to Enter Defence Manufacturing

Contributing to the Make in India initiative, izmo is all set to enter defence manufacturing, with the production of Ammunition, Tank spares and more…



izmoltd.

P.O. Box 7620, 177/2C, Bilekahalli Industrial Area, Bannerghatta Road,
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www.izmoltd.com / www.izmocars.com / izmocars.eu / izmocars.fr / www.izmoweb.in