izmo

Date: 04.10.2018
Ref: IZMO/SEC/2018-19

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 2017-18

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 23rd Annual General Meeting of the Company held on Monday the 24th day of September, 2018 at 9.30 AM at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001

Kindly acknowledge the receipt of the Communication.

Thanking You,
For IZMO Ltd

Suraj Kumar Sahu
Company Secretary

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

Technology. Innovation. Results.

- GLOBAL AUTO MARKETING
- DATA ANALYTICS
- VIRTUAL REALITY & CGI
- DEFENSE PRODUCTS

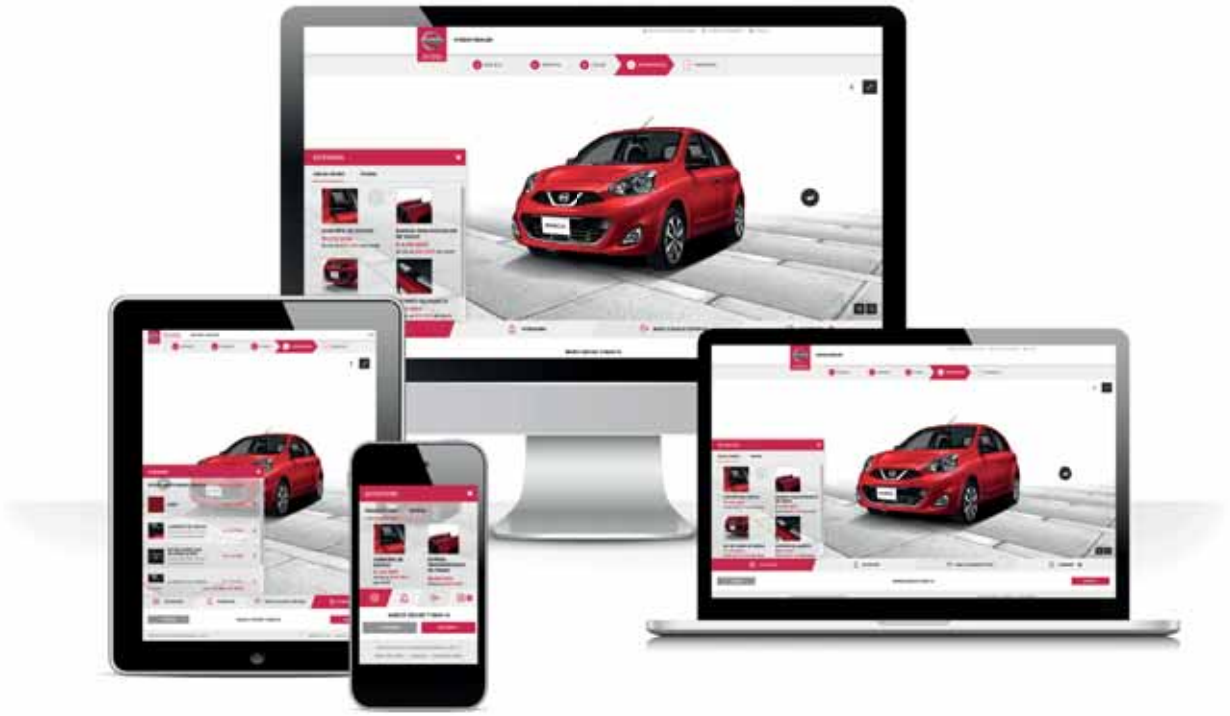


23RD ANNUAL REPORT 2017 - 2018

Send to your Mobile
Scan Image with QR code reader

PARTS GORILLA

Car Visualizer



izmofx

Computer Generated Imagery (CGI)



Corporate Information

Board of Directors

Mrs. Shashi Soni
Chairperson

Mr. Sanjay Soni
Managing Director

Mr. Perur Phaneendra
Director

Mr. Vijay Gupta
Director

Mr. Ramanujam Krishnamurthy
Director

Auditor

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

Share Transfer Agents

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

Bankers

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

Registered & Corporate Office

izmo Limited
177/2C, Bilekahalli Industrial Area,
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
13-d, Hansalaya Building,
15, Barakhamba Road,
New Delhi – 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

Marketing Office

1200 Harger Rd.Suite 320,
Oakbrook, IL 60523

EUROPE

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

France

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

Core Management Team

U.S.A

Mr.Tej Soni
President of izmocars

Mr. Chris Daniels
Head – Studio Operations

France

Mr. David Descottes
Deputy CEO

India

Mr. Sarabashish Bhattacharjee
Chief Technology Officer

Mrs. Kiran Soni
Chief Financial Officer

Mr. Suraj Kumar Sahu
Company Secretary & Compliance Officer

Mr. Gopi SD
Senior Manager–Finance and Accounts

Mr. Akula Satya Kiran
Head – Web Division

Mr. Dipankar Kacharia
Head – AOA Division

Websites

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

NOTICE

Notice of 23rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF IZMO LIMITED WILL BE HELD AT BHARATIYA VIDYA BHAVAN, RACE COURSE ROAD, BENGALURU – 560 001, KARNATAKA ON MONDAY, 24TH DAY OF SEPTEMBER, 2018 AT 9.30 AM TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

Item No. 1: Adoption of Account

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 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, 2018 and the Auditors' Report thereon.

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

To re-appoint of Mr. Sanjay Soni (DIN 00609097), who retires by rotation, and being eligible, offers himself for re-appointment. Members are requested to consider and pass the following Resolution as an Ordinary Resolution.

"**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sanjay Soni as director liable to retire by rotation."

SPECIAL BUSINESS:

Item No.3: Continuance of directorship of Mr. Vijay Gupta (DIN-00929401), Independent director of the company

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

"**RESOLVED THAT** pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 1, 2019, consent of the Members of the Company be and is hereby accorded to the continuance of Directorship of Mr. Vijay Gupta,(DIN-00929401), as he has attained the age of Seventy-Five years, who was appointed as an Independent Director of the Company, at the 19th AGM of the Company held on September 30, 2014 in accordance with the applicable provisions of the Companies Act, 2013 to hold office as a Non-Executive Independent Director upto September 30, 2019."

"**RESOLVED FURTHER THAT** Mr. Sanjay Soni, Managing Director/ Mr. Suraj Kumar Sahu, Company Secretary of the company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

Item No.4: Issue of 10,00,000 convertible share warrants on preferential basis to promoters

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

"**RESOLVED THAT** Pursuant section 42 and 62 of the Companies Act, 2013 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Security and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations 2009 (ICDR Regulations) as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, Reserve Bank of India, Stock Exchanges

NOTICE

and/ or any other Statutory /Regulatory Authority, the Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and subject to the approval(s), if any, of the appropriate authorities, institutions, or bodies as may be required and subject to such other conditions as may prescribed by any of them while granting any such approval(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall deem to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by the Resolutions) the consent of the members of the Company be and is hereby accorded to the Board on behalf of the Company to create, offer, issue and allot up to 10,00,000 share warrants from time to time and in one or more tranches to Promoters by way of Preferential Issue through offer letter and/or circular or private placement memorandum and/or such other documents/ writings as applicable and such manner and on such terms and conditions as may be determined by the Board and its absolute discretion, provided that each such Warrant shall entitle the holder(s) thereof to subscribe for and be allotted one Equity Share of the face value of Rs.10/- each and at a such appropriate premium amount, as will be determined as per ICDR Regulations or such other higher price as may be arrived in accordance with the ICDR Regulations (Issue price) and the consideration for issue of Warrant shall be paid in full either by cash or by adjusting the money already paid to the extent of subscription to and allotment of each warrant and the amount paid against warrants shall be adjusted/ set of against the issue price payable for the resultant Equity Shares at the time of conversion and the proposed subscribers will be as under:

Sl. No.	Name of the Subscribers	Category	No of Warrants	Consideration
1	Mrs. Shashi Soni	Promoter	5,00,000	Cash
2	Mrs. Kiran Soni	Promoter	5,00,000	Cash
	Total		**10,00,000**	

RESOLVED FURTHER THAT

a) In accordance with the Provisions of ICDR Regulations, the 'Relevant Date' for the purpose of calculating the price of Warrant to be issued should have been 25th August, 2018(Saturday) which will be the date 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue i.e. 24th September, 2018 (Monday). However, 25th August 2018 being Weekend (i.e. Saturday), the day preceding 25th August 2018 i.e. 24th August 2018 (Friday) is considered as the Relevant Date or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.

b) The offer, issue and allotment of the aforesaid warrants shall be made at such time or times as the Board may in its absolute discretion decide.

c) A Warrant subscription price equivalent to 25% (i.e. the upfront amount) of the issue price of the Equity Shares will be payable at the time of subscription to the Warrants, as prescribed by Regulation 77 of the ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.

d) The warrants shall be convertible into Equity Shares of the Company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.

e) The tenure of the Warrants shall not exceed 18 months from the date of the allotment.

f) The warrant by itself does not give to the holder thereof any rights of the shareholders of the Company.

g) The allotment of Warrants is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution. In case the allotment on preferential basis is pending on account of pendency of any approval for such

NOTICE

allotment by any regulatory authority including Stock Exchanges where the shares of the Company are listed or the Central Government then the allotment shall be completed within 15 days from the date of receipt of such approval.

h) The Equity Shares acquired by conversion of Warrants shall be locked in as per the SEBI (ICDR) Regulations.

i) The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the Warrants and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.

j) The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

k) The Equity Shares allotted on conversion of Warrants in terms of this resolution shall rank paripassu in all respects including as to dividend with the existing fully paid Equity Shares of the face value of Rs.10/- each of the Company subject to the relevant provisions contained in Articles of Association of the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of Warrants and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of the said warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item No.5: Issue of Equity Shares upto INR 40 Crores to the Qualified Institutional Buyers

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

"**RESOLVED THAT** Pursuant section 42 & 62 of the Companies Act, 2013 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Security and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations 2009 (ICDR Regulations) as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, Reserve Bank of India, Stock Exchanges and/ or any other Statutory /Regulatory Authority, the Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and subject to the approval(s), if any, of the appropriate authorities, institutions, or bodies as may be required and subject to such other conditions as may prescribed by any of them while granting any such approval(s) and which may be agreed to by the Board of Directors of the Company (hereinafter refer to as 'the Board' which terms shall deem to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by the Resolutions) the consent of the members of the Company be and is hereby accorded to the Board on behalf of the Company to create, offer, issue and allot (Including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), such number of Equity Shares by way of a qualified institutions placement ("QIP"), to any eligible qualified institutional buyers ("QIBs"), as defined under the SEBI ICDR Regulations, whether they be holders of Equity Shares or not, as may be decided by the Board (including a committee thereof) in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding INR 40 Crores (Rupees Forty Crores) or equivalent thereof, inclusive of such premium as may be fixed on equity shares by offering the

equity shares at such price or prices, at a discount or premium to market price or prices permitted under applicable laws, as may be deemed appropriate, in the sole discretion of the Board in such manner and on terms and conditions, and at a price not less than the price calculated as per the applicable pricing formula and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto in consultation with any merchant banker(s) or other advisor(s) appointed and / or to be appointed by the Company but without requiring any further approval or consent from the shareholders".

"**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution:

(a) the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and applicable law; And

(b) the Equity Shares that may be issued by the Company, shall rank paripassu with the existing Equity Shares of the Company in all respects as may be provided under the terms of the issue and in the offering documents."

"**RESOLVED FURTHER THAT** in accordance with Regulation 86 of SEBI ICDR Regulations, a minimum of 10% of the QIP shares shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIPs and that no allotment shall be made directly or indirectly to any QIP who is a promoter or any person related to promoters of the Company."

"**RESOLVED FURTHER THAT** the allotment of the Shares to be made by way of the QIP, in terms of the SEBI ICDR Regulations, shall be completed within twelve months from the date of this shareholders' resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time."

"**RESOLVED FURTHER THAT** any issue of Shares by way of a QIP shall be at a price which is not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations (the "QIP Floor Price") and the Company may, however, in accordance with applicable law, at the sole discretion of the Board, including a duly constituted committee thereof, also offer a discount to the QIP Floor Price at such percentage as may be permitted under applicable law on the QIP Floor Price."

"**RESOLVED FURTHER THAT** the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, if required."

"**RESOLVED FURTHER THAT**, subject to applicable law, in the event that Equity Shares are issued to QIBs by way of QIP in terms of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or a committee thereof decides to open the QIP of Equity Shares."

"**RESOLVED FURTHER THAT** the Board or a committee thereof, be and is hereby authorised to appoint lead manager(s), underwriters, Merchant Banker, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the QIP and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Shares the Board is authorised to list any or all of such Equity Shares as the case may be, on one or more Stock Exchange(s) in India."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of Equity Shares and to resolve and settle all questions and difficulties

NOTICE

that may arise in relation to the proposed issue, offer and allotment of any of the said QIP, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or other officer(s) of the Company to give effect to the aforesaid resolution."

By order of the Board

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

Place: Bengaluru
Date: 13.08.2018

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/HER 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 24 (twenty-four) hours before the commencement of the Meeting and ending with the conclusion of the meeting, provided that an advance notice of not less than three days is given to the Company.

2. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) HAS THROUGH A CIRCULAR DIRECTED ALL THE COMPANIES TO PAY DIVIDEND THROUGH ELECTRONIC MODE. ACCORDINGLY, ALL THE MEMBERS HOLDING SHARES IN DEMATERIALISED FORM ARE REQUESTED TO KINDLY UPDATE THEIR BANK ACCOUNT DETAILS WITH THEIR RESPECTIVE DEPOSITORY PARTICIPANTS (DP). MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO KINDLY INFORM THEIR BANK ACCOUNT DETAILS TO THE COMPANY AND/OR THE REGISTRAR AND SHARE TRANSFER AGENTS VIZ. CAMEO CORPORATE SERVICES LIMITED.

   This has reference to the shares held by you in Izmo Limited, the folio number of which is given No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies through their Registrars and share Transfer agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first / sole shareholder of the company. These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to RTAs, Issuer Companies and Bankers to Issue.

   To enable us to update the PAN and Bank account details, we request to the Members of the Company to kindly submit the following documents to our registrar and share transfer agents viz. Cameo Corporate Services Limited.

   - Copy of self- PAN card of the shareholders including joint holders, if any
   - Bank a/c details of the first/sole shareholder, as per the Bank Mandate form
   - Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder

   On receipt of the above documents, our registrar and share transfer agents will update the same in their records.

   All dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you then the underlying shares are also liable to be transferred to the a/c of IEPF authority. Hence, we request you to kindly submit the documents sought immediately.

   We also request you to kindly arrange to send us the first/sole shareholders email Id for sending future.

   Further, we draw your attention to the notification issued by SEBI dated 08.06.2018 amending Regulation 40 of the Listing Regulations. Pursuant to this, request for effecting transfer of securities shall not be processed except in case of transmission or transposition of securities unless the securities are held in demat form. Hence, we would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 04.12.2018. We therefore advise you to take immediate steps for dematerializing your shareholding in the company. As you may be aware holding shares in

NOTICE

dematerialized form offers host of benefits like enhanced security, ease of handling, faster transfers, exemption from stamp duty, eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the securities hassle-free, kindly take steps for dematerializing the shares at an early date.

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 Articles of Association of the Company, Mr. Sanjay Soni who retires by rotation and being eligible offers himself for reappointment. A brief resume of Mr. Sanjay Soni along with the nature of his expertise are given herewith and forms part of the notice convening the Annual General Meeting.

5. Members are requested to notify any change in their addresses specifying full address in block letters with PIN code to the Company's Registrar and Share Transfer Agents at the following address: Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Near Spencers Signal on Anna Salai, Chennai, Tamil Nadu 600002

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 Book shall remain closed from 18th September, 2018(Tuesday) to 24th September, 2018 (Monday) (both days inclusive).

9. Pursuant to the provisions of the Section 205A of the Companies Act, 1956, Company has transferred unpaid Dividend up to the year 2008 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. The Annual Report 2017-18 is being sent through electronic mode only to the Members whose e mail addresses are available 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 2017-18 are being sent by permitted mode.

12. To support the Green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their e-mail address with Depository Participant(s) /Company so that all communication / documents can be sent in electronic 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), PCS Senior Partner of M/s V. Sreedharan & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process and Poll 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 Chairman of the Company and/or authorized

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 Central Depository Services Limited (CDSL) at website www.evotingindia.com and communicated to the Stock Exchanges immediately after declaration.

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

(i) The voting period will commence on 21st September, 2018 (Friday) at 9.00 am (IST)and ends on 23rd September, 2018(Sunday) at 5.00 pm (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2018 (Monady) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Members.

(iv) 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 Folio Number registered with the Company.

(v) Enter the Image Verification as displayed and click on Login.

(vi) 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.

(vii) If you are a first-time user, follow the steps given below:

	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 are requested 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 the number 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).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

NOTICE

(ix) 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 is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) 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.

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

(xiv) 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.

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

(xvi) You can also take a print of the votes cast by clicking on "CLICK HERE TO PRINT" option on the Voting page.

(xvii) If a demat account holder has forgotten the 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.

(xviii) Members 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – individual Members and Custodians

- Non-individual Members (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 linked in the login 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 and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

NOTICE

(xx) In case of members receiving the physical copy, please follow all steps from Sl. No. (i) to Sl. No. (xix) Above to cast vote.

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Members are informed that on May 9, 2018, SEBI has notified amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') in order to implement the recommendations made by the Committee on Corporate Governance under the Chairmanship of Shri Uday Kotak whereby, interalia, in Regulation 17 of the SEBI (LODR) Regulations, new sub-regulation (1A) has been inserted, as follows, which shall come into force from April 1, 2019.

"No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion, shall indicate the justification for appointing such a person."

Members are informed that Mr. Vijay Gupta (DIN-00929401), who is a non executive and Independent Director of the Company, was appointed at the 19th AGM of the Company, held on 30th September, 2014 for a period of 5 years from 30th September, 2014 to 30th September, 2019.

In view of the aforesaid amendment to SEBI LODR Regulations, it is proposed to seek approval of the Members vide special resolution at the ensuing Annual General Meeting, for the continuance of Mr. Vijay Gupta (DIN-00929401), who has already attained the age of seventy- five years, as a Non-Executive Independent Director of the Company, upto the expiry of his present term.

A justification note for continuance of directorship of Mr. Vijay Gupta, who has already attained the age of seventy-five years, is appended below for the consideration of the Members. Which was also placed before the Nomination & Remuneration Committee and Board.

Mr. Vijay Gupta has completed his Graduation in Science. He has a rich industrial experience. He possesses relevant experience and knowledge in the field of Information Technology. Presently Mr. Vijay Gupta offers business consultation services to various corporate. In the opinion of the Board, Mr. Vijay Gupta fulfils the conditions specified in the Act and the Rules made there under for continuation as Independent Director.

Considering the long standing experience and contribution of Mr. Vijay Gupta, his continuance on the Board, after attaining the age of seventy-five years, as a Non-Executive Independent Director, would be in the interest of the Company.

The Nomination and Remuneration Committee has vide circular resolution passed on August 09, 2018 recommended the said proposal to Board and the Board has considered and recommended the passing of the Special Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

The Members of the Company are requested to accord their approval to the continuance of Directorship of Mr. Vijay Gupta vide special resolution.

NOTICE

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives is in any way concerned or interested, financially or otherwise, in the resolutions mentioned at Item No. 3 of this Notice.

Item No. 4

The envisaged consolidation together with proposed acquisitions and diversifications is necessary for the Company to achieve the size and scale of the business operations and create value for its stakeholders. This will also help in strengthening the Company's leadership position as well as help in capturing market share in the key consumption-led sectors. The objective of the proposed preferential allotment of convertable share warrants is to utilize proceeds for capex plans as well as general corporate purposes.

The Company has accordingly proposed the preferential issue of its securities and as a reflection of the confidence that the promoters have in the future of the Company, the promoter group have agreed to subscribe to and infuse further capital to strengthen its financial position and net worth. The Board of Directors of the Company has accordingly authorized to issue and allot, by way of a preferential issue, from time to time and in one or more tranches, an aggregate of upto 10,00,000 Warrants, convertible into equivalent number of equity shares of a face value of Rs. 10/- each of the Company ("Warrants"), and at a such appropriate premium amount, as will be determined as per ICDR Regulations or such other higher price as may be arrived in accordance with the ICDR Regulations(Issue price)to the Promoters of the Company, as detailed hereunder, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion;

Up to 10,00,000 Warrants, convertible into equivalent number of equity shares of Rs. 10/- each, at the option of the warrant-holders, to promoters, as detailed hereunder, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion;

The acquisition of shares or voting rights by promoters individually and collectively shall not increase by more than 5% on the post issued equity share capital of the Company pursuant to this issue in any of the financial year.

Pursuant to Section 62 of the Companies Act 2013, further issue of convertable share warrants may be offered by the company to such persons in the manner as required if a special resolution to that effect is passed by the company. The proposed special resolution is required to comply with the requirements of the Section 62 of the Companies Act, 2013 in the context of issue and allotment of convertable share warrants. Accordingly, the consent of members is being sought pursuant to Section 62.

Salient features of the preferential issue of Convertible Warrants are as under:

The proposed issue and allotment of Convertible warrants, on a preferential basis, shall be governed by the applicable provisions of the ICDR Regulations and the Companies Act, 2013 read with the applicable provisions of the rules made there under. Further, in terms of Regulation 73 of the SEBI ICDR Regulations, certain disclosures are required to be made to the Members of the Company which forms part of this Explanatory Statement to the Notice. Without generalizing to the above, the salient features of the preferential issue of Convertible warrants are:

- In accordance with the Provisions of ICDR Regulations, the 'Relevant Date' for the purpose of calculating the price of Warrant to be issued should have been 25th August 2018(Saturday) which will be the date 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue i.e. 24th September 2018 (Monday). However, 25th August 2018 being Weekend (i.e. Saturday), the day preceding 25th August 2018 i.e. 24th August 2018 is considered as the Relevant Date or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.
- An amount equivalent to 25 (twenty-five) per cent of the issue price shall be payable on subscription to the warrants. The warrant holders shall be entitled to apply for and be allotted, in one or more tranches, one equity share of the face value of

NOTICE

Rs.10/-(Rupees Ten) each per warrant of the Company, any time after the date of allotment of such warrants. Upon exercise of the right to apply for equity shares, the warrant holders will be liable to make the payment of the balance amount, being 75 (Seventy-Five) per cent of the issue price. The amount paid will be adjusted / set off against the issue price of the resulting equity shares. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price, shall allot one equity share per warrant. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited.

- In case the option to subscribe to Equity Shares against such Convertible warrants is not exercised by the Proposed Allottee within 18 months, the consideration paid by such Allottee in respect of such Convertible warrants shall be forfeited by the Company.
- The Convertible Warrants and the Equity Shares allotted pursuant to exercise of options attached to warrants issued on preferential basis shall remain locked-in from such date and for such periods as specified under Chapter VII of the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval granted by the Stock Exchange(s); and
- The Equity Share to be issued and allotted by the Company on exercise of the Warrant in the manner of aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank paripassu in all respect including dividend with the then existing Equity Shares of the Company and be listed on Stock Exchanges where Equity Shares are listed of the Company.

The Warrant by itself does not give the holder(s) thereof any right of the Shareholders of the company.

Details of the Issue

1. The allotment of the convertible share warrants is subject to the Proposed Allottee not having sold any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date.

2. The relevant disclosures as required under Chapter VII of the SEBI ICDR Regulations are set out below:

(a) The Object of the Issue through preferential offer:

The envisaged consolidation together with proposed acquisitions and diversifications is necessary for the Company to achieve the size and scale of the business operations and create value for its stakeholders. The proceeds of the funds issued out of share warrants shall be utilised for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company and its subsidiaries and affiliates, including investment in subsidiaries and affiliates, repayment of debt, exploring acquisition opportunities and general corporate purposes. This will also help strengthen Company's leadership position as well as help it capture market share in the key consumption-led sectors. The objective of the proposed preferential allotment of convertable share warrants is to utilize proceeds for aforesaid capex plans as well as general corporate purposes.

(b) The proposal of the Promoters/Directors/KMP of the issuer to subscribe to the offer:

Mrs. Shashi Soni Promoter cum whole time director and Mrs. Kiran Soni Promoter cum CFO intend to subscribe to the offer. No other Directors/Key Management Personnel of the issuer intends to subscribe to the offer. Mr. Sanjay Soni, Promoter cum Managing Director is relative of proposed allottees. However, Mr. Sanjay Soni is not intending to subscribe for the said offer.

NOTICE

(c) Shareholding Pattern of the issuer before and after the preferential issue:

Category	Category of shareholder	Pre-issue* (as on 10th August, 2018)		Post-issue of Convertible Warrants **	
		Number of shares held	% of share holding	Number of shares held	% of share - holding
(A)	**Promoter holding:**				
	Indian				
1	Individuals	3818624	29.78	4818624	34.86
2	Bodies Corporate	-	-	-	-
3	Foreign Promoters	-	-	-	-
	Sub-Total (A)	3818624	29.78	4818624	34.86
(B)	**Non-Promoters' holding**				
1	**Institutional Investors**				
	Financial Institution/Bank	105022	0.82	105022	.76
2	**Non-institutions**				
	Individuals	6325960	49.34	6325960	45.77
	Bodies Corporate	1545045	12.05	1545045	11.18
	Clearing Members	98753	0.77	98753	.71
	Directors and their Relatives	232524	1.81	232524	1.68
	Hindu Undivided Family	303041	2.36	303041	2.19
	Non-Resident Indians	392704	3.06	392704	2.84
	Sub Total (B)	**9003049**	**70.22**	**9003049**	**65.14**
	Grand total	**12821673**	**100.00**	**13821673**	**100.00**

*the figures in the Pre shareholding pattern are on the assumption that all the equity shares in the preferential issues are fully subscribed, pursuant to the shareholders resolution no.4 set out in this notice.

**the figures in the post shareholding pattern are on the assumption that all the warrants will be subscribed, pursuant to the shareholders resolution and all said warrants will be exercised/ converted into equity shares. However, if any warrants are not issued /allotted and the warrants are not exercised, the figures will change accordingly

(d) The Time within which Preferential Issue shall be completed:

As required under the ICDR Regulations, the preferential issue of Warrants shall be completed, within a period of 15 days from the date of passing of the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed with a period of 15 days from the date of receipt of last such approvals.

(e) Undertakings:

In terms of the ICDR Regulations, the Company hereby undertakes that

(i) It would re-compute the price of the securities mentioned above in accordance with SEBI (ICDR) regulations where it is required to do so;

(ii) if the amount payable on account of the re-computation of price is not paid by the proposed allottees within the time

stipulated under SEBI (ICDR) regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the proposed allottees.

(f) Pricing of the preferential issue:

The Convertible share warrants will be allotted in accordance with the price determined in terms of Regulation 76(1) of the ICDR Regulations. The Equity Shares shall be allotted Pursuant to Exercise of such Convertible warrants at a price not less than higher of the following:

(a) The average of the weekly high and low of the volume weighted average price of the related Equity Shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; or

b) The average of the weekly high and low of the volume weighted average prices of the related Equity Shares quoted on a recognized stock exchanges during the two weeks preceding the relevant date.

(g) Basis on which the price has been arrived at along with report of the registered valuer:

This is not applicable in the present case since the Company is a listed Company and the pricing is in terms of the ICDR Regulations.

(h) Relevant date with reference to which the price has been arrived at 'Relevant Date' for the purpose of calculating the price of Warrant to be issued should have been 25th August 2018(Saturday) which will be the date 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue i.e. 24th September 2018 (Monday). However, 25thAugust 2018 being Weekend (i.e. Saturday), the day preceding 25th August 2018 i.e. 24th August 2018 is considered as the Relevant Date or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.

To approve the proposed preferential issue, in term of Section 42 and 62 of the Companies Act, 2013

(i) Auditor's Certificate:

A copy of the certificate from the Statutory Auditor of the Company, Mr. Guru Prakash V, Chartered Accounts, Bengaluru, certifying that the issue of the Convertible share warrants are being made in accordance with the requirements of SEBI Regulations for Preferential Issues and the same is hereby attached below the notice and also will be available for inspection at the Registered Office of the Company during 10:00 A.M. and 6:00 P.M. on any working day (Except Saturday) prior to the date of AGM.

(j) Lock-in Period:

The Convertible share warrants issued on preferential basis will be subject to lock-in as provided in the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval granted by the Stock Exchange(s).

(k) Particulars of proposed Allottee:

Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of post-preferential issued capital that may be held by the said allottee and change in control, if any, in the Company consequent to the preferential issue:

NOTICE

Sl No.	Name of the Proposed Subscribers	Natural Person/ Ultimate Beneficial Owners	Existing Holdings (As on 10th August, 2018)		New Subscriptions of Shares upon conversion of warrants #		Post issue of Equity Holdings *	
			Shares	%	Shares	%	Shares	%
1	Mrs. Shashi Soni	Mrs. Shashi Soni	687787	5.36	500000	3.62	1187787	8.59
2	Mrs. Kiran Soni	Mrs. Kiran Soni	373224	2.91	500000	3.62	873224	6.32
		Total	1061011	8.27	10,00,000	7.24	2061011	14.91

The new subscription share percentage (%) based on the proposed pre-preferential issue of share and warrants of the Company, stated in this notice.

Note: * This post issue percentage has been calculated on the basis of post preferential capital assuming full allotment of shares as proposed and assuming full conversion of warrants in to Equity Shares.

(l) Change in control, if any, in the Company that would occur consequent to the preferential offer:

There will be no change in control or management consequent to subscription of above preferential issue except for marginal increase in shareholding of promoters post conversion of warrants into equity shares

(m) Lock-in:

The Equity Shares allotted shall be subject to 'lock-in' as per the ICDR Regulations. Such locked-in Equity Shares may however be transferable to and amongst the Promoters/Promoter Group subject to the provisions of ICDR Regulations.

The entire pre-preferential allotment shareholding of the above Allottees, if any shall be locked-in as per the Regulations 78(6) of ICDR Regulations.

(n) Disclosure pursuant to the provisions of Part G of Schedule VIII of SEBI (ICDR) Regulations 2009:

It is hereby declared that neither the company nor its promoters and directors are willful defaulters and hence providing disclosures specified in Regulation 4(6) read with Part G of Schedule VIII of SEBI (ICDR) Regulations 2009 does not arise.

(o) Since the allotment is being made for Cash and not for consideration other than cash, the requirement of complying with Regulation 73(3) of ICDR 2009 does not arise.

(p) Other Terms and conditions for Issue of Convertible warrants:

1. The allotment of Convertible share warrants does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of ICDR Regulations. Due to above preferential allotment of the convertible share warrants, no change in management control is contemplated. The aforesaid Allottee(s) shall be required to comply with the relevant provisions of the ICDR Regulations.

2. The Equity Shares allotted pursuant to exercise of options attached to warrants pursuant to the proposed resolution shall rank paripassu in all respects with the existing Equity Shares of the Company and will be listed on National Stock Exchange of India Limited and BSE Limited where the Equity Shares of the Company are listed.

NOTICE

Disclosures as required to be made under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

Sl. No.	Particulars	Disclosures by the Company
a	Particulars of the offer including date of passing of Board resolution	Offer is being made to the Promoters for the subscription of 10,00,000 convertible share warrants on preferential basis. Board approved the said offer on May 30, 2018 and further modified on August 13, 2018 subject to members approval
b	Kind of securities offered and the price at which security is being offered	Convertible Share Warrants Price will be calculated as per SEBI (ICDR) Regulations
c	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Company being a listed company, issue price must be calculated as per the provisions of SEBI (ICDR) Regulations
d	Name and address of valuer who performed valuation	Not Applicable (since the Equity Shares are listed in stock exchanges and are governed by SEBI [ICDR] Regulations)
e	Amount which the company intends to raise by way of such securities	Rs.1,00,00,000 (Rupees One Crore) + Premium will be calculated as per the provisions of SEBI (ICDR) Regulations
f	I) Material terms of raising such securities	1. The allotment of Convertible share warrants does not require to go for a public offer as it is below the prescribed threshold limit for making a public offer in terms of ICDR Regulations. Due to above preferential allotment of the convertible share warrants, no change in management control is contemplated. The aforesaid Allottee(s) shall be required to comply with the relevant provisions of the ICDR Regulations. 2. The Equity Shares to be allotted upon exercise of options attached to warrants pursuant to the proposed resolution shall rank paripassu in all respects with the existing Equity Shares of the Company and will be listed in National Stock Exchange of India Limited and BSE Limited where the Equity Shares of the Company are listed.
	II) proposed time schedule	As required under the ICDR Regulations, the preferential issue of Warrants shall be completed within a period of 15 days from the date of passing the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed with a period of 15 days from the date of receipt of last such approvals. The tenure of the Warrants shall not exceed 18 months from the date of the allotment.
	III) purposes or objects of offer	The proceeds of the funds raised by issue of share warrants shall be utilised for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company and its subsidiaries and affiliates, including investment in subsidiaries and affiliates, repayment of debt, exploring acquisition opportunities and general corporate purposes. This will also help strengthen Company's leadership position as well as help in capture market share in the key consumption-led sectors.
	IV) contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	Mrs. Shashi Soni Promoter cum whole time director and Mrs. Kiran Soni Promoter cum CFO intend to subscribe to the offer of 10,00,000 Convertible share warrant at face value of Rs.10/- each and at a such appropriate premium amount, as will be determined as per ICDR 2009 or such other higher price as may be arrived in accordance with the ICDR Regulations (Issue price). No other Directors/Key Management Personnel of the issuer intends to subscribe to the offer. Mr. Sanjay Soni, Promoter cum Managing Director is relative of proposed allottees. However, Mr. Sanjay Soni is not intending to subscribe for the said offer.
	V) principle terms of assets charged as securities:	Not Applicable

The Board recommends the Special Resolution as set out in the Notice for members' approval.

NOTICE

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 4 of the Notice except for Mrs. Shashi Soni and Mrs. Kiran Soni as they are intending to subscribe for the issue of Warrants and Mr. Sanjay Soni is deemed to be interested as he is a relative of said proposed subscribers of Warrants.

Item Nos. 5

This special resolution contained in the Notice relates to a resolution by the Company enabling the Board to create, issue, offer and allot the equity shares, as defined in the resolution by way of a qualified institutions placement in accordance with Chapter VIII of the SEBI ICDR Regulations, in one or more tranches, at such price and on such terms and conditions as may be deemed appropriate by the Board (which term shall be deemed to include any committee thereof which the Board may have constituted) at its absolute discretion including the discretion to determine the categories of investors to whom the issue, offer, and allotment of equity shares shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the QIP (as defined herein below).

This special resolution enables the Board to issue Equity shares for an aggregate amount not exceeding INR 40 Crores (Rupees Forty Crores). This special resolution is an enabling resolution and therefore the proposal seeks to confer upon the Board (including a committee thereof) the absolute discretion to determine the terms of the QIP, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, in consultation with the advisors, lead managers and such other authorities as may be required, considering prevailing market conditions, practices and in accordance with the applicable provisions of law.

The Board shall issue equity shares pursuant to this special resolution and the allotment of Equity shares, in terms of the SEBI ICDR Regulations, shall be completed within twelve months from the date of this shareholders' resolution or such other time as may be permitted under the SEBI ICDR Regulations from time to time. The proceeds of the QIP shall be utilized for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company and its subsidiaries and affiliates, including investment in subsidiaries and affiliates, repayment of debt, exploring acquisition opportunities and general corporate purposes. This special resolution seeks to empower the Board to issue Equity Shares by way of a qualified institutions placement ("QIP") in one or more tranches, to any eligible Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations.

The pricing of the equity shares that may be issued to QIBs pursuant to the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with the SEBI ICDR Regulations. Further, the Board including a duly constituted committee thereof, may at its sole discretion, also offer a discount to the floor price at such percentage, as permitted under applicable law. Subject to applicable law, in the event that Equity Shares are issued to QIBs by way of the QIP in terms of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or a committee thereof decides to open the QIP of Equity Shares.

As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to the applicable provisions of the Companies Act, 2013, the SEBI ICDR Regulations and any other law for the time being in force and being applicable.

It is in compliance with the requirement of minimum public shareholding specified in the Securities Contracts (Regulation) Rules, 1957.

Regulation 82 of ICDR Regulation provides for Conditions for QIP and one of the conditions is that the Special Resolution should

NOTICE

contain the relevant date referred to in sub-clause (ii) of clause (c) of Regulation 81. However, Regulation 81(c)(ii) is relating to "Relevant Date" in case of allotment of eligible convertible securities i.e. other than Equity Shares. The Company is proposing to issue and allot Equity Shares to QIBs and accordingly Regulation 81(c)(ii) is not applicable.

Disclosures as required to be made under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

Sl. No.	Particulars	Disclosures by the Company
a	Particulars of the offer including date of passing of Board resolution	Offer is being made to such categories of persons as may be permitted by way of a Qualified Institutions Placement (QIP) for an aggregate amount, not exceeding INR 40 Crores (Rupees Forty Crores) or equivalent thereof, inclusive of such premium as may be fixed on equity shares Board approved the said offer on May 30, 2018 subject to members approval
b	Kind of securities offered and the price at which security is being offered	Equity Shares Price will be calculated as per SEBI (ICDR) Regulations
c	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Company being a listed company, issue price must be calculated as per the provisions of SEBI (ICDR) Regulations
d	Name and address of valuer who performed valuation	Not Applicable (since the Equity Shares are listed in stock exchanges and are governed by SEBI [ICDR] Regulations)
e	Amount which the company intends to raise by way of such securities	Not exceeding Rs.40,00,00,000 (Rupees Forty Crore) inclusive of Premium, which will be calculated as per the provisions SEBI (ICDR) Regulations
f	I) Material terms of raising such securities	(1) the Equity Shares to be so created, offered, issued and allotted, shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and applicable law; And (2) the Equity Shares that may be issued by the Company, shall rank paripassu with the existing Equity Shares of the Company in all respects as may be provided under the terms of the issue and in the offering documents.
	II) proposed time schedule	The allotment of the Shares to be made by way of QIP, in terms of the SEBI (ICDR) Regulations, shall be completed within twelve months from the date of approval to shareholders' resolution or such other time as may be allowed under the SEBI (ICDR) Regulations from time to time.
	III)purposes or objects of offer	The proceeds of the QIP shall be utilized for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company and its subsidiaries and affiliates, including investment in subsidiaries and affiliates, repayment of debt, exploring acquisition opportunities and general corporate purposes.
	IV)contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	No any Directors/Key Management Personnel/Promoters intends to subscribe to the offer or contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects.

NOTICE

	V)principle terms of assets charged as securities:	Not Applicable

All the documents referred in the Notice are available for inspection at the Registered Office of the Company.

The Board believes that the QIP is in the interest of the Company and, therefore, recommends the resolution of the accompanying Notice for your approval.

The Directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that might be subscribed by the companies /institutions in which they are Directors or members.

By order of the Board of Directors

Sd/-

(Suraj Kumar Sahu)
Company Secretary

Place: Bengaluru
Date: 13th August, 2018

Contact details for any queries:
Mr. Suraj Kumar Sahu, Company Secretary
Phone No.080-67125400 to 5407
Email id: company.secretary@izmoltd.com
Registered Office:
#177/2C Bilekahalli industrial Area,
Bannerghatta Road Bngaluru 560076

NOTICE

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

Mr. Sanjay Soni -Managing Director Item number 2.

A. Brief Resume and Expertise of Mr. Sanjay Soni:

Mr. Sanjay Soni is reappointed as Managing Director of the Company. He being a promoter Director has been involved in the Management and headed the Company since its incorporation. He is a Graduate in Commerce and has undertaken extensive studies in IT related fields for the last over one decade. He has undergone Post Graduate Program from the Indian Institute of Management (IIM-B), Bangalore. He has wide exposure to International Finance and Banking and has authored books on related Fields.

B. Disclosure of relationship between Directors Inter-se:

Mr. Sanjay Soni is Managing Director of the Company. At present his mother Mrs. Shashi Soni is Chairperson and Whole time director of the Company.

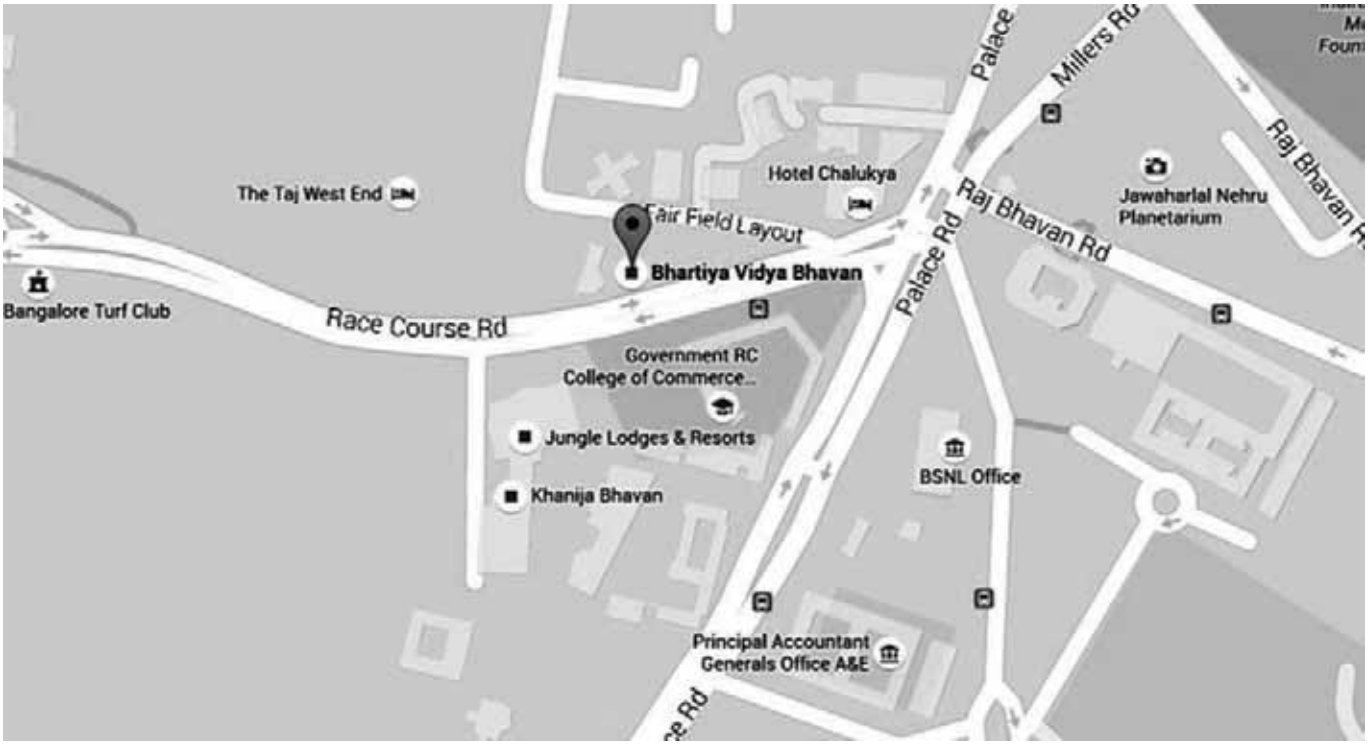
C. Name/s of listed entities in which the person also hold the directorship and the membership of Committees of the board:

Not applicable

By order of the Board

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

Place: Bengaluru
Date: 13.08.2018



CERTIFICATE

I, Guru Prakash V, Chartered Accountant, holding Membership Number 228938 and having my Office at No. 297, 1st Floor, 35th Cross, 7th C Main, Jayanagar 4th Block, Bengaluru– 560011, Karnataka, India, being Statutory Auditor of M/s. Izmo Limited having CIN L72200KA1995PLC018734 and Registered Office at No. 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bengaluru–560076, Karnataka, INDIA (hereinafter referred to as 'the Company' or 'the said Company'), hereby certify that the proposed issue of 10,00,000 convertible share warrants on preferential basis to promoters of Rs.10/- (Rupees Ten Only) each and at such an appropriate premium amount, as will be determined as per ICDR 2009 or such other higher price as may be arrived in accordance with the ICDR Regulations(Issue price), to be made by the Company, is being made in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Sd/-

GURU PRAKASH V
Chartered Accountant
M. No. 228938

Date : 11.08.2018
Place : Bengaluru

Board's Report



Homage to Newton (1985)
by Salvador Dalí

Bronze with dark patina. Dalí's homage to Isaac Newton symbolizes "open-heartedness" with an open torso and suspended heart, and "open-mindedness" with an open head.

Board's Report

Dear Shareholder,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited statements of accounts for the year ended 31st March, 2018.

Consolidated financial statements of accounts for the year ended 31st March, 2018.

Rs. in Lakhs

Particulars	2017-18	2016-17
Revenue from Operations	6,298.66	5,428.07
Other Income	507.48	424.73
Total Revenue	6,806.14	5,852.80
Direct cost of operations	71.62	70.22
Increase/(Decrease) in Stocks/WIP	0.55	0.87
Employee Benefit Expenses	2,961.30	2,213.23
Financial Expenses	118.67	118.37
Depreciation	1,225.61	1,192.52
Other Expenses	1,533.37	1,866.49
Total Expenses	5,911.12	5,461.70
Profit/ (Loss) before Tax & Exceptional Item	895.02	391.09
Exceptional or Extraordinary Items	191.22	—
Profit/ (Loss) before Tax	703.79	391.09
Provision for Taxation	(34.54)	(21.77)
Deferred Tax	(64.11)	95.97
Profit / (Loss) after Tax	605.15	465.29
Other Comprehensive Income	23.07	8.00
Total Comprehensive Income for the year	627.23	473.29

Performance on a Consolidated Basis

The Company's performance on a consolidated basis have shown a significant improvement over the previous year. The revenues have increased by 17%, whereas profits have increased by 30%. Higher sales of the company's products coupled with a tight rein on expenses have resulted in the sharp increase in profitability. The company is endeavoring to continue this trend in the next few years as well.

The Company hopes to achieve higher growth in the current year as it has made serious inroads into the Automotive OEM market. The company now counts leading OEMs such as Nissan Motors, PSA Peugeot Citroen, Lexus etc. among its clients. The Company is also the largest provider of Automotive Images to the Car Rental industry having Hertz, Enterprise, AVIS, and Europcar as its clients.

The Data Analytics division is expected to contribute to the revenues as well in FY 18-19 and should form a significant part of US revenues in FY 19-20.

The company's foray into the defence manufacturing space is also gathering steam. FY 18-19 should see the first private sector manufacturing facility for small and medium caliber ammunition commencing production in Goa. This will be an Export Oriented Unit under the subsidiary Hughes Precision Pvt. Ltd. The 2nd project for manufacture of assault rifles is expected to go online in FY 19-20.

Board's Report

Stand Alone Financials statements of accounts for the year ended 31st March, 2018.

Rs. in Lakhs

Particulars	2017-18	2016-17
Revenue from Operations	2,260.00	1,163.90
Other Income	463.38	344.80
Total Revenue	2,723.38	2,508.70
Direct cost of operations	70.21	70.22
Increase/(Decrease) in Stocks/WIP	0.55	0.87
Employee Benefit Expenses	1,665.94	1,157.34
Financial Expenses	118.67	118.10
Depreciation	121.16	586.95
Other Expenses	597.28	574.66
Total Expenses	2,575.22	2,508.14
Profit/ (Loss) before Tax & Exceptional Item	148.15	0.56
Exceptional or Extraordinary Items	—	—
Profit/ (Loss) before Tax	148.15	0.56
Provision for Taxation	(34.53)	(21.77)
Deferred Tax	(64.10)	61.45
Profit / (Loss) after Tax	49.50	74.77
Total Other Comprehensive Income	23.08	8.00
Total Comprehensive Income for the period	72.58	82.77

Performance

The Company's sales on a standalone basis has shown nearly a 5% increase over the previous year.

The other income has shown a sharp rise primarily on account of gain on redemption of short term investments during the year.

Analysis of Expenses

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

Depreciation has shown a sharp decrease due to lower capital expenditure incurred during the year.

Profitability

The company's profitability has reduced slightly due to the increase in employee expenses. However, the company expects to increase its profitability during the current year as a result of higher sales in the United States, Mexico, Europe, and India.

Dividend

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

Business Overview

Business is changing. And izmo is showing the way

Plentiful bandwidth. Inexpensive Cloud Storage. Sophisticated Smartphones. Together, they are creating perpetually connected communities and seamless experiences, and izmo is shaping innovative marketing paradigms that enable businesses to navigate the new normal and win more customers.

Take PartsGorilla, for instance. It's your 800-pound gorilla driving accessories sales at dealerships. Nothing ever comes anywhere close to it as it pushes accessories to delighted customers, which is why dealerships are selling more accessories than ever, with stratospheric profit margins.



PartsGorilla is perfect at making accessories selection seamless and delightful, but connected communities demand much more from car dealers. Prospective car buyers now begin their journey months before they ever make contact with a dealership, and they expect dealerships to be active partners all the way.

To succeed, dealers now need to know the priorities and concerns of their prospects, as they start researching their vehicle, and be visible to them at every stage. Dealers need to streamline their operations and make the entire dealership client-facing. Dealers also need to plug every source of wasteful expenditure and exploit every revenue opportunity.

That's why we developed FrogData, the world's first data analytics platform for automotive retail.

FrogData. Bringing Data Driven Decision-making to Dealerships

FrogData helps dealers in taking decisions that drive dealerships in an insightful way, backed by actionable information constantly garnered from deep data analytics.

In other words, we connect the dots that open new sales opportunities, bring more revenue, drive up profits, and create more customer connections for dealers.

Deploying FrogData results in more deals, higher margins, improved employee and equipment utilization, high inventory turnover, higher lifetime customer loyalty, and much more.

FrogData is built on a state-of-the-art open architecture platform that can easily accommodate virtually any type of data. With the explosion of new technologies and the dwindling of old database platforms, it is

Board's Report

steadily becoming difficult to get such varied systems to "talk" to each other. FrogData solves this particular problem with its ability to accept any form of data from any type of system, new or old, and collating it in a centralized, easily usable database.



What's more, FrogData offers the flexibility to commence data analytics deployment at a scale and scope which is comfortable to dealers. They can start with just a few departments or the entire dealership in one shot.

Partnerships with DealerTrak, CDK, and Hunter Engineering make. FrogData even easier to adapt, for dealers.

izmoFx: Virtual Reality (VR) Experiences and CGI

If big data analytics brings business clarity across multiple layers and complex dimensions to dealerships, Virtual Reality (VR) is the great industry disruptor that can take the dealership experience to where the customers are.

By creating an immersive, hands-on experience for car shoppers that simulates reality, izmoVR has the potential to convert prospective customers into buyers than any other tool available. izmoVR utilizes advanced CGI technology within izmocars' proprietary VR Solution Platform to create a spectacular user experience at affordable costs. The izmoVR showroom solution, which can include dealer branding, is delivered using the lightweight, portable, and wireless Samsung Gear VR headset.

Delivering Immersive Experiences Anywhere

With izmoVR, dealers can deploy VR in the showroom, in the service wait area, or even on their website. Each interaction will invoke user interest and generate leads.

Users experience vehicles in a completely immersive manner and get information about features that are not usually possible in a traditional demo. For example, airbags are an unseen but important safety feature that consumers never see in the buying process. izmoVR can literally bring this to life within the VR presentation, wowing the user and helping them understand its impact better.

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

izmoFx CGI

Computer generated imagery (CGI) can not only deliver greater cost savings but also faster speed- to-market and unlimited scope of reuse for automotive retail clients, from OEMs to dealers. Precisely because of this reason, the amount of regular photography of actual vehicles is steadily going down. Automotive OEMs have largely moved on to CGI and all related auto business websites are following suit.

The ability to place a vehicle in any location, any backdrop, any lighting, and any camera angle, which were previously unavailable with traditional photo-shoots, is too big an advantage to ignore. Changes that previously required a new photo-shoot, like a trim change or a different angle, are quite easy to accomplish with CGI, which makes vehicle photography obsolete.

In addition, CGI opens up possibilities for animated vehicle narrations, videos, as well as licensing for other markets like film, games, and other applications, all from the same CGI data.

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 in the market.



izmo: a long tradition of innovation

PartsGorilla, FrogData, and izmoFx are the latest in a long series of trend-setting market innovations from izmo, starting from the izmoflix ver.1 which delivered the interactive automotive marketing experience to U S consumers as early as 2003. To this day, izmo remains invested in its global market leadership in the automotive retail space.

Meanwhile, izmo dealer websites continue to be the first choice of the world's leading automotive retailers and portals from North America to Europe to Asia. SalesVelocity, the izmo CRM suite, is also gaining traction with auto dealerships.

North America

USA

After an initial projection of 16.7 million vehicles, major market watchers have increased their sales estimate for 2018 to 16.9 million vehicles, down from the 17.25 million vehicles sold last year. The market is continuing with a downward trend after the record-breaking sales of 17.6 million vehicles in 2016.

A significant market development is a shift in consumer tastes to SUVs, crossovers, and pickup trucks, which command higher transaction prices, and more profits for the automotive industry.

Board's 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 in the photography and visual marketing space, we keep expanding into new possibilities, new territories, and new verticals.

With the combined market push of new products like FrogData, Online and Social Marketing products like FranchiseNow and izmoLeads, izmoAuto websites, and new avatars of existing market-leading products like izmoflix, we expect to see steady progress in the US market.

Mexico

Auto sales in Mexico dropped 8.4%, with 680, 699 vehicles sold in the first half of the year. This is in line with the projections of the Mexican Association of Auto Dealers (AMDA), which predicts total sales of 1.45 million vehicles in 2018.

Your company continues to be the largest auto dealer website service provider in Mexico, serving Ford, Nissan, Honda, Infinity, Toyota, Acura, Porsche, Audi, Hyundai, Renault, Mazda, Suzuki, and Kia dealers, with OEM relations with global brands like Ford and Nissan. The company is also a strong presence in the 2-wheeler segment, with KTM and BMW websites.

The izmo client portfolio in Mexico features all prominent auto groups in the country.



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.

European Union

In the European Union (EU) and EFTA countries, new car sales contracted by 5% during the first quarter of 2018. Germany, the largest car market in Europe, expanded by 4%. Car sales in France were higher while the Spanish new car market expanded by more than 10%.

Car sales were sharply down by 12% in the UK while the Italian car market contracted slightly.

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 includes all prominent auto brands - the French Brands Peugeot, Citroen, and Renault, as well as Audi, Alfa Romeo, Abarth, BMW, 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 has a significant presence in Spain, serving Audi, Honda, Seat, Skoda, VW, and Nissan dealers.

Portugal

The Portuguese operations of izmo include the popular auto service portal Ancra, with hundreds of dealers signing up for the service.

Your company is also a prominent presence in the body shop segment, with generic body shop websites as well as websites for Citroen, Ford, Seat, Iveco, Morgan, and Renault brands.

Italy

In Italy, izmo serves Citroen, Jeep, Kia, Peugeot, Skoda, and Volvo dealers with state-of-the-art auto dealer websites and services.

Belgium

Dealers of Audi, Honda, Nissan, Seat, Skoda, and VW vehicles continue to be izmo customers in Belgium, where your company serves prominent groups like PGA.



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, Groupe Schumacher, Riester, and others.

ASIA

India

2018 is promising to be a good year for India in the automotive retail segment. July sales are pegged at 2.90 lakh vehicles, a little less than the 2.99 lakh units sold last year.

Maruti Suzuki continues to lead the market, with 1.5 lakh vehicles sold. Tata Motors and Honda posted double-digit growth driven by new launches. Hyundai gained 1.1%, while Mahindra & Mahindra, Toyota Kirloskar, and Ford India sales declined. In the two-wheeler segment, TVS Motors, Bajaj Auto, and Suzuki Motorcycle registered double-digit growth, supported by strong rural buying and new launches. However, Royal Enfield registered a growth drop of 6%.

With 109 online showrooms, izmocars India continues to be the preferred car dealer website provider in India. The izmocars website portfolio includes Maruti Suzuki, Maruti Suzuki NEXA, Chevrolet, Fiat, Jeep, Honda, Hyundai, Isuzu, Mahindra & Mahindra, Ssangyong, Nissan & Datsun, Renault, Skoda, Tata Motors, and Volkswagen in the auto dealer segment, Yamaha, Hero, Bajaj, TVS, KTM, and Suzuki in the bike segment, and Bharat Benz in the heavy vehicles segment.

Board's Report

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

Presently, izmocars is the world's leading provider of automotive imagery, video, VR, CGI, and visual marketing solutions. 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 full-spectrum izmo visual product portfolio includes a Virtual Reality (VR) and CGI platform, automotive imagery, animations, videos, and visual marketing solutions.



Presently, izmomedia is serving:

- The 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, Ford, Alphabet, EUROPCAR, JATO, JDPA, Hertz, Avis, Lease Plan, Orange Wheels, Zenith, Mobile, Auction123, Auto Point, MEINAUTO, AutoTrader, and ARVAL.

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.

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

Your company is the #1 auto dealer website provider in France, Mexico, and India. The izmoweb "Responsive" web platform which hosts all izmo websites is the most advanced automotive web platform in the world. Your company also offers a world-class automotive CRM with marketing automation, accessories selling solutions, and data analytics for auto dealers.

With significant investments in technology, infrastructure, and talent, we hope to make great progress in the automotive business segment 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 your company.

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

Enterprise Products: Strategizing New Breakthroughs

With the near-total domination of the market segment, izmo's enterprise product division achieved 50% business growth over the last year.

In the last fiscal, the division added Calcutta Electric Supply Corporation (CESC), Cap Gemini Corporation, and SQS India BFSI Ltd. to its existing customer base consisting of corporate majors like Mercedes Benz, IBM, Kotak Mahindra Bank, HCL Technologies, Rambus Chip Technologies, Textron India Pvt. Ltd., Schneider Electric System, Infosys, Tech Mahindra, Bharti Airtel, Synopsys India, Vedanta, 3DPLM, Maruti Suzuki India Ltd. and more.

With the Industry focus shifting to hacker-proof security, the Enterprise products division of your company is poised to grow exponentially.



Instant Business Websites in just 3 steps

A couple of years back, izmo entered the generic website space with izmoweb – "My Website, My Identity". 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. Your company is now reinventing this business around the franchise website model which brings in dozens of websites with one order.

New Opportunities: Defence Manufacturing

Make in India, Make for the World

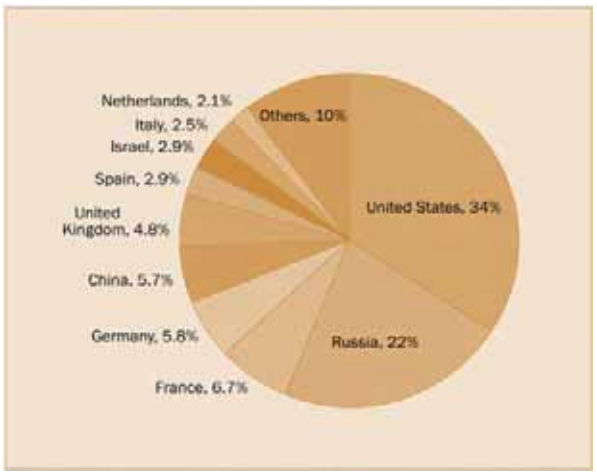
Defence & Aerospace is one of the 10 Champion Sectors identified under the Make in India version 2.0 of the Government of India, due to their "potential to become global champions, drive double-digit growth in manufacturing and generate significant employment opportunities." Capitalizing on this "Make in India" initiative, izmo is entering the defence manufacturing sector through its subsidiary, Hughes Precision Pvt. Ltd., with two major projects – manufacturing of ammunition and assault rifles.

Board's Report

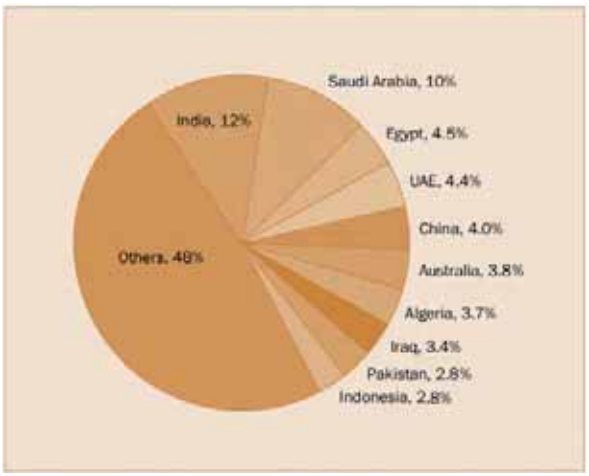
The Opportunity

The global demand for reliable, high-quality arms, ammunition, and spares continues to be as high as ever, with The Stockholm International Peace Research Institute (SIPRI) data on the international arms trade showing a continuing growth trend in major conventional weapons, with the volume of transfers from 2013-2017 being 10% higher than it was over 2008-2012.

The five largest importers in 2013–17 were India, Saudi Arabia, Egypt, the UAE and China, receiving 35% of all arms imports. Countries like Vietnam, with close ties with India, increased their arms imports to become the world's 11th largest arms importer.



Global share of major arms exports, 2013-17



Global share of major arms imports, 2013-17

The Global Arms Import-Export Gap: While India is the Largest Importer of Arms, the country is yet to claim a significant market share in arms exports

India is the largest importer of major arms in 2013–17 and accounted for 12 per cent of the global arms imports. India's arms imports increased 24% between 2008–12 and 2013–17, with Russia accounting for 62%. In the same period, arms imports from the USA increased by 557%, making it India's second largest arms supplier.



Share of world military expenditure.

India also owns the world's third largest armed forces, and recently overtook the UK as the fifth-largest defence spender in the world in 2017 at $52.5 billion, according to the "Military Balance 2018" report by the International Institute for Strategic Studies (IISS). Presently, about 60% of defence related requirements of the Indian Armed Forces are met by imports, which offers a huge opportunity for eventual import substitution.

The "Make in India, Make for the World" initiative by izmo is aimed at capitalizing on India's huge arms trade deficit by manufacturing several categories of high-quality arms, spares, and ammunition which adhere to NATO certification with DODIC numbers.

As of now, izmo has entered into extensive partnerships with Global defence OEMs, to set up the first of the proposed defence manufacturing plants, namely ammunition manufacturing and assault rifles manufacturing.

Manufacturing Friendly Government Policies

In addition to the "Make in India' initiatives, the 2011 Defence Production Policy of the Government of India encourages indigenous manufacturing of defence equipment, and defence Procurement Procedure (DPP) has been amended in 2016 to encourage indigenous design, development, and manufacture of arms, as well as the transfer of technology.

The Government of India licensing norms has also been liberalized to encourage private participation in defence manufacturing. The initial validity period of industrial licenses has been increased from 3 to 15 years, with a provision to grant an extension for a period of 3 years.

Global Arms, Ammunition, Equipment, and Spares Hub

Apart from strengthening India's armament sourcing capabilities, the new izmo initiative will help the company to develop its defence manufacturing division into a global hub for arms and equipment procurement.

The first project envisaged primarily for export is the production of military caliber ammunition. The license is expected shortly and commercial production expected to commence in March 2019 in Goa.

Hughes Precision Manufacturing Pvt. Ltd. is collaborating with JSC Concern Kalashnikov, makers of the AK 47 rifle, for a world-class assembly facility for the AK 100 Series rifles / Carbines and its various modifications under the "Make In India" initiative. JSC Concern Kalashnikov will provide all the relevant technical assistance and advice to set up the facility. A Letter of Intent has been issued on the 20th of February 2018.

Board's Report



PartsGorilla is the next generation car visualizer and Accessories Visualization Platform from izmocars

- CGI Vehicle Models deliver authentic real life visuals
- Every trim and accessory is available for demo
- Customers can accessorize and visualize their cars
- Designed for pricing and availability updates by brand
- Works on any device – Computer, Tablet, Cell Phone, and Touch Screen Monitor
- Sells more accessories with very little effort!

www.izmocars.com



Frogdata analyses data from all available applications - web analytics, CRM, DMS, or inventory tools, and offers advanced reporting, customer insights, predictive decision analytics, and much more, helping companies to improve profitability, salesperson 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

izmoweb

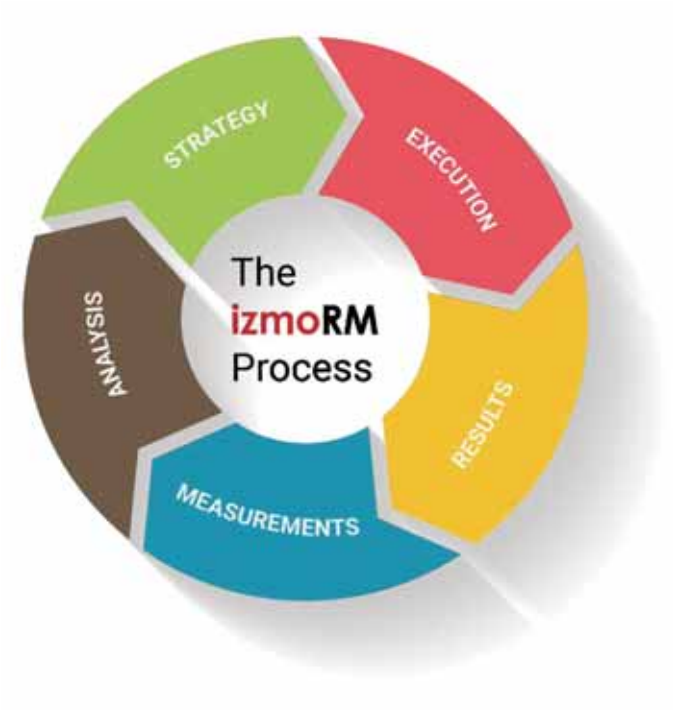


- Fully developed, mobile-ready responsive websites for any business.
- Ready to go, no development required - Just add your name, logo, and address
- Comes with pre-built content
- The most advanced web platform in the world
- Latest responsive website technology - your website will work well on any 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

Board's Report

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, etc.
- Interactive Marketing Campaigns
- Organic Search Engine Optimization
- Website Optimization
- Online Brand Marketing
- Research & Data Analysis

www.izmofx.com

SalesVelocity



SalesVelocity is an enterprise class Customer Relationship Management solution industry. 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)

SalesVelocity is certified by Ford, Jaguar, Lincoln, Volvo, Land Rover, Mercury, GM brands including Buick, GMC, Pontiac, Cadillac, Hummer, Saturn, Honda, Acura, Nissan, Infiniti, Mercedes Benz, Chrysler, Subaru, Saab, and Mazda.

www.izmocars.com

izmotion



The izmotion Video Platform offers auto retailers powerful video sales pitches delivered in just 100 seconds, video, email and ad banners on video.

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

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 about 500 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.

www.izmomedia.com

Board's Report

izmostock



izmostock is the world's leading automotive stock photography provider, with dedicated vehicle photography studios in the 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 the video with voiceover, 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.

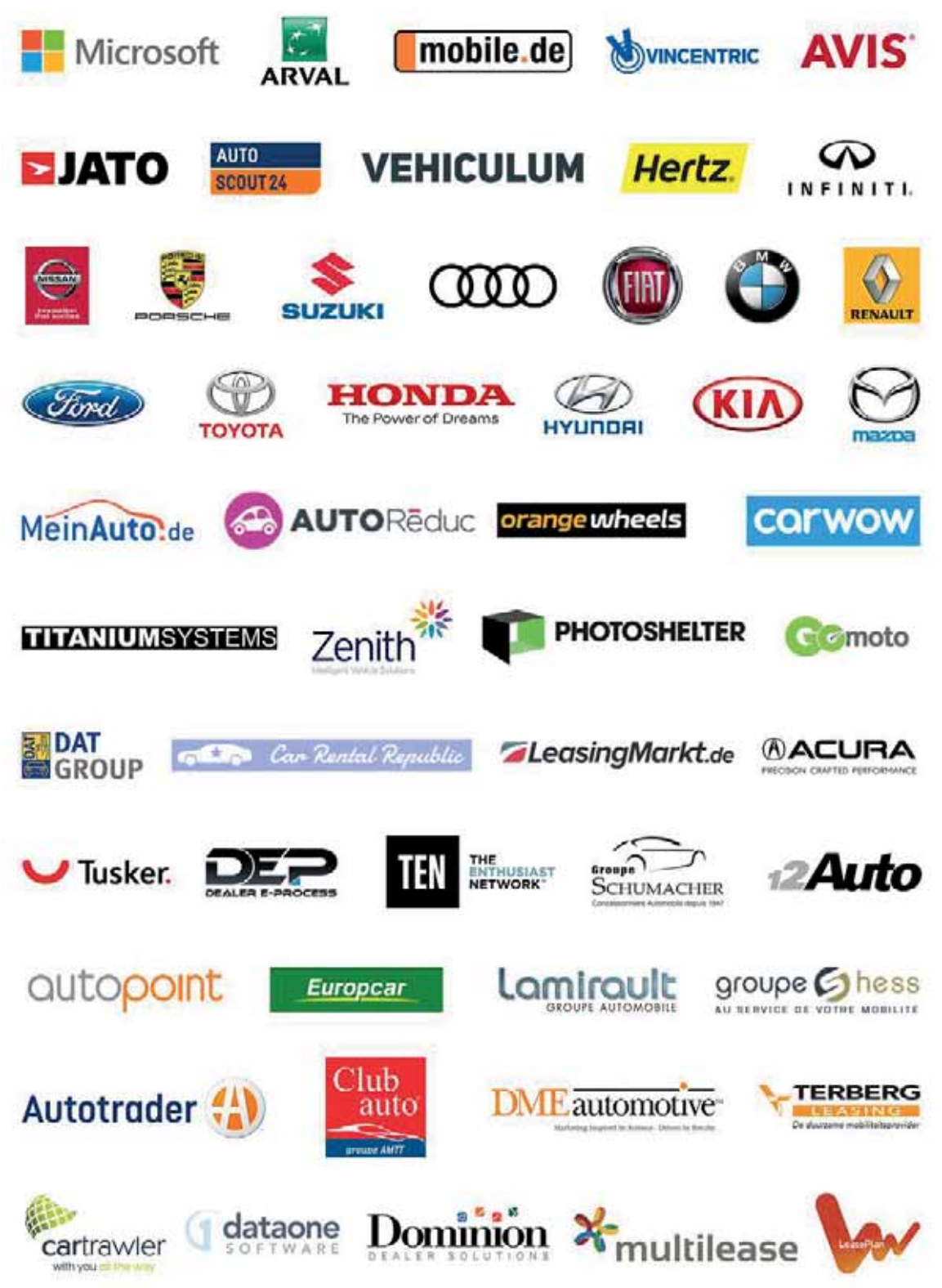
www.izmostock.com

Client Locations



Board's Report

Clients



and Many More...

Board's Report

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure A.

NUMBER OF MEETINGS OF THE BOARD

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

BOARD COMMITTEES

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

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

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

The Directors confirm that –

a) in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed and there were no material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at 31st March 2018 and of the profit and loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent in terms of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 as on 31st March, 2018:

1. Mr. Perur Phaneendra

2. Mr. Ramanujam Krishnamurthy

3. Mr. Vijay Gupta

NOMINATION & REMUNERATION POLICY

The Company's policy on Directors' appointment and remuneration, containing requisite information for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (3) is enclosed with this Report as Annexure B.

Board's Report

EXPLANATION AND 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 loan granted are mentioned in the Note No.39 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. 46 of Notes to the Standalone financial statement. Full particulars of investments made are stated in Note No.8 & 12 to the standalone financial statement.

RELATED PARTY TRANSACTIONS

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

Your directors draw attention of the members to Note. No.39 of notes to the financial statement which sets out related party disclosures.

The Company has formulated a Policy on related party transactions. This policy approved by the Board is uploaded on the Company's website on the below link:

http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm

MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Company has entered in material transaction with one of its wholly owned subsidiary Company during the year under review which requires reporting in Form AOC 2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the requisite disclosures under the IND AS form part of the Notes to Accounts in this report. (Annexure-C)

TRANSFER TO RESERVE

Your Directors does not propose to carry any amount to reserves, during the financial year ended 31st March, 2018.

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.

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, 2018 to which the financial statements relate and the date of this report.

Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND 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 operations methods.

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

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 2,109.17 Lakhs (PY Rs 2,015.33 Lakhs)

Outgo – Rs 96.37 Lakhs (PY Rs 135.74 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 risk mitigation plan.

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.

FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES

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

CHANGE IN THE NATURE OF BUSINESS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year ended 31st March, 2018 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.

DEPOSITS

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

Board's 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, containing requisite information 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 part of this Report.

SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards.

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.

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 D 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: http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm

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.

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

Particulars of employees pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed with this report as Annexure E.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to report genuine concerns. The Policy provides for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The policy is uploaded on the website of the Company: http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm

FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has Familiarization programme and the details have been uploaded on the website of the Company: http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm

MANAGEMENT DISCUSSION AND ANALYSIS

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

Board's Report

AUDITORS

Statutory Auditor:

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) has been appointed as the Statutory Auditors of the Company to conduct the audit of the financial statement of the Company from FY 2017-18 till FY 2021-22.

The aforesaid appointment of the Statutory Auditor was required to be ratified at every Annual General Meeting. However, pursuant to the amendment in the proviso to Section 139 which has been made effective on May 07, 2018, the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been omitted. In view of such omission of proviso, agenda item relating to ratification of Statutory Auditor is not included in the Notice of Annual General Meeting.

Pursuant to the same, Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) continues to hold the office of Statutory Auditors for the FY 2018-19. The Statutory Auditors' Report for the FY 2017-18 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

Secretarial Auditor:

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. 2017-18.The report of the Secretarial Audit in Form MR-3 is annexed herewith as Annexure-G.

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. 2017-18 and He has completed the internal audit as per scope given by the Audit Committee for the financial year 2017-18.

CORPORATE GOVERNANCE

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

EMPLOYEES STOCK OPTION PLAN

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

1. **Employee Stock Option Plan 2016**

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

Board's Report

2. Employee Stock Option Plan 2013

Disclosures for the financial year ended 31st March, 2018 regarding Employee Stock Option Plan 2013 in terms of Companies (Share Capital and Debenture) Rules, 2014 are as below:

Particulars	Employee Stock Option Plan 2013	
	(F.Y 2017 -2018)	**(F.Y 2016 -2017)**
Option granted	6,86,000	NIL
Option vested	86,100	86,100
Option exercised	59,400	63,600
The total no. of shares arising as a result of exercise of option	59,400	63,600
Options lapsed/cancelled uring the year	26,700	22,500
The exercise price	Rs. 10 /-	Rs. 10 /-
Variation of terms of options	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.
Money realized by exercise of options	Rs.5,94,000	Rs.6,36,000
Total no. of options in force	8,00,800	2,00,900
Employee wise details of options granted to :		
Key Managerial Personnel(KMP)	4000 options were granted to Company Secretary & No other options were granted to any other KMPs during the year under review.	No options were granted to KMPs during the year under review.
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL	Name of the employee: Mr. Akula Satya Kiran No. of option granted: 20000
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

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

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

The Company has in place an Anti-Sexual Harassment Policy, inter-alia, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints. The following is the summary of complaints received and disposed off during the year under review:

Number of complaints received and disposed off - Nil

Board's Report

PREFERENTIAL ISSUE

The company has issued 600,000 equity shares to EARC TRUST-SC38 on preferential basis during the F.Y. 2017-18. Detail of such issue is part of corporate governance report.

The Board of Directors of the Company, at its meeting held on 30th May, 2018, approved for the issuance of 10,00,000 Convertible Warrants to the Promoters on preferential basis & further the Board has also approved for obtaining enabling approvals of shareholders for issue of shares to Qualified institutional Buyer upto Rs. 40 Crores, subject to approval of the Members and such other authorities, as may be necessary.

Further board has given its approval for modifications made in issue of convertible share warrants in the board meeting held on 13th August, 2018.

ACKNOWLEDGEMENTS

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

Place: Bengaluru
Date: 13th August 2018

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 Whole time 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 31.03.2018

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 Floor 1, Club House Road, Chennai – 600 002, Tel: 044-28460390-94 Fax: 044-28460129 Email: investor@cameoindia.com Contact person: Mr. Narashiman

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	93%
2	Enterprise Connectivity Solution & Others	620	7%

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)
5	Frog Data (Subsidiary of Izmo Inc, Group USA)		Subsidiary	100%	2 (87)(ii)

ANNEXURE A

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-2017 : 12162273
Paidup Shares as on 31-Mar-2018 : 12821673
For the Period From : 01-Apr-2017 to 31-Mar-2018

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	3632693	0	3632693	29.8685	3864021	0	3864021	30.1366	0.2680
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 INSTITU-TIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0	0	0	0	0	0
	SUB - TOTAL (A)(1)	**3632693**	**0**	**3632693**	**29.8685**	**3864021**	**0**	**3864021**	**30.1366**	**0.2680**
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	0	0	0	0	0	0	0	0	0
	SUB - TOTAL (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
	TOTAL SHARE HOLDING OF PROMOTER AND PRO-MOTER GROUP (A) = (A)(1)+(A)(2)	**3632693**	**0**	**3632693**	**29.8685**	**3864021**	**0**	**3864021**	**30.1366**	**0.2680**
B.	**PUBLIC SHAREHOLDING**									
1.	**INSTITUTIONS**									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITU-TIONS/ BANKS	0	0	0	0.0000	39184	0	39184	0.3056	0.3056
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

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	
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	0	0	0	0	0	0	0	0	0
	Foreign Portfolio Investor (Corporate) Category II	0	0	0	0.0000	23595	0	23595	0.1840	0.1840
	SUB - TOTAL (B)(1)	**0**	**0**	**0**	**0.0000**	**62779**	**0**	**62779**	**0.4896**	**0.4896**
2.	**NON-INSTITUTIONS**									
a.	BODIES CORPORATE	1213786	0	1213786	9.9799	1928374	0	1928374	15.0399	5.0600
b.	INDIVIDUALS -									
	I INDIVIDUAL SHARE-HOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	3996938	95323	4092261	33.6471	3899598	94523	3994121	31.1513	(2.4958)
	II INDIVIDUAL SHARE-HOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	2613244	151425	2764669	22.7315	1936712	151425	2088137	16.2859	(6.4455)
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER	0	0	0	0	0	0	0	0	0
	CLEARING MEMBERS	38605	0	38605	0.3174	98861	0	98861	0.7710	0.4536
	DIRECTORS AND THEIR RELATIVES	0	0	0	0.0000	232524	0	232524	1.8135	1.8135
	ESOP / ESOS / ESPS	35129	0	35129	0.2888	25602	0	25602	0.1996	(0.0891)
	HINDU UNDIVIDED FAMILIES	220064	0	220064	1.8093	279997	0	279997	2.1837	0.3743
	NON RESIDENT INDIANS	165066	0	165066	1.3571	247257	0	247257	1.9284	0.5712
	TOTAL	**458864**	**0**	**458864**	**3.7728**	**884241**	**0**	**884241**	**6.8964**	**3.1236**
	SUB - TOTAL (B)(2)	**8282832**	**246748**	**8529580**	**70.1314**	**8648925**	**245948**	**8894873**	**69.3737**	**(0.7577)**
	TOTAL PUBLIC SHARE-HOLDING (B) = (B)(1)+(B)(2)	**8282832**	**246748**	**8529580**	**70.1314**	**8711704**	**245948**	**8957652**	**69.8633**	**(0.2680)**
	TOTAL (A)+(B)	**11915525**	**246748**	**12162273**	**100.0000**	**12575725**	**245948**	**12821673**	**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)	**11915525**	**246748**	**12162273**	**100.0000**	**12575725**	**245948**	**12821673**	**100.0000**	**0.0000**

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

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	2722682	22.3862	0	2803010	21.86	0	0.5262
2	SHASHI SONI	612287	5.0341	0	687787	5.36	0	(0.3259)
3	KIRAN SONI	297724	2.4477	0	373224	2.91	0	(0.4623)

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

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

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-2017	2722682	22.3862	2722682	22.3862
	Purchase 21-Apr-2017	45000	0.3700	2767682	22.7563
	Purchase 28-Apr-2017	30000	0.2467	2797682	23.0030
	Purchase 22-Sep-2017	828	0.0065	2798510	21.8264
	Purchase 29-Sep-2017	2000	0.0156	2800510	21.8420
	Purchase 13-Oct-2017	2000	0.0156	2802510	21.8576
	Purchase 27-Oct-2017	500	0.0039	2803010	21.8615
	At the end of the Year 31-Mar-2018	-	-	2803010	21.86
2	SHASHI SONI				
	At the beginning of the year 01-Apr-2017	612287	5.0341	612287	5.0341
	Purchase 21-Apr-2017	45000	0.3700	657287	5.4043
	Purchase 28-Apr-2017	30000	0.2467	687287	5.6510
	Purchase 27-Oct-2017	500	0.0039	687787	5.3643
	At the end of the Year 31-Mar-2018	-	-	687787	5.36
3	KIRAN SONI				
	At the beginning of the year 01-Apr-2017	297724	2.4477	297724	2.4477
	Purchase 21-Apr-2017	45000	0.3700	342724	2.8179
	Purchase 28-Apr-2017	30000	0.2467	372724	3.0646
	Purchase 27-Oct-2017	500	0.0039	373224	2.9109
	At the end of the Year 31-Mar-2018	-	-	373224	2.91

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	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 21-Jul-2017	600000	4.6795	600000	4.6795
	At the end of the Year 31-Mar-2018	-	-	600000	4.6795
2	KANCHANA RAO				
	At the beginning of the year 01-Apr-2017	456403	3.7526	456403	3.7526
	Purchase 04-Aug-2017	16000	0.1247	472403	3.6844
	At the end of the Year 31-Mar-2018			472403	3.6844
3	URJITA J MASTER				
	At the beginning of the year 01-Apr-2017	325000	2.6721	325000	2.6721
	Sale 19-May-2017	(12500)	(0.0974)	312500	2.4372
	Sale 26-May-2017	(2500)	(0.0194)	310000	2.4177
	Purchase 16-Jun-2017	2500	0.0194	312500	2.4372
	Purchase 23-Jun-2017	1000	0.0077	313500	2.4450
	Purchase 30-Jun-2017	1500	0.0116	315000	2.4567
	Purchase 07-Jul-2017	2500	0.0194	317500	2.4762
	Purchase 28-Jul-2017	47500	0.3704	365000	2.8467
	Purchase 04-Aug-2017	17000	0.1325	382000	2.9793
	Purchase 11-Aug-2017	7146	0.0557	389146	3.0350
	Purchase 18-Aug-2017	11338	0.0884	400484	3.1234
	Purchase 25-Aug-2017	2500	0.0194	402984	3.1429
	Purchase 29-Sep-2017	4125	0.0321	407109	3.1751
	Purchase 06-Oct-2017	391	0.0030	407500	3.1782
	Purchase 13-Oct-2017	43450	0.3388	450950	3.5170
	Purchase 20-Oct-2017	7500	0.0584	458450	3.5755
	Purchase 27-Oct-2017	11550	0.0900	470000	3.6656
	Sale 09-Feb-2018	(10000)	(0.0779)	460000	3.5876
	Sale 16-Feb-2018	(23539)	(0.1835)	436461	3.4040
	Sale 23-Feb-2018	(26461)	(0.2063)	410000	3.1977
	Sale 02-Mar-2018	(11000)	(0.0857)	399000	3.1119
	Sale 09-Mar-2018	(4000)	(0.0311)	395000	3.0807
	Sale 23-Mar-2018	(1000)	(0.0077)	394000	3.0729
	Sale 30-Mar-2018	(10000)	(0.0779)	384000	2.9949
	At the end of the Year 31-Mar-2018	-	-	384000	2.9949

		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**
4	VIJAY GUPTA				
	At the beginning of the year 01-Apr-2017	232524	1.8135	232524	1.8135
	At the end of the Year 31-Mar-2018	-	-	232524	1.8135
5	AJAY BHARADWAJ JT1 : ARTI BHARDWAJ				
	At the beginning of the year 01-Apr-2017	180000	1.4799	180000	1.4799
	Sale 02-Feb-2018	(180000)	(1.4038)	0	0.0000
	Purchase 02-Feb-2018	180000	1.4038	180000	1.4038
	At the end of the Year 31-Mar-2018	-	-	180000	1.4038
6	KAVITA SONI				
	At the beginning of the year 01-Apr-2017	151425	1.2450	151425	1.2450
	At the end of the Year 31-Mar-2018	-	-	151425	1.1810
7	DEEP OXYGEN PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 05-May-2017	24000	0.1871	24000	0.1871
	Purchase 12-May-2017	12500	0.0974	36500	0.2846
	Purchase 09-Jun-2017	22500	0.1754	59000	0.4601
	Purchase 28-Jul-2017	25000	0.1949	84000	0.6551
	Purchase 18-Aug-2017	5000	0.0389	89000	0.6941
	Purchase 22-Sep-2017	35000	0.2729	124000	0.9671
	Purchase 29-Sep-2017	10000	0.0779	134000	1.0451
	Purchase 13-Oct-2017	2000	0.0155	136000	1.0607
	Purchase 27-Oct-2017	6000	0.0467	142000	1.1074
	Purchase 25-Jan-2018	5000	0.0389	147000	1.1464
	Purchase 02-Feb-2018	2500	0.0194	149500	1.1659
	At the end of the Year 31-Mar-2018	-	-	149500	1.1659
8	PACE STOCK BROKING SERVICES PVT LTD				
	At the beginning of the year 01-Apr-2017	25758	0.2117	25758	0.2117
	Purchase 07-Apr-2017	4000	0.0311	29758	0.2320
	Sale 14-Apr-2017	(4086)	(0.0318)	25672	0.2002
	Sale 21-Apr-2017	(10656)	(0.0831)	15016	0.1171
	Sale 28-Apr-2017	(11000)	(0.0857)	4016	0.0313
	Purchase 05-May-2017	1000	0.0077	5016	0.0391
	Sale 19-May-2017	(4000)	(0.0311)	1016	0.0079
	Purchase 09-Jun-2017	415	0.0032	1431	0.0111
	Sale 23-Jun-2017	(431)	(0.0033)	1000	0.0077
	Purchase 30-Jun-2017	2500	0.0194	3500	0.0272

		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**
	Purchase 07-Jul-2017	4000	0.0311	7500	0.0584
	Purchase 14-Jul-2017	6408	0.0499	13908	0.1084
	Sale 28-Jul-2017	(300)	(0.0023)	13608	0.1061
	Sale 11-Aug-2017	(4500)	(0.0350)	9108	0.0710
	Sale 25-Aug-2017	(1608)	(0.0125)	7500	0.0584
	Purchase 01-Sep-2017	5561	0.0433	13061	0.1018
	Sale 08-Sep-2017	(1045)	(0.0081)	12016	0.0937
	Sale 13-Sep-2017	(5955)	(0.0464)	6061	0.0472
	Sale 22-Sep-2017	(500)	(0.0038)	5561	0.0433
	Purchase 29-Sep-2017	5550	0.0432	11111	0.0866
	Purchase 06-Oct-2017	4350	0.0339	15461	0.1205
	Purchase 13-Oct-2017	300	0.0023	15761	0.1229
	Purchase 20-Oct-2017	383	0.0029	16144	0.1259
	Purchase 27-Oct-2017	370	0.0028	16514	0.1287
	Purchase 31-Oct-2017	5000	0.0389	21514	0.1677
	Sale 03-Nov-2017	(200)	(0.0015)	21314	0.1662
	Sale 10-Nov-2017	(683)	(0.0053)	20631	0.1609
	Sale 17-Nov-2017	(13838)	(0.1079)	6793	0.0529
	Purchase 24-Nov-2017	1207	0.0094	8000	0.0623
	Sale 01-Dec-2017	(8000)	(0.0623)	0	0.0000
	Purchase 22-Dec-2017	15172	0.1183	15172	0.1183
	Sale 29-Dec-2017	(4134)	(0.0322)	11038	0.0860
	Sale 05-Jan-2018	(8281)	(0.0645)	2757	0.0215
	Sale 12-Jan-2018	(2757)	(0.0215)	0	0.0000
	Purchase 02-Feb-2018	50	0.0003	50	0.0003
	Purchase 09-Feb-2018	50	0.0003	100	0.0007
	Purchase 09-Mar-2018	45386	0.3539	45486	0.3547
	Purchase 16-Mar-2018	11586	0.0903	57072	0.4451
	Purchase 23-Mar-2018	27433	0.2139	84505	0.6590
	Purchase 30-Mar-2018	2452	0.0191	86957	0.6782
	At the end of the Year 31-Mar-2018	-	-	86957	0.6782
	HAVING SAME PAN				
8	PACE STOCK BROKING SERVICES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	18000	0.1479	18000	0.1479
	Sale 14-Apr-2017	(18000)	(0.1403)	0	0.0000
	At the end of the Year 31-Mar-2018	-	-	0	0.0000
	HAVING SAME PAN				
8	PACE STOCK BROKING SERVICES PVT LTD				
	At the beginning of the year 01-Apr-2017	12380	0.1017	12380	0.1017

		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**
	Purchase 07-Apr-2017	1479	0.0115	13859	0.1080
	Sale 14-Apr-2017	(9853)	(0.0768)	4006	0.0312
	Sale 21-Apr-2017	(4000)	(0.0311)	6	0.0000
	Sale 05-May-2017	(6)	(0.0000)	0	0.0000
	Purchase 17-Nov-2017	2776	0.0216	2776	0.0216
	Sale 01-Dec-2017	(2776)	(0.0216)	0	0.0000
	Purchase 16-Feb-2018	6501	0.0507	6501	0.0507
	Sale 23-Feb-2018	(1)	(0.0000)	6500	0.0506
	Sale 02-Mar-2018	(3499)	(0.0272)	3001	0.0234
	Purchase 09-Mar-2018	42274	0.3297	45275	0.3531
	Purchase 16-Mar-2018	4394	0.0342	49669	0.3873
	Purchase 23-Mar-2018	6999	0.0545	56668	0.4419
	Purchase 30-Mar-2018	2535	0.0197	59203	0.4617
	At the end of the Year 31-Mar-2018	-	-	59203	0.4617
	HAVING SAME PAN				
9	MANJUNATH S				
	At the beginning of the year 01-Apr-2017	76200	0.6265	76200	0.6265
	At the end of the Year 31-Mar-2018	-	-	76200	0.5943
	HAVING SAME PAN				
9	MANJUNATH S				
	At the beginning of the year 01-Apr-2017	9000	0.0739	9000	0.0739
	Purchase 16-Jun-2017	7638	0.0595	16638	0.1297
	Purchase 07-Jul-2017	7103	0.0553	23741	0.1851
	Purchase 14-Jul-2017	59	0.0004	23800	0.1856
	At the end of the Year 31-Mar-2018	-	-	23800	0.1856
	HAVING SAME PAN				
10	BONANZA PORTFOLIO LTD				
	At the beginning of the year 01-Apr-2017	16132	0.1326	16132	0.1326
	Sale 07-Apr-2017	(129)	(0.0010)	16003	0.1248
	Purchase 14-Apr-2017	700	0.0054	16703	0.1302
	Purchase 21-Apr-2017	250	0.0019	16953	0.1322
	Purchase 28-Apr-2017	2650	0.0206	19603	0.1528
	Sale 05-May-2017	(300)	(0.0023)	19303	0.1505
	Purchase 12-May-2017	342	0.0026	19645	0.1532
	Sale 19-May-2017	(767)	(0.0059)	18878	0.1472
	Sale 26-May-2017	(6400)	(0.0499)	12478	0.0973
	Sale 02-Jun-2017	(125)	(0.0009)	12353	0.0963
	Sale 09-Jun-2017	(800)	(0.0062)	11553	0.0901

		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 16-Jun-2017	(320)	(0.0024)	11233	0.0876
	Purchase 30-Jun-2017	1100	0.0085	12333	0.0961
	Sale 14-Jul-2017	(333)	(0.0025)	12000	0.0935
	Purchase 21-Jul-2017	180	0.0014	12180	0.0949
	Sale 28-Jul-2017	(2024)	(0.0157)	10156	0.0792
	Sale 04-Aug-2017	(334)	(0.0026)	9822	0.0766
	Purchase 11-Aug-2017	535	0.0041	10357	0.0807
	Sale 18-Aug-2017	(101)	(0.0007)	10256	0.0799
	Purchase 25-Aug-2017	500	0.0038	10756	0.0838
	Sale 01-Sep-2017	(1057)	(0.0082)	9699	0.0756
	Sale 08-Sep-2017	(3450)	(0.0269)	6249	0.0487
	Purchase 13-Sep-2017	773	0.0060	7022	0.0547
	Purchase 15-Sep-2017	105	0.0008	7127	0.0555
	Purchase 22-Sep-2017	1399	0.0109	8526	0.0664
	Sale 29-Sep-2017	(1359)	(0.0105)	7167	0.0558
	Purchase 06-Oct-2017	500	0.0038	7667	0.0597
	Purchase 13-Oct-2017	1100	0.0085	8767	0.0683
	Sale 20-Oct-2017	(100)	(0.0007)	8667	0.0675
	Sale 27-Oct-2017	(200)	(0.0015)	8467	0.0660
	Sale 31-Oct-2017	(100)	(0.0007)	8367	0.0652
	Sale 03-Nov-2017	(100)	(0.0007)	8267	0.0644
	Sale 10-Nov-2017	(300)	(0.0023)	7967	0.0621
	Purchase 17-Nov-2017	4090	0.0318	12057	0.0940
	Purchase 24-Nov-2017	1630	0.0127	13687	0.1067
	Sale 01-Dec-2017	(2339)	(0.0182)	11348	0.0885
	Purchase 08-Dec-2017	782	0.0060	12130	0.0946
	Sale 15-Dec-2017	(129)	(0.0010)	12001	0.0935
	Sale 22-Dec-2017	(1848)	(0.0144)	10153	0.0791
	Purchase 29-Dec-2017	2730	0.0212	12883	0.1004
	Purchase 05-Jan-2018	3218	0.0250	16101	0.1255
	Purchase 12-Jan-2018	533	0.0041	16634	0.1297
	Sale 19-Jan-2018	(5300)	(0.0413)	11334	0.0883
	Sale 25-Jan-2018	(3600)	(0.0280)	7734	0.0603
	Sale 02-Feb-2018	(1858)	(0.0144)	5876	0.0458
	Sale 09-Feb-2018	(1242)	(0.0096)	4634	0.0361
	Purchase 16-Feb-2018	3813	0.0297	8447	0.0658
	Purchase 23-Feb-2018	6646	0.0518	15093	0.1177
	Purchase 02-Mar-2018	27716	0.2161	42809	0.3338
	Sale 09-Mar-2018	(17625)	(0.1374)	25184	0.1964
	Purchase 16-Mar-2018	41306	0.3221	66490	0.5185
	Sale 23-Mar-2018	(787)	(0.0061)	65703	0.5124

		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**
	Purchase 30-Mar-2018	8547	0.0666	74250	0.5790
	At the end of the Year 31-Mar-2018	-	-	74250	0.5790
	HAVING SAME PAN				
10	BONANZA PORTFOLIO LTD				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 25-Aug-2017	100	0.0007	100	0.0007
	Purchase 01-Dec-2017	100	0.0007	200	0.0015
	Purchase 12-Jan-2018	4000	0.0311	4200	0.0327
	Sale 19-Jan-2018	(4200)	(0.0327)	0	0.0000
	Purchase 02-Feb-2018	4200	0.0327	4200	0.0327
	Sale 09-Feb-2018	(1000)	(0.0077)	3200	0.0249
	Sale 16-Mar-2018	(2000)	(0.0155)	1200	0.0093
	At the end of the Year 31-Mar-2018	-	-	1200	0.0093
	HAVING SAME PAN				

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-2017	2722682	22.3862	2722682	22.3862
	Purchase 21-Apr-2017	45000	0.3700	2767682	22.7563
	Purchase 28-Apr-2017	30000	0.2467	2797682	23.0030
	Purchase 22-Sep-2017	828	0.0065	2798510	21.8264
	Purchase 29-Sep-2017	2000	0.0156	2800510	21.8420
	Purchase 13-Oct-2017	2000	0.0156	2802510	21.8576
	Purchase 27-Oct-2017	500	0.0039	2803010	21.8615
	At the end of the Year 31-Mar-2018			2803010	21.86
2	SHASHI SONI				
	At the beginning of the year 01-Apr-2017	612287	5.0341	612287	5.0341
	Purchase 21-Apr-2017	45000	0.3700	657287	5.4043
	Purchase 28-Apr-2017	30000	0.2467	687287	5.6510
	Purchase 27-Oct-2017	500	0.0039	687787	5.3643
	At the end of the Year 31-Mar-2018			687787	5.36

		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**
3	KIRAN SONI				
	At the beginning of the year 01-Apr-2017	297724	2.4477	297724	2.4477
	Purchase 21-Apr-2017	45000	0.3700	342724	2.8179
	Purchase 28-Apr-2017	30000	0.2467	372724	3.0646
	Purchase 27-Oct-2017	500	0.0039	373224	2.9109
	At the end of the Year 31-Mar-2018			373224	2.91
4	Ramanujam Krishnamurthy				
	At the beginning of the year 01-Apr-2017	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2018	NIL	NIL	NIL	NIL
5	Vijay Gupta				
	At the beginning of the year 01-Apr-2017	232524	1.81	232524	1.81
	At the end of the Year 31-Mar-2018	232524	1.81	232524	1.81
6	Perur Phaneendra				
	At the beginning of the year 01-Apr-2017	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2018	NIL	NIL	NIL	NIL
7	Suraj Kumar Sahu				
	At the beginning of the year 01-Apr-2017	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	At the end of the Year 31-Mar-2018	NIL	NIL	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	237,653,746	2,044,428	-	239,698,174
Change in Indebtedness during the financial year				
Additions	1,472,070		-	1,472,070
Reduction	107,225,411	2,044,428	-	109,269,839
Net Change	(105,753,341)	(2,044,428)	-	(107,797,769)
Indebtedness at the end of the financial year	131,900,405	-	-	131,900,405

Note: For details refer Note No. 18 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
1	Gross salary	Sanjay Soni	Shashi Soni	
	Salary including perquisites and other benefits as per provisions of Section 17 of Income tax Act, 1961	Rs.500,000/- Per Month	Rs.1,25,000/- Per Month	Rs.6,25,000/- 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 (A)	**"Rs.500,000/- Per Month"**	**" Rs.1,25,000/- Per Month"**	**"Rs.6,25,000/- Per Month "**
	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		
1	Independent Directors	Mr. Vijay Gupta	Mr. Ramanujam Krishnamurthy	Mr. Perur Phaneendra
	(a) Fee for attending board & committee meetings	Rs.1,20,000/-	Rs.3,00,000/-	Rs.3,00,000/-
	(b) Commission	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL
	Total (1)	Rs.1,20,000/-	Rs.3,00,000/-	Rs.3,00,000/-
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL
	(c) Others, please specify.	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	Rs.1,20,000/-	Rs.3,00,000/-	Rs.3,00,000/-
	Total Managerial Remuneration	Rs.1,20,000/-	Rs.3,00,000/-	Rs.3,00,000/-
	Overall Cieling as per the Act.	Within Limit	Within Limit	Within Limit

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CFO	"Company Secretary"	Total
	(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. 46,844/- Per Month	Rs. 2,96,844/- 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. 2,96,844/- Per Month**

VII. PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Bengaluru
Date: 13th August 2018

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 Whole time Director
DIN: 00609217
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

ANNEXURE B

NOMINATION AND REMUNERATION POLICY

1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulation in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

2. Objective:

I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/nonexecutive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

II. To formulate the criteria for performance evaluation of all Directors.

III. Formulate Board diversity policy

3. Definitions:

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Company" means Izmo Limited

"Directors" means Directors of the Company.

"Independent Director" (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made there under.

"Key Managerial Personnel"(KMP) means

1. Chief Executive Officer or the Managing Director or the Manager; and in their absence, Whole-Time Director;

2. Chief Financial Officer; and

3. Company Secretary

"Senior Management Personnel" (SMP) means the employees of the Company who are directly reporting to the Managing Director. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Matters to be dealt with and recommended by NRC to the Board the following matters shall be dealt by the Committee:

a) Directors

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrants the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance. Identifying familiarization and training programs for the Board to ensure that Non- Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities

c) Board diversity

NRC is to assist the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board in accordance with the Board diversity.

d) Remuneration framework and policies

NRC is responsible for reviewing and making recommending to the Board on the following:

i. The remuneration of MD and KMPs.

ii. Remuneration of Non-Executive Directors and chairman.

iii. Remuneration Policy for all employees including KMPs and SMPs which requires to take note of need to:

a) Attract and motivate talent to accomplish Company's long term growth.

b) Demonstrate a clear link between executive compensation and performance.

c) Company's stock option schemes.

5. Policy for appointment remuneration, and removal of Director, MD, KMP and SMP:

A. Appointment criteria and qualifications

NRC shall identity person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

B. Retirement

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers being in the Company's interest, shall have the discretion to retain, Director, KMP and SMP even after attaining the retirement age.

C. Removal

In case any Director or KMP incurs any disqualification as provided under the Act or rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP.

6. Policy for remuneration to Directors, KMP,SMP, MD:

Remuneration to the MD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

NEDs:

i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and sub Committees of the Board.

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders whenever required.

iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

KMPs & SMPs:

The remuneration to be paid to the KMPs and SMPs shall be recommended by the NRC considering relevant qualification and experience of the individual as well as the prevailing market condition.

The remuneration shall be combination of fixed and variable pay.

7. **NRC may consider granting Stock Options to all such persons who are eligible as per company act and other such applicable law of SEBI pursuant to any Stock Option Plan adopted by the Company.**

8. **General:**

This policy is framed based on the provisions of the Companies Act, 2013 and Rules thereunder and the requirements of SEBI listing. In case of any subsequent changes in the provisions of the Companies Act,2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Actor Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent

Place: Bengaluru
Date: 13th August 2018

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 Whole time Director
DIN: 00609217
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

ANNEXURE C

FORM NO. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts/arrangements/transactions
   (c) Duration of the contracts/arrangements/transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) date(s) of approval by the Board
   (g) Amount paid as advances, if any:
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis : **Yes**
   (a) Name(s) of the related party and nature of relationship: **Izmo Inc, USA, Wholly Owned Subsidiary Company.**
   (b) Nature of contracts/arrangements/transactions: **Professional Service Agreement.**
   (c) Duration of the contracts/arrangements/transactions: **Professional Service agreement dated 1st January, 2015 and it is perpetual contract.**
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: I**n consideration for all the consulting and professional services rendered by Izmo Limited and the license to use, Izmo inc will pay Izmo Limited fees at 80% of all other products/Solutions revenue receivable by Izmo Inc from its clients & 80% of monthly maintenance fee receivable by Izmo Inc from its clients.**
   (e) Date(s) of approval by the Board, if any: **13.02.2017**
   (f) Amount paid as advances, if any: **NIL**

Place: Bengaluru
Date: 13th August 2018

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 Whole time Director
DIN: 00609217
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

ANNEXURE D

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 2017-18

Part "A" : Subsidiaries

S No.	Particulars	"Europe Subsidiary"	"US Subsidiary"	"Singapore Subsidiary"	"France Subsidiary"	"Frog Data Subsidiary"
1	Sl.No.	1	2	3	4	5
2	Name of the Subsidiary	Izmo Europe BVBA	Izmo Inc.,	Midrange Software Pte Ltd	Izmo France SARL	Frog Data LLC
3	Reporting period	Apr'17 to Mar'18	Apr'17 to Mar'18	Apr'17 to Mar'18	Apr'17 to Mar'18	Apr'17 to Mar'18
4	a) Reporting Currency	Euros	USD	SGD	Euros	USD
	b) Exchange rate as on 31.03.2018	80.62	65.04	49.68	80.62	65.04
5	Share Capital	111,413,004	1,527,501,830	55,123,998	2,876,252	6,504,410
6	Reserves & Surplus	(2,091,879)	269,305,884	(35,343,738)	(17,364,379)	(38,981,325)
7	Total Assets	144,426,494	2,135,034,249	167,989,855	37,925,574	26,663,168
8	Total Liabilities	35,105,369	338,226,535	148,209,595	52,413,701	59,140,083
9	Investments	-	29,040,127	73,440,871	-	-
10	Turnover	147,528,171	355,181,580	67,091,029	103,187,906	1,765,947
11	Profit before Taxation	72,364,064	33,930,335	(14,800,446)	3,051,939	(38,981,325)
12	Provision for Taxation	-	-	-	-	-
13	Profit after Taxation	72,364,064	33,930,335	(14,800,446)	3,051,939	(38,981,325)
14	Proposed Dividend	-	-	-	-	
15	% of Shareholding	100%	100%	100%	100% held by our Singapore subsidiary	100% held by our US subsidiary

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

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

ANNEXURE E

Ratio of Managerial Remuneration

1. Corporate Governance is a set of systems, policies and practices deep-rooted in the Company's philosophy to ensure that the affairs are be

Sl.No.	Particulars	Explanation
1.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	17.55:1 (Sanjay Soni) 4.39:1 (Shashi Soni)
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	13.70 % increase in remuneration of Company Secretary.
3.	The percentage increase in the median remuneration of employees in the financial year	19.58% increased in median remuneration of employees
4.	The number of permanent employees on the rolls of company:	266 employees
5.	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:	13.19%:0
6.	Affirmation that the remuneration is as per the remuneration policy of the company:	The remuneration of directors, senior management and employees is as per the Remuneration Policy of the company.

Place: Bengaluru
Date: 13th August 2018

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 Whole time Director
DIN: 00609217
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

ANNEXURE F

Management Discussion & Analysis Report

Industry Structure and Developments

Your company continues to operate in an environment of continuous innovation, Enterprises that stay ahead of business trends and make big bets on the possibilities of emerging technology reap disproportionate rewards. izmo has successfully launched several such cutting-edge technology solutions, including the Parts Gorilla Vehicle Visualizer and Accessories platform, FrogData data analytics platform, and more.

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 the 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 ecosystem, which enables dealers to get all their offerings from one online partner.

Simultaneously, izmo is introducing new technology products into the market, creating consumer excitement and market disruption with virtual accessorizing, virual vehicle drives, predictive analytics, and more.

Simultaneously, izmo is expanding its multimedia division. In addition to vehicle images covering allmajor model releases in the U.S. and Europe, high technology products like CGI is now gaining market-traction with OEMs.

Your company has 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 solutions in the US as well as globally. Additionally, new business ventures like social marketing is gaining traction.

Mexico

Your company continues to be the #1 automotive website provider in the country, adding more automotive OEMs to its existing portfolio. izmo has already launched its new visualizer platform with a prominent OEM in this 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, Belgium, and Italy.

ASIA

India

In India we further consolidated our near-total domination in the enterprise products segment, improving business by 50% in just one year. In addition to the izmoweb business and professional website offerings, we also made significant strides in auto dealer website and marketing.

Place: Bengaluru
Date: 13th August 2018

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 Whole time Director
DIN: 00609217
Address: Flat No. 9, Prestige Casablanca Apartments, 12/1, Airport Road, Bengaluru-560017

ANNEXURE G

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, 2018

To,
The Members of
IZMO LIMITED
#177/2C Billekahalli Industrial Area,
Bannerghatta Road,
Bengaluru 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, 2018. (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, there was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.

For **V. Sreedharan & Associates**

Sd/-
(Pradeep B. Kulkarni)
Partner
FCS 7260; CP No. 7835

August 13, 2018
Bengaluru

ANNEXURE H CORPORATE GOVERNANCE REPORT

Company's Corporate Governance Philosophy

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

   A Report, inter-alia, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended 31st March, 2018 is given below:

2. Board of Directors:

   A. Size and Composition of Board:

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

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

      As on 31st March, 2018, 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/she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding directorships/committee positions have been made by all the Directors.

   B. Board Meetings:

      The Board of Directors of the Company met 4(Four) times during the FY 2017-18 as detailed below:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	30th May, 2017	2	10th August, 2017
3	08th November, 2017	4	03rd February 2018

The composition of the Board and other Directorship/Membership of Committees held as on 31st March, 2018 along with attendance of Board/AGM during the year are given below:

CORPORATE GOVERNANCE REPORT

Sl. No.	Name of the Director	Category	Date of Appointment	Attendance in Board Meetings during 2017-18	Attendance in last AGM as on 20th September, 2017	Boards / Committees as on 31.03.2018		
						Director-ships (*)	Committee	
							Member	Chairman
1	Mrs. Shashi Soni	Chairperson Whole-Time Director Promoter	01.06.2001	2	No	1	Nil	Nil
2	Mr. Sanjay Soni	Managing Director Executive Director Promoter	01.04.1999	4	Yes	1	Nil	Nil
3	Mr. Perur Phaneendra	Non-Executive Independent Director	30.09.2014	4	Yes	1	2	2
4	Mr.Ramanujam Krishnamurthy	Non-Executive Independent Director	30.09.2014	4	Yes	2	4	1
5	Mr. Vijay Gupta	Non-Executive Independent Director	30.09.2014	2	No	1	2	Nil

* 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.

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

Details of shares held by non-executive director is disclosed in the MGT-9 of the Board's Report.

Number of Board Meetings held: 4

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.

Meeting of independent directors:

During the year under review, the Independent Directors met on 30.05.2017 inter alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations, All the Independent Directors were present at the Meeting.

CORPORATE GOVERNANCE REPORT

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

3. 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. The composition of Audit committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Perur Phaneendra	Chairman
2	Mr. Ramanujam Krishnamurthy	Member
3	Mr. Vijay Gupta	Member

All the Members have relevant finance exposure:
The Audit Committee has met 4 times during the year under review on 30.05.2017, 10.08.2017, 08.11.2017 and 03.02.2018

Sl. No	Audit Committee Members	No. of meeting attended
1	Mr. Perur Phaneendra	4
2	Mr. Ramanujam Krishnamurthy	4
3	Mr. Vijay Gupta	2

The Chairman of the Audit Committee was present at the 22nd Annual General Meeting held on 20th September, 2018.

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.

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.

CORPORATE GOVERNANCE REPORT

4. Nomination and Remuneration Committee

Composition

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

The composition of Nomination and Remuneration Committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Perur Phaneendra	Chairman
2	Mr. Ramanujam Krishnamurthy	Member
3	Mr. Vijay Gupta	Member

Meetings: The Nomination and Remuneration Committee has met 2 times during the year under review on 10.08.2017 & 08.11.2017

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

Sl. No	Nomination & Remuneration Committee	No. of meeting attended
1	Mr. Perur Phaneendra	2
2	Mr. Ramanujam Krishnamurthy	2
3	Mr. Vijay Gupta	0

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.

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.

Remuneration Policy

Remuneration Policy of the Company has given in Annexure B of this Annual Report.

CORPORATE GOVERNANCE REPORT

5. 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/- for each meeting of the Board/Committees.
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 granted with ESOP

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

Sl. No	Name of Director	Designation
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, 2018.

7. General Body Meeting
Following are the details of the last three Annual General Meetings:

Year	Venue	Date	Time
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
2016-17	Bharatiya Vidya Bhavan Race Course Road	20.09.2017	9.30 AM

Special resolutions passed in the previous 3 AGMs.

Financial Year	Resolutions Passed	Date of passing special resolution
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
2016-17	1. Amendment of Memorandum of Association	20.09.2017

CORPORATE GOVERNANCE REPORT

Postal Ballot:

A Postal Ballot was conducted during the Financial Year 2017-18. The details are given below:

The details regarding the businesses transacted by way of Postal Ballot and the voting results thereof:

At the Board meeting through circular resolution passed on April 10, 2017, notice of Postal Ballot was approved and also appointed Mr. Pradeep B Kulkarni, Practicing Company Secretary and Partner of M/s V. Sreedharan & Associates, as Scrutinizer for conducting Postal Ballot process in a fair and transparent manner.

Pursuant to Section 110 of the Companies Act, 2013 read with, Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to other applicable laws and regulations, the approval of the Members was sought for: **Preferential issue of Equity Shares of the Company;**

The procedure for the Postal ballot was stated in the notice of Postal Ballot. Please refer the Notice of Postal Ballot under https://www.izmoltd.com/announcements-en-in.htm

The results of the Postal Ballot, including the E-Voting are as follows:

Particular of Resolution	For	Against	Percentage (%)	
	Vote Count (No. of Shares)	Vote Count (No. of Shares)	For	Against
Preferential issue of Equity Shares of the Company – Special Resolution	3,315,276	3,794	99.886	0.114

The above Special Resolution was approved with requisite majority, the result was displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges.

8. Means of Communication:

The quarterly, half-yearly and Annual Financial Results are published in widely circulated newspapers such Financial Express/ Vartha Bharati in terms of the Listing Regulations.

The Company has uploaded the Investor's presentation in details on the Company's website namely www.izmoltd.com

The investors can contact the Company on the email id company.secretary@izmoltd.com.

Management discussion and analysis forms part of this Annual Report.

The Company has, as per Green initiatives taken by Ministry of Corporate Affairs, invited the members to register their e mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the members along with explanatory statement(s) thereto, Balance Sheets, Board's Reports, Auditor's Reports etc., can be sent to them in electronic mode.

9. General Shareholders Information:

Annual General Meeting: The Annual General Meeting of the Company will be held on Monday, the 24th day of September, 2018 at 9.30 A.M at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001.

Financial Year: 1st April, 2017 to 31st March, 2018

Dates of book closure: The Company's Register of Members and Share Transfer Books will remain closed from 18th September, 2018 (Tuesday) to 24th September, 2018 (Monday) (both days inclusive).

Dividend: In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profit into

CORPORATE GOVERNANCE REPORT

the system and regret inability to recommend dividend for the financial year 2017-18

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 2018-19.

Scrip Code at:

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

BSE Limited – **532341**

ISIN - **INE848A01014**

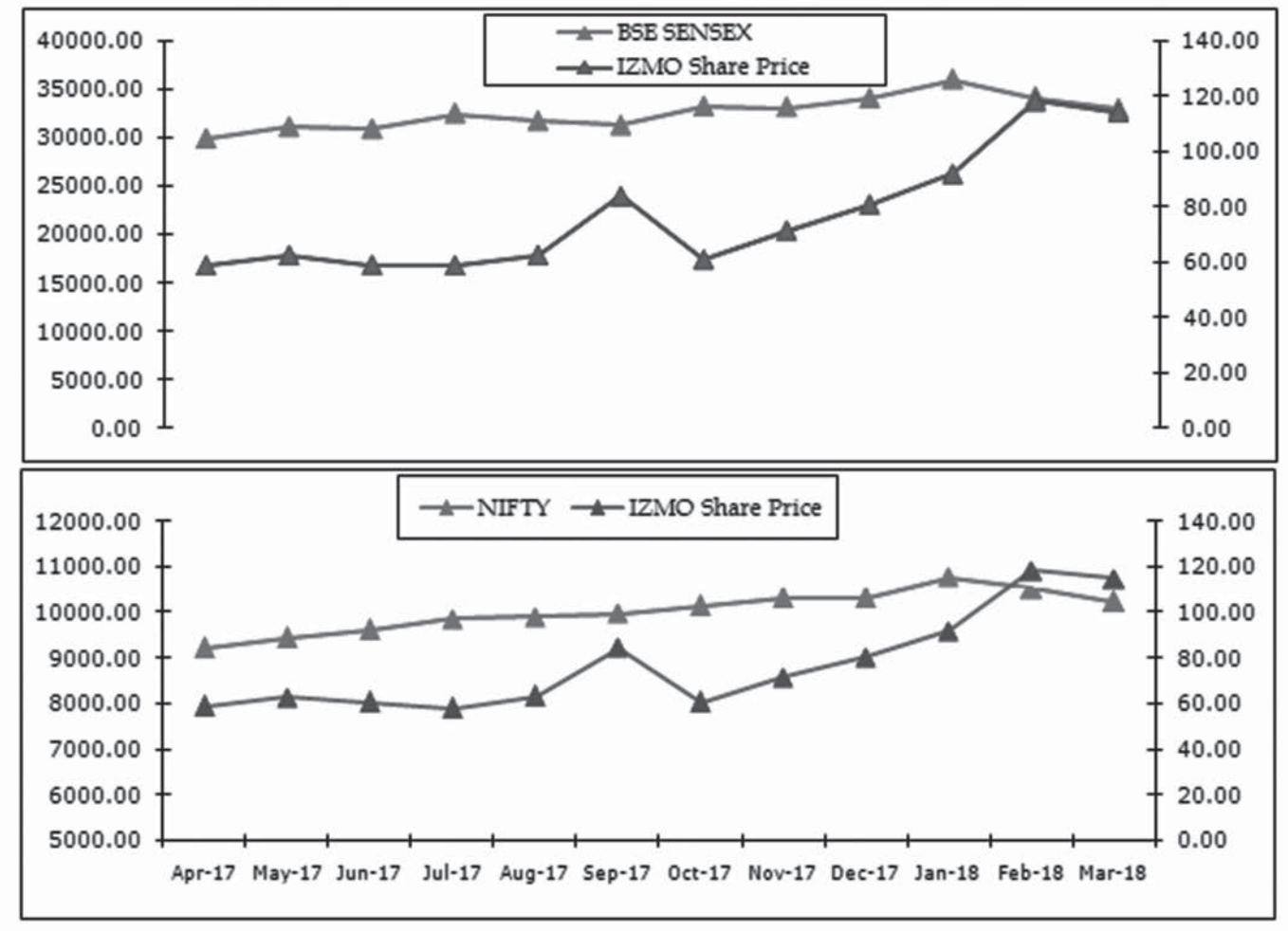
Market Price Data: High/Low, Number of shares traded during each month in the F.Y-2017-18

Month	BSE					NSE				
	High INR	Low INR	Close INR	Total Traded Quantity	Sensex	High INR	Low INR	Close INR	Total Traded Quantity	Nifty
April2017	58.80	46.00	54.30	8,64,027	29,918.40	58.80	46.10	54.10	26,55,670	9,214.57
May 2017	62.60	50.50	57.15	10,32,847	31,145.80	62.65	50.60	57.00	27,29,014	9,436.99
June 2017	59.00	52.00	53.90	4,08,618	30,921.61	60.50	52.60	53.40	10,67,571	9,606.95
July 2017	58.80	52.40	53.55	3,27,406	32,514.94	57.80	52.55	53.85	10,65,550	9,850.12
August 2017	62.55	46.60	62.55	4,55,879	31,730.49	63.00	42.85	63.00	11,95,341	9,901.18
September 2017	83.95	54.00	54.30	18,14,151	31,283.72	84.50	53.25	54.60	54,14,489	9,977.92
October 2017	60.95	53.15	57.35	2,15,279	33,213.13	60.35	53.50	57.10	3,54,928	10,138.68
November 2017	71.45	56.25	69.85	5,79,515	33,149.35	71.65	56.05	69.90	12,97,185	10,324.75
December 2017	81.00	62.00	76.95	4,30,461	34,056.83	80.50	61.65	76.50	16,94,886	10,322.26
January 2018	92.00	68.60	80.95	9,11,120	35,965.02	92.10	68.30	81.80	31,01,288	10,771.15
February 2018	118.50	74.40	104.40	28,29,562	34,184.04	118.40	74.25	104.65	1,02,95,624	10,533.11
March 2018	114.40	85.50	96.65	10,47,407	32,968.68	114.75	85.35	96.45	4,419,663	10,232.62

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

CORPORATE GOVERNANCE REPORT

A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as NIFTY during the year 2017-18 is as below:



Registrar and Share Transfer Agent and Address for correspondence:

M/s. Cameo Corporate Services Limited is acting as the Registrar and Share Transfer Agent 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 Agent. 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, Bngaluru – 560 076 Tel : +91-80-6712 5400 to 5409 Fax : +91-80-6712 5425 Email: company.secretary@izmoltd.com

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

CORPORATE GOVERNANCE REPORT

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, 2018 the distribution of the Company's shareholding was as follows:

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF STOTAL
1	between 1 and 1000	5865	52.46	3657860	2.85
2	between 1001 and 5000	3307	29.58	9627400	7.51
3	between 5001 and 10000	966	8.64	8141910	6.35
4	between 10001 and 20000	509	4.55	7949920	6.20
5	between 20001 and 30000	158	1.41	4049310	3.16
6	between 30001 and 40000	81	0.72	2944440	2.30
7	between 40001 and 50000	80	0.72	3786270	2.95
8	between 50001 and 100000	112	1.00	8556560	6.67
9	> 100000	102	0.91	79503060	62.01
	Total	11180	100.00	128216730	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 Limited. (NSDL) and Central Depository Services (India) Limited (CDSL).The status of dematerialization of shares as on 31st March, 2018 is as under:

Particular	No. of Share	% of total capital issued
Held in dematerialized form in CDSL	61,36,584	47.86
Held in dematerialized form in NSDL	64,39,141	50.22
Physical	2,45,948	1.92

Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:

As of 31st March 2018, 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, 2018.

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.

OTHER DISCLOSURES:

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The disclosure with respect to materially significant related party transactions are given Note No. 39 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)

CORPORATE GOVERNANCE REPORT

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.

(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.htm

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 2017-18.

Sd/-
Sanjay Soni
Managing Director

Place: Bengaluru
Date: 13.08.2018

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)

CERTIFICATION AS PER REGULATION 17(8)

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.

For Izmo Limited

Sd/-	Sd/-	
Sanjay Soni	Kiran Soni	Place: Bengaluru
Managing Director	CFO	Date: 30.05.2018

AUDITORS'S CETIFICATE 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, 2018 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.

Sd/-

For Guru Prakash V
Chartered Accountant
M.No. 228938

Date: 13.08.2018
Place: Bengaluru

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 2018, the statement of profit and loss (including other comprehensive Income), the statement of changes in Equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone 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.

In conducting 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 and the Order issued under Sec 143(11) of the Act.

I conducted my audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone 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 2018 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

   a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In my opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 A". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 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.

2. 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 B", a statement on the matters specified in the paragraph 3 and 4 of the Order.

Guru Prakash V

Chartered Accountant

M. No: 228938

Place: Bengaluru

Date: 30th May 2018

Annexure to the Independent Auditor's Report

Annexure - A to the Auditors' Report

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

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

I have audited the internal financial controls over financial reporting of **IZMO Limited** ("the Company") as of 31 March 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls

Annexure to the Independent Auditor's Report

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Guru Prakash V
Chartered Accountant
M. No: 228938

Place: Bengaluru
Date: 30th May 2018

Annexure to the Independent Auditor's Report

Annexure B to the Independent Auditor's Report:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Izmo Limited** of even date)

i) In respect of the Company's fixed assets:

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

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

   c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

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

iii) According to the information and explanations given to me, the Company has not granted unsecured loans to body corporate, covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), in respect of which:

iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.

vii) According to the information and explanations given to me, in respect of statutory dues:

   a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

   c) According to the information and explanations given to me, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to me, the following dues of income tax and Karnataka Value Added Tax have not been deposited by the Company on account of disputes:

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	1,27,40,080	NIL	F.Y 2008-09	Rectification filed with the Assessing officer; Appeal filed with the High Court
Income Tax Act, 1961	Transfer Pricing	3,67,50,932	70,00,000	F.Y 2009-10	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
Income Tax Act, 1961	Income Tax	5,10,33,800	NIL	F.Y 2013-14	CIT Appeals
Karnataka Value Added Tax act, 2003	VAT & CST	42,13,689	15,89,738	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 Company has been repaying the loans as per the agreed terms during the F.Y.2017.18.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3(ix) of the Order is not applicable to the Company.

x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In my opinion and according to the information and explanations given to me, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) In my opinion and according to the information and explanations given to me, the company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has made private placement of shares to lender Company for consideration other the cash during the year and has generally complied with the applicable provisions of the Companies Act, 2013 and the Rules made there-under, However, the Company has not made any preferential allotment and private placement of fully or partly convertible debentures during the year.

xv) In my opinion and according to the information and explanations given to me, during the year the Company has not entered into non-cash transactions with directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

Guru Prakash V

Chartered Accountant

M. No: 228938

Place: Bengaluru
Date: 30th May 2018

Balance Sheet

as at 31st March, 2018

(Amount in Rs.)

	Particulars	Note No.	As at March 31,2018	As at March 31,2017	As at April 01,2016
I.	**ASSETS**				
	Non-current assets				
	(a) Property, plant and equipment	4	18,389,365	18,333,132	20,779,039
	(b) Capital work-in-progress	5	-	38,798,065	22,905,002
	(c) Investment Property	6	21,615,519	22,696,591	23,777,663
	(d) Other Intangible assets	7	34,989,485	1,031,700	51,113,968
	(e) Financial assets				
	(i) Investments	8	1,600,938,496	1,600,938,496	1,602,978,996
	(f) Deferred tax assets	9	16,689,651	18,434,732	8,891,451
	(g) Other non-current assets	10	39,580,556	37,409,985	36,653,587
	Total Non-current assets		**1,732,203,072**	**1,737,642,701**	**1,767,099,706**
	Current assets				
	(a) Inventories	11	52,577	107,814	195,180
	(b) Financial assets				
	(i) Investments	12	-	93,841,681	164,233,196
	(ii) Trade receivables	13	238,660,173	196,206,728	162,298,083
	(iii) Cash and cash equivalents	14	2,438,328	6,946,887	23,933,112
	(iv) Other financial assets	15	47,101,885	55,153,339	51,540,178
	Total Current assets		**288,252,963**	**352,256,449**	**402,199,749**
	TOTAL ASSETS		**2,020,456,035**	**2,089,899,150**	**2,169,299,455**
I.	**EQUITY AND LIABILITIES**				
	Shareholders' funds				
	(a) Share capital	16	128,216,730	121,622,730	120,986,730
	(b) Other equity	17	1,550,296,281	1,524,121,204	1,511,902,968
	TOTAL EQUITY		**1,678,513,011**	**1,645,743,934**	**1,632,889,698**
II.	**LIABILITIES**				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	131,900,405	169,928,335	23,928,400
	(ii) Other financial liabilities	19	11,687,972	16,714,478	20,474,562
	(b) Provisions	20	13,880,221	11,087,858	8,563,862
	Total Non current liabilities		**157,468,598**	**197,730,671**	**52,966,824**
	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	21	-	67,502,034	248,506,971
	(ii) Trade payables				
	(i) micro and small enterprises, and	22	-	-	-
	(ii) other than micro and small enterprises	22	133,092,480	128,094,319	142,095,753
	(iii) Other Financial Liabilities	23	15,231,142	14,933,004	65,459,915
	(b) Provisions	24	2,029,849	2,466,992	1,143,823
	(c) Other current liabilities	25	30,629,812	33,428,196	26,236,471
	(d) Current Tax Liabilities (Net)	26	3,491,144	-	-
	Total Current liabilities		**184,474,427**	**246,424,545**	**483,442,933**
	TOTAL EQUITY AND LIABILITIES		**2,020,456,035**	**2,089,899,150**	**2,169,299,455**

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

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Statement of Profit and Loss

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	Note No.		Current Year		Previous Year
I	Revenue from operations	27		225,999,705		216,390,305
II	Other income	28		46,338,436		34,480,234
III	**Total revenue (I + II)**			**272,338,141**		**250,870,539**
IV	**Expenses:**					
	Purchases of stock in trade	29	7,162,443		7,021,752	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	30	55,237	7,217,680	87,366	7,109,118
	Employee benefits expense	31		166,594,273		115,734,165
	Finance costs	32		11,867,577		11,810,152
	Depreciation and amortization expense	33		12,115,771		58,694,582
	Other expenses	34		59,727,621		57,466,393
				257,522,922		**250,814,410**
	Less: expenses capitalised			-		-
	Total expenses			**257,522,922**		**250,814,410**
V	**Profit before exceptional and extraordinary items and tax (III-IV)**			**14,815,219**		**56,129**
VI	Exceptional Items			-		-
VII	Profit before extraordinary items and tax (V-VI)			14,815,219		56,129
VIII	Extraordinary items			-		-
IX	**Profit before tax (VII-VIII)**			**14,815,219**		**56,129**
X	Tax expense:					
	Current tax		3,453,772		2,176,917	
	Deferred tax		6,410,682	**9,864,454**	(9,597,464)	**(7,420,547)**
XI	Profit for the year from continuing opertaions (VII - VIII)			4,950,765		7,476,676
XII	Profit/(loss) from discontinuing operations			-		-
XIII	Tax expense of discontinuing operations			-		-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV	**Profit / (Loss) for the year (XI + XIV)**			**4,950,765**		**7,476,676**
XVI	**Other comprehensive income**					
	(I) Items that will not be reclassified to profit or loss					
	a) Remeasurements of the defined benefit plans		2,307,586		(1,209,854)	
	b) Taxes on above		-		400,724	799,784
	(ii) Items that may be reclassified to profit or loss					
	a) Mark to Market of Investments		-		2,063,821	
	b) Taxes on above		-	2,307,586	(454,907)	
XVII	**Total comprehensive income (XV + XVI)**			**7,258,351**		**8,276,460**
XVIII	Earning per equity share before and after exceptional item:					
	Basic (in ₹)	36		0.39		0.62
	Earning per equity share before and after exceptional item:					
	Diluted(in ₹)	36		0.39		0.62
	(Paid up value per share)			10.00		10.00
	Significant accounting policies and notes attached form an integral part of the financial statements					

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Cash Flow Statement

For the Year ended March 31, 2018

(Amount in Rs.)

		March 31, 2018	March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Taxation	**17,122,805**	**910,096**
	Adjustments for:		
	Depreciation	12,115,771	58,694,582
	Interest Expense	11,867,577	11,810,152
	Interest Income	(318,000)	(235,159)
	Rental Income	(9,224,929)	(9,853,034)
	Long term/ Short term capital gain on redemption of mutual funds	(24,769,826)	(13,452,493)
	Profit on Sale of Assets	(145,315)	(110,546)
	Employee stock option expenses	10,217,995	3,941,776
	Changes in fair value of financial assets at fair value through profit / loss	996,603	544,187
	Amortisation of deferred interest income on Rent deposit received	(807,508)	(423,465)
	Interest income on rent deposits paid	(207,658)	(129,612)
	Operating Profit Before Working Capital Changes	**16,847,515**	**51,696,484**
	Movements in Working Capital :		
	(Increase)/Decrease in Trade Receivables	(42,453,445)	(33,908,645)
	(Increase)/Decrease in Inventories	55,237	87,366
	(Increase)/Decrease in short term Loans and Advances	5,895,869	(4,349,949)
	Increase/(Decrease) in Current Liabilities and Provisions	3,321,351	(57,283,580)
	Cash Generated from Operations	**(16,333,473)**	**(43,758,324)**
	Direct Taxes paid (Net of Refunds)	(3,453,772)	(2,176,917)
	Net cash from Operating Activities	**(19,787,245)**	**(45,935,241)**
B.	**Cash Flows from Investing Activities**		
	Purchase of Fixed Assets	(45,071,820)	(5,121,591)
	Capital Work-in-Progress	38,798,065	(15,893,063)
	Proceeds from Sale of Fixed Assets	168,417	146,802
	Sale proceeds from short term investments, includes dividend income(net of related expenses)	97,444,636	85,907,829
	Rental Income	9,224,929	9,853,034
	Interest Received	318,000	235,159
	Net cash used in Investing Activities	**100,882,227**	**75,128,170**
C.	**Cash Flows from Financing Activities**		
	Repayment of Long Term Borrowings	(105,529,964)	(35,005,002)
	Conversion of Long Term Borrowings into Equity share capital	31,200,000	-
	Proceeds from issue of equity share capital (net of expenses)	594,000	636,000
	Interest paid	(11,867,577)	(11,810,152)
	Net Cash used in Financing Activities	**(85,603,541)**	**(46,179,154)**
	Net increase in Cash and Cash Equivalents (A + B + C)	**(4,508,559)**	**(16,986,225)**
	Cash and Cash Equivalents at the Beginning of the Year	**6,946,887**	**23,933,112**
	Cash and Cash Equivalents at the End of the Year	**2,438,328**	**6,946,887**
	Components of Cash and Cash Equivalents	**March 31, 2018**	**March 31, 2017**
	Balances with Scheduled Banks		
	- In Current Account	246,641	4,101,656
	- In EEFC Account	-	-
	Cash on Hand	12,577	23,121
	Deposit with Bank	2,179,110	2,822,110
	TOTAL	**2,438,328**	**6,946,887**

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

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Notes to Financial Statements

For the Year ended March 31, 2018

1. BACKGROUND:

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

2A. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 3.

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

b) USE OF ESTIMATES:

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

c) PROPERTY, PLANT AND EQUIPMENT:

(i) Tangible assets:

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

(ii) Intangible assets:

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

(iii) Depreciation & Amortization:

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

b. Intangible assets are amortized over a period of 2-5 years

d) INVESTMENTS:

(i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.

(ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

e) INVENTORIES:

(i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components

Notes to Financial Statements

For the Year ended March 31, 2018

are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at works cost or net realizable value whichever is lower.

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

f) REVENUE RECOGNITION:

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

(i) Sale of products and services is recognized on shipment of goods and transfer of significant risks and rewards to customers or on proportionate completion of services. Net sales are stated at contractual realizable values, net of excise duty, sales tax, goods & services tax, service tax, value added tax and trade discounts.

(ii) Interest income is recognized on time proportion basis.

(iii) Dividend income is recognized, when the right to receive the dividend is established.

(iv) Rental income is recognized on time proportion basis.

(v) Revenue from fixed price software contracts are recognized principally on the basis of completed milestones as specified in the contracts. Revenue from software development and service on time basis is recognized as per terms of specified contracts.

(vi) 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

g) EMPLOYEE BENEFITS:

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

(ii) Post employment benefits:

a. Defined contribution plans:

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

b. Defined benefit plans:

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

c. Compensated Absences:

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

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

(ii) Share Based Payments:

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

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

Notes to Financial Statements

For the Year ended March 31, 2018

- including any market performance conditions (e.g., the entity's share price)

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

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

h) FOREIGN CURRENCY TRANSACTIONS:

(i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.

(ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.

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

i) TAXES ON INCOME:

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

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

j) BORROWING COSTS:

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

k) PROVISIONS AND CONTINGENT LIABILITIES:

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

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

l) EARNINGS PER SHARE

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

m) FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue

Notes to Financial Statements

For the Year ended March 31, 2018

of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and Cash Equivalents:

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

(ii) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial liabilities:

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

n) IMPAIRMENT:

(i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non Financial Assets:

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

o) LEASES

(i) Operating leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) Finance leases:

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

2B. Recent Accounting Pronouncements

"Introduction of new Ind AS Standard/Amendments to Ind AS Standards

Through a Notification dated 28th March 2018, the Ministry of Corporate Affairs has indicated 1st April 2018 as the effective date for the implementation of Ind AS 115- Revenue from Contracts with Customers. In addition, limited amendments have been made to some other Ind AS standards (Ind AS's 2, 12, 21, 28 and 40)

The company is in the process of assessing the impact of the introduction of Ind AS 115- Revenue from Contracts with Customers and the limited amendments to the other Ind AS Standards. The impact, if any, will be disclosed in the financial statements for the period ended 30th June 2018/year ended 31st March 2019. "

Notes to Financial Statements

For the Year ended March 31, 2018

3.1 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for fiscal years presented. The Company has prepared Opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-2.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

Optional Exemptions:

a) Deemed Cost:

Property, plant and equipment and intangible assets were carried in the balance sheet prepared under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 01, 2016.

Under previous GAAP, investment in subsidiaries, joint venture and associate were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at March 31, 2016 as deemed cost at the date of transition.

b) Share-based payment:

The Company is allowed to apply Ind AS 102, Share-Based Payment, to equity instruments that remain unvested as of transition date. The Company has elected to avail itself of this exemption and apply the requirements of Ind AS 102 to all such grants under the ESOP 2013 Plan. Accordingly, these options have been measured at fair value.

The excess of stock compensation expense measured using fair value over the cost recognized under previous GAAP has been adjusted in 'ESOP Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

c) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

3.2 The following statement provides first-time Ind AS adoption reconciliation that quantifies the significant differences arising on account of transition from previous GAAP to Ind AS

Notes to Financial Statements For the Year ended March 31, 2018

a) Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016 (transition date):

(Amount in Rs.)

	Particulars	As at March 31,2017			As at April 01,2016		
		Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
I.	**ASSETS**						
	Non-current assets						
	(a) Property, plant and equipment	18,333,132	-	18,333,132	20,779,039	-	20,779,039
	(b) Capital work-in-progress	38,798,065	-	38,798,065	22,905,002	-	22,905,002
	(c) Investment Property	22,696,591	-	22,696,591	23,777,663	-	23,777,663
	(d) Other Intangible assets	1,031,700	-	1,031,700	51,113,968	-	51,113,968
	(e) Financial assets						
	(i) Investments	1,600,938,496	-	1,600,938,496	1,602,978,996	-	1,602,978,996
	(ii) Other financial assets	16,699,732	-	16,699,732	16,274,732	-	16,274,732
	(f) Deferred tax assets (net)	23,100,333	(8,876,296)	14,224,037	13,102,145	(4,210,694)	8,891,451
	(g) Other non-current assets	20,701,362		20,701,362	20,378,855		20,378,855
	Total Non-current assets	**1,742,299,411**	**(8,876,296)**	**1,733,423,115**	**1,771,310,400**	**(4,210,694)**	**1,767,099,706**
	Current assets						
	(a) Inventories	107,814	-	107,814	195,180	-	195,180
	(b) Financial assets						
	(i) Investments	72,674,810	40,269,921	112,944,731	145,130,146	19,103,050	164,233,196
	(ii) Trade receivables	196,206,728	-	196,206,728	162,298,083	-	162,298,083
	(iii) Cash and cash equivalents	4,124,777	-	4,124,777	19,303,465	-	19,303,465
	(iv) Other Bank balances	2,822,110	-	2,822,110	4,629,647	-	4,629,647
	(v) Other financial assets	55,153,339	-	55,153,339	51,540,178	-	51,540,178
	Total Current assets	**331,089,578**	**40,269,921**	**371,359,499**	**383,096,699**	**19,103,050**	**402,199,749**
	TOTAL ASSETS	**2,073,388,989**	**31,393,625**	**2,104,782,614**	**2,154,407,099**	**14,892,356**	**2,169,299,455**
I.	**EQUITY AND LIABILITIES**						
	Shareholders' funds						
	(a) Share capital	121,622,730		121,622,730	120,986,730		120,986,730
	(b) Other equity	1,507,611,044	31,393,625	1,539,004,669	1,497,010,612	14,892,356	1,511,902,968
	TOTAL EQUITY	**1,629,233,774**	**31,393,625**	**1,660,627,399**	**1,617,997,342**	**14,892,356**	**1,632,889,698**
II.	**LIABILITIES**						
	Non-current liabilities						
	(a) Financial liabilities						
	(i) Borrowings	169,928,335	-	169,928,335	23,928,400	-	23,928,400
	(ii) Other financial liabilities	16,714,478	-	16,714,478	20,474,562	-	20,474,562
	(b) Provisions	11,087,858	-	11,087,858	8,563,862	-	8,563,862
	(c) Deferred tax liabilities (net)	-		-	-	-	-
	Total Non current liabilities	**197,730,671**	**-**	**197,730,671**	**52,966,824**	**-**	**52,966,824**
	Current liabilities						
	(a) Financial liabilities						
	(i) Borrowings	67,502,034	-	67,502,034	248,506,971	-	248,506,971
	(ii) Trade payables						
	(i) micro and small enterprises, and	-		-	-		-
	(ii) other than micro and small enterprises	128,094,319	-	128,094,319	142,095,753	-	142,095,753
	(iii) Other Financial Liabilities	14,709,626	-	14,709,626	17,755,314	-	17,755,314
	(b) Provisions	2,466,992	-	2,466,992	1,143,823	-	1,143,823
	(c) Other current liabilities	33,651,573	-	33,651,573	73,941,071	-	73,941,071
	(d) Current Tax Liabilities (Net)	-		-	-		-
	Total Current liabilities	**246,424,544**	**-**	**246,424,544**	**483,442,932**	**-**	**483,442,932**
	TOTAL EQUITY AND LIABILITIES	**2,073,388,989**	**31,393,625**	**2,104,782,614**	**2,154,407,098**	**14,892,356**	**2,169,299,454**

Notes to Financial Statements

For the Year ended March 31, 2018

b) Reconciliation of profit / (loss) between Ind AS and previous GAAP

(Amount in Rs.)

Nature of adjustments	Amount
Net Profit after tax as reported under Previous GAAP	**10,600,432**
Ind AS: Adjustments increase/(decrease)	
Expected credit loss recognized on trade receivables	
Employee stock option expenses	(3,941,776)
Actuarial gains/losses in respect of employees defined benefit plans reclassified as other comprehensive income	(1,209,854)
Amortisation of deferred interest on Rent deposit paid	(149,222)
Interest income on rent deposits paid	129,612
Amortisation of deferred interest income on Rent deposit received	423,465
Interest Expenses on rent deposits received	(394,965)
Total Ind AS adjustments affecting loss as per statement of profit and loss	**(5,142,740)**
Profit under Ind AS (after tax)	**5,457,692**
Other comprehensive income	
Actuarial gains/losses in respect of employees defined benefit plans reclassified as other comprehensive income	1,209,854
Fair value adjustments on investments (Mark to Market of Mutual Funds)	2,063,821
Deferred tax Asset in respect of above items(net)	(454,907)
Total Ind AS adjustments of other comprehensive income	**2,818,768**
Total comprehensive income reported under Ind AS	**8,276,460**

c) Reconciliation of Other equity between Ind AS and previous GAAP

(Amount in Rs.)

Nature of adjustments	As at March 31,2017	As at April 1,2016
Other Equity as reported under Previous GAAP	**1,507,611,045**	**1,497,010,613**
Effect of Transition to Ind AS:		
Mark to Market on current investments	21,166,871	19,103,050
Deferred tax liabilties (net)	(4,665,602)	(4,210,694)
Amortisation of deferred interest on Rent deposit refundable	(149,222)	-
Interest income on rent deposits - refundable	129,612	-
Amortised Rental Expense- Receivable	(394,965)	-
Deferred Income - Rental Deposit- Receivable	423,465	-
Total Ind AS Adjustments	**16,510,159**	**14,892,356**
Other equity under Ind AS	**1,524,121,204**	**1,511,902,969**

d) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Notes:

A. Under previous GAAP, there was no requirement to present investment property as a distinct line item and the same was included under property, plant and equipment as at March 31,2016 and non current investments as at March 31,2017 and measured at cost. Under Ind AS, investment property is required to be presented as a distinct item under the head non current assets - investment property.

B. Under previous GAAP, non current Investments were recognized at cost. Where applicable, provision was made to recognize a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments (other than investments in subsidiaries, associate and joint ventures) are to be recognized at fair value through other comprehensive income.

C. Under previous GAAP, rental deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.

D. Under previous GAAP, allowance for trade receivables and dues from subsidaries were recognized based on the incurred loss method. Under Ind AS, loss allowance are based on probable loss assessment as estimated by the management.

E. Under previous GAAP, actuarial gains and losses on measurement of employees defined benefit plans were recognized in the statement of profit and loss. Under Ind AS, the same are recognized under other comprehensive income. Suitable reclassifications have been done.

F. Under previous GAAP, deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Under Ind AS, Deferred tax is recognised for temporary differences between tax and book bases of the relevant assets and liabilities.

Notes to Financial Statements

For the Year ended March 31, 2018

4. Property plant and equipment: Tangible assets

(Amount in Rs.)

Particulars	Land	Building	Computers	Plant & Machinery	Office equipments	Electrical Installations	Furniture and fittings	Leasehold Improve-ments	Motor vehicles	Total
Gross Block :										
Balance as at 01 April 2016	**4,674,279**	**49,178,564**	**48,587,770**	**6,871,701**	**6,738,595**	**8,877,215**	**5,212,123**	**8,397,020**	**14,056,102**	**152,593,369**
Reclassification to investment property		49,178,564	-	-	-	-	-	-	-	49,178,564
Balance as at 01 April 2016 (Ind AS)	**4,674,279**	**-**	**48,587,770**	**6,871,701**	**6,738,595**	**8,877,215**	**5,212,123**	**8,397,020**	**14,056,102**	**103,414,805**
Additions	-	-	3,688,830	-	324,813	143,464	204,905	-	-	4,362,012
Disposals	-	-	68,300	-	-	-	-	-	2,521,224	2,589,524
Balance as at 31 March 2017	**4,674,279**	**-**	**52,208,300**	**6,871,701**	**7,063,408**	**9,020,679**	**5,417,028**	**8,397,020**	**11,534,878**	**105,187,293**
Additions	-	-	2,169,284	-	98,602	122,766	237,301	-	3,255,202	5,883,155
Disposals	-	-	454,182	-	-	-	-	-	990,000	1,444,182
Balance as at 31 March 2018	**4,674,279**	**-**	**53,923,402**	**6,871,701**	**7,162,010**	**9,143,445**	**5,654,329**	**8,397,020**	**13,800,080**	**109,626,266**
Accumulated depreciation :										
Balance as at 01 April 2016	**-**	**25,400,901**	**39,546,769**	**6,735,236**	**6,211,925**	**5,882,314**	**4,393,513**	**8,018,482**	**11,847,527**	**108,036,667**
Reclassification to investment property	-	25,400,901	-	-	-	-	-	-	-	25,400,901
Balance as at 01 April 2016 (Ind AS)	**-**	**-**	**39,546,769**	**6,735,236**	**6,211,925**	**5,882,314**	**4,393,513**	**8,018,482**	**11,847,527**	**82,635,766**
Depreciation charge for the year	-	-	5,511,319	18,317	201,058	476,528	150,746	49,767	363,927	6,771,662
Disposals	-	-	32,043	-	-	-	-	-	2,521,224	2,553,267
Balance as at 31 March 2017	**-**	**-**	**45,026,045**	**6,753,553**	**6,412,983**	**6,358,842**	**4,544,259**	**8,068,249**	**9,690,230**	**86,854,161**
Depreciation charge for the year	-	-	4,332,461	18,316	205,079	483,180	170,159	49,767	544,857	5,803,819
Disposals	-	-	431,079	-	-	-	-	-	990,000	1,421,079
Balance as at 31 March 2018	**-**	**-**	**48,927,427**	**6,771,869**	**6,618,062**	**6,842,022**	**4,714,418**	**8,118,016**	**9,245,087**	**91,236,901**
Net block :										
Balance as at 01 April 2016	4,674,279	-	9,041,001	136,465	526,670	2,994,901	818,610	378,538	2,208,575	20,779,039
Balance as at 31 March 2017	4,674,279	-	7,182,255	118,148	650,425	2,661,837	872,769	328,771	1,844,648	18,333,132
Balance as at 31 March 2018	**4,674,279**	**-**	**4,995,975**	**99,832**	**543,948**	**2,301,423**	**939,911**	**279,004**	**4,554,993**	**18,389,365**

Additional information:

1) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5	**Intangible Assets under development:**			
	a) Software	-	38,798,065	22,905,002
	Total	**-**	**38,798,065**	**22,905,002**

6. Investment Property (Amount in Rs.)

Gross block :	**Building at Whitefield**
Balance as at 01 April 2016	49,178,564
Additions	-
Balance as at 31 March 2017	49,178,564
Additions	-
Balance as at 31 March 2018	**49,178,564**
Accumulated depreciation:	
Balance as at 01 April 2016	25,400,901
Amortisation charge for the year	1,081,072
Balance as at 31 March 2017	26,481,973
Amortisation charge for the year	1,081,072
Balance as at 31 March 2018	**27,563,045**
Net block:	
Balance as at 01 April 2016	23,777,663
Balance as at 31 March 2017	22,696,591
Balance as at 31 March 2018	**21,615,519**

Fair market value of Building at Rs. 26,20,88,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on the respective dates.

7. Other Intangible Assets (Amount in Rs.)

Gross block:	**Computer software**	**Intellectual property**	**Total**
Balance as at 01 April 2016	67,449,327	200,076,188	267,525,515
Additions	759,579		759,579
Balance as at 31 March 2017	68,208,906	200,076,188	268,285,094
Additions	39,188,665		39,188,665
Balance as at 31 March 2018	**107,397,571**	**200,076,188**	**307,473,759**
Accumulated amortisation:			
Balance as at 01 April 2016	66,354,406	150,057,141	216,411,547
Amortisation charge for the year	822,800	50,019,047	50,841,847
Balance as at 31 March 2017	67,177,206	200,076,188	267,253,394
Amortisation charge for the year	5,230,880		5,230,880
Balance as at 31 March 2018	**72,408,086**	**200,076,188**	**272,484,274**
Net block:			
Balance as at 01 April 2016	1,094,921	50,019,047	51,113,968
Balance as at 31 March 2017	1,031,700	-	1,031,700
Balance as at 31 March 2018	**34,989,485**	**-**	**34,989,485**

Notes to Financial Statements

For the Year ended March 31, 2018

8. Non current investments:

(Amount in Rs.)

Details of investments / Name of the Company	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	No of shares	Face value	Amount	No of shares	Face value	Amount	No of shares	Face value	Amount
a) Investments in equity Instruments:									
1) Subsidiaries:									
(Other than Trade,Unquoted)									
i) Investment in Equity Shares of Midrange Software Pte Ltd, Singapore	1,904,915	SGD 1	55,123,998	1,904,915	SGD 1	55,123,998	1,904,915	SGD 1	55,123,998
ii) Investment in Equity Shares of Izmo Inc (Formerly Logix Americas Inc.,)	150,000	USD 1	1,456,937,211	150,000	USD 1	1,456,937,211	150,000	USD 1	1,456,937,211
iii) Investment in Equity Shares of Logix Microsystems Inc., USA	65,500	USD 1	3,071,845	65,500	USD 1	3,071,845	65,500	USD 1	3,071,845
iv) Investment in Equity Shares of Carazoo Online Services Pvt.Ltd				-			48,810	INR 10	2,040,500
v) Investment in Equity Shares of Izmo Europe BVBA, Belgium	1,359,093	EURO 1	88,877,287	1,359,093	EURO 1	88,877,287	1,359,093	EURO 1	88,877,287
Total			**1,604,010,341**			**1,604,010,341**			**1,606,050,841**
Less:									
Provision for diminution in value of investments			3,071,845			3,071,845			3,071,845
Total			**1,600,938,496**			**1,600,938,496**			**1,602,978,996**

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
9. Deferred tax Assets (Net):			
a) Deferred tax liability:			
i) On account of depreciation on fixed assets (other than land)	-	-	-
ii) On account of fair valuation of investments	-	(4,665,602)	(4,210,694)
Total	**-**	**(4,665,602)**	**(4,210,694)**
b) Deferred tax asset:			
i) On account of depreciation on fixed assets (other than land)	16,689,651	23,100,334	13,102,145
ii) On account of timing differences in recognition of expenditure		-	-
Total	**16,689,651**	**23,100,334**	**13,102,145**
Net Deferred tax (liability)/asset	**16,689,651**	**18,434,732**	**8,891,451**
10. Other non current assets:			
(unsecured and considered good)			
a) Balances with revenue authorities	9,008,738	8,897,353	8,792,353
b) Advance payment of tax (net)	13,772,912	11,832,510	11,586,502
c) Capital advances	11,725,000	11,725,000	11,725,000
d) Security deposits	2,794,743	2,486,756	2,376,753
e) Security deposits- Others	1,698,202	1,694,732	1,269,732
f) Deferred Income - Rental Deposit	580,961	773,634	903,247
	39,580,556	**37,409,985**	**36,653,587**
Less: Allowance for bad and doubtful receivables	-	-	-
Total	**39,580,556**	**37,409,985**	**36,653,587**

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
11.	**Inventories:**			
	a) Finished goods	52,577	107,814	195,180
	Total	**52,577**	**107,814**	**195,180**
12.	**Investments:**			
	a) Investments in Mutual Funds	-	93,841,681	164,233,196
	Total	**-**	**93,841,681**	**164,233,196**
13.	**Trade receivables:**			
	a) Trade receivables exceeding six months	44,485,422	89,623,295	49,262,186
	b) others	194,174,751	106,583,433	113,035,897
		238,660,173	**196,206,728**	**162,298,083**
	Less: Allowance for doubtful receivables	**-**	**-**	**-**
	Total	**238,660,173**	**196,206,728**	**162,298,083**
	Additional information:			
1)	Breakup of above:			
	a) Secured, considered good	-	-	-
	b) Unsecured, considered good	238,660,173	196,206,728	162,298,083
	c) Doubtful	-	-	-
	Total	**238,660,173**	**196,206,728**	**162,298,083**
	Less: Allowance for doubtful receivables	-	-	-
	Total	**238,660,173**	**196,206,728**	**162,298,083**
2)	a) Debts due by directors or other officers of the company	-	-	-
	b) Amounts due by private companies in which directors of the Company are directors	-	-	-
14.	**Cash and Cash Equivalents:**			
	a) Balances with banks			
	- in other accounts	2,425,751	6,923,766	23,909,731
	b) Cash on hand	12,577	23,121	23,381
	Total	**2,438,328**	**6,946,887**	**23,933,112**
15.	**Other Financial Assets:**			
	a) Loans and advances	31,582,399	49,046,849	35,469,164
	b) Others	15,519,486	6,106,490	16,071,014
		47,101,885	**55,153,339**	**51,540,178**
	Less: Allowance for doubtful advances for advance paid to suppliers and others	**-**	**-**	**-**
	Total	**47,101,885**	**55,153,339**	**51,540,178**
	Additional information:			
1)	Breakup of above:			
	a) Secured, considered good	-	-	-
	b) Unsecured, considered good	47,101,885	55,153,339	51,540,178
	c) Doubtful	-	-	-
	Total	**47,101,885**	**55,153,339**	**51,540,178**
	Less:			
	Allowance for doubtful advances for advance paid to suppliers and others	-	-	-
	Total	**47,101,885**	**55,153,339**	**51,540,178**
2)	i) Debts due by directors or other officers of the company	-	-	-
	ii) Amounts due by private companies in which directors of the Company are directors	15,522,336	15,519,975	15,519,975

Notes to Financial Statements

For the Year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
16. Share capital:						
Authorized:						
Equity shares of Rs. 10/- each	18,000,000	180,000,000	13,200,000	132,000,000	13,200,000	132,000,000
	18,000,000	**180,000,000**	**13,200,000**	**132,000,000**	**13,200,000**	**132,000,000**
Issued, subscribed and fully paid up:						
Equity shares of Rs. 10/- each						
At the beginning of the year	12,162,273	121,622,730	12,098,673	120,986,730	12,098,673	120,986,730
Issued during the year						
- by way of conversion of loan into fully paid up equity shares	600,000	6,000,000	-	-	-	-
- by way of Employee Stock Options	59,400	594,000	63,600	636,000	-	-
At the close of the year	**12,821,673**	**128,216,730**	**12,162,273**	**121,622,730**	**12,098,673**	**120,986,730**
Total carried to Balance Sheet		**128,216,730**		**121,622,730**		**120,986,730**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	Percentage	Nos.	Percentage	Nos.	Percentage
(i) Sanjay Vedprakash Soni	2,803,010	21.86%	2,722,682	22.39%	2,717,582	22.46%
(ii) Shashi Soni	687,787	5.36%	612,287	5.03%	611,187	5.05%

Statement of Changes in Equity

For the Year ended March 31, 2018

17. Other Equity

(Amount in Rs.)

Particulars	Other Equity					Other Comprehensive Income			Total Other equity
						Items that will be reclassified to profit or loss	Items that will not be reclassified to profit or loss		
	Share premium	General Reserve	Retained earnings	ESOP oututstanding Account	Total (A)	Mark to Market of Investment	Actuarial gains/ (losses) of employee benefits	Total(B)	
As at 1 April 2016	1,447,293,217	6,339,532	43,377,863	-	**1,497,010,612**	-	-	-	1,497,010,612
Add/(Less): Ind AS adjustments	-	-	(3,943,012)	3,943,012	-	19,103,050	-	19,103,050	19,103,050
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	(4,210,694)	-	(4,210,694)	(4,210,694)
As at 1st April 2016 (after opening Ind AS adjustments)	**1,447,293,217**	**6,339,532**	**39,434,851**	**3,943,012**	**1,497,010,612**	**14,892,356**	**-**	**14,892,356**	**1,511,902,968**
Add/(Less): Profit / (Loss) for the year	-	-	10,600,432	-	10,600,432	-	-	-	10,600,432
Add: Employee stock option expenses	-	-	(3,941,776)	3,941,776	-	-	-	-	-
Add/(Less): Issue of shares under ESOP scheme	2,959,113	-	-	(2,959,113)	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(1,200,964)	-	(1,200,964)	2,063,821	1,209,854	3,273,675	2,072,711
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	(454,907)	-	(454,907)	(454,907)
Total comprehensive income as at March 31 2017	**1,450,252,330**	**6,339,532**	**44,892,543**	**4,925,675**	**1,506,410,080**	**16,501,270**	**1,209,854**	**17,711,124**	**1,524,121,204**
Add/(Less): Loss for the quarter	-	-	4,950,765	-	4,950,765	-	-	-	4,950,765
Add/(Less): On account of new issue	25,200,000	-	-	-	25,200,000	-	-	-	25,200,000
Add: Employee stock option expenses	-	-	-	10,217,995	10,217,995	-	-	-	10,217,995
Add/(Less): Issue of shares under ESOP scheme	2,487,390	-	-	(2,487,390)	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(21,166,871)	-	(21,166,871)	2,307,586	-	2,307,586	(18,859,285)
Less: Tax Adjustment on Ind AS items	-	-	4,665,602	-	4,665,602	-	-	-	4,665,602
Total comprehensive income as at March 31 2018	**1,477,939,720**	**6,339,532**	**33,342,039**	**12,656,280**	**1,530,277,571**	**18,808,856**	**1,209,854**	**20,018,710**	**1,550,296,281**

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non- Current Liabilities			
18. Borrowings:			
I) Secured loans:			
a) Loan from Banks	131,900,405	170,151,712	24,129,601
Less: Current maturities on loan from banks	-	223,377	201,201
Total	**131,900,405**	**169,928,335**	**23,928,400**
Additional information:			
1) Details of security for secured loans:			
Vehicle Loan from bank / financial institution secured against the hypothecation of the respective vehicles purchased			
2) Terms of repayment of term loans and others			
From Bank:			
a) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% per annum and repayable in 60 equal monthly instalments.			
Non - Current Liabilities			
19. Other Financial Liabilities:			
a) Refundable Security deposits from Lessee	11,187,999	10,855,569	10,460,604
b) Trade Payables	-	2,044,428	5,757,396
c) Liability towards investment in subsidiary	-	2,507,000	2,507,000
d) Other deposits	-	-	18,616
e) Deferred Rental expense	499,973	1,307,481	1,730,946
Total	**11,687,972**	**16,714,478**	**20,474,562**
20. Provisions:			
a) For employee defined benefit plans	9,530,363	7,165,746	5,370,175
b) For employee compensatory absences	4,349,858	3,922,112	3,193,687
Total	**13,880,221**	**11,087,858**	**8,563,862**
Current Liabilities			
21. Borrowings:			
I) Secured loans:			
a) Loans repayable on demand			
- from banks	-	67,502,034	248,506,971
Total	**-**	**67,502,034**	**248,506,971**
1) Details of security for secured loans:			
a) Working capital loans from Barclays Bank PLC are secured by a pledge over current investments held by the Company and personal guarantee of director of the Company.	-	67,502,034	248,506,971

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Current Liabilities			
22.	**Trade payables:**			
	a) Total outstanding dues of micro and small enterprises	-	-	-
	b) Total outstanding dues other than micro and small enterprises	133,092,480	128,094,319	142,095,753
	Total	**133,092,480**	**128,094,319**	**142,095,753**

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on (1) above and the unpaid interest	-	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

23.	**Other Financial Liabilities:**			
	a) Current maturities of secured loan from bank	-	223,377	201,201
	b) Advance from customers	14,731,142	14,379,627	14,771,999
	c) Share warrant Application money payable	-	330,000	330,000
	d) Interest acrrued on borrowings	-	-	47,503,399
	e) Others	500,000	-	2,653,316
	Total	**15,231,142**	**14,933,004**	**65,459,915**
24.	**Provisions:**			
	a) Provision for short term compensated absences	563,646	1,614,192	771,534
	b) Provision for Gratuity	1,466,203	852,800	372,289
	Total	**2,029,849**	**2,466,992**	**1,143,823**
25.	**Other current liabilities:**			
	a) Accrued Expenses and other liabilities	23,232,081	28,349,921	19,010,809
	b) Statutory Dues	3,489,201	2,729,794	1,823,020
	c) Deferred Income	3,908,530	2,348,481	3,624,914
	d) Unclaimed Dividend	-	-	1,777,728
	Total	**30,629,812**	**33,428,196**	**26,236,471**
26.	**Current Tax Liabilities (Net):**			
	a) Provision for tax (net of advance tax)	3,491,144	-	-
	Total	**3,491,144**	**-**	**-**

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	2017-18	2016-17
27.	**Revenue from operations:**		
	a) Software Sales & Services:		
	- Domestic	15,082,387	14,856,920
	- Exports	210,917,318	201,533,385
	Total	**225,999,705**	**216,390,305**
28.	**Other income:**		
	a) Interest Income	318,000	235,159
	b) Maintenance Charges Income	2,733,735	2,506,828
	c) Miscellaneous Income	8,131,465	5,191,833
	d) Profit on sale of Assets	145,315	110,546
	e) Services Charges Received- Carazoo	-	2,577,264
	f) Profit on sale of Mutual Funds	24,769,826	13,452,493
	g) Rental Income	9,224,929	9,853,034
	h) Interest income on rent deposits paid	207,658	129,612
	i) Amortisation of deferred interest income on Rent deposit received	807,508	423,465
	Total	**46,338,436**	**34,480,234**
29.	**Cost of Purchase:**		
	a) Custom Duty	105,589	47,815
	b) Cost of Purchase for Resale	7,056,854	6,973,937
	Total	**7,162,443**	**7,021,752**
30.	**Changes in inventories of stock in trade:**		
	Stocks at the end of the year		
	a) Trading goods		
	Stock in Trade	52,577	107,814
		52,577	**107,814**
	Less: Stocks at the beginning of the year		
	a) Trading goods		
	Stock in Trade	107,814	195,180
		107,814	195,180
	Total	**55,237**	**87,366**
31.	**Employee benefit expenses:**		
	a) Salaries , wages and bonus	142,202,595	102,789,868
	b) Contribution to provident and other funds	5,146,186	3,665,339
	c) Gratuity	2,484,598	2,692,748
	d) Staff welfare expenses	4,235,313	3,854,288
	e) Reclassification of Actuarial gains/ losses	2,307,586	(1,209,854)
	f) Employee stock option expenses	10,217,995	3,941,776
	Total	**166,594,273**	**115,734,165**
32.	**Finance costs:**		
	a) Interest expense	11,867,577	11,810,152
	Total	**11,867,577**	**11,810,152**
33.	**Depreciation and amortization:**		
	a) Depreciation	6,884,891	7,852,735
	b) Amortization of intangible assets	5,230,880	50,841,847
	Total	**12,115,771**	**58,694,582**

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	2017-18	2016-17
34. Other expenses:		
a) Advertisement Expenses	270,756	338,082
b) Payment to auditors		
- as auditor	300,000	270,000
- for taxation and other matters	100,000	80,000
- for Certification and limited review	-	140,000
c) Bank Charges	200,023	144,675
d) Bad Debts Written-Off	1,132,322	10,881,960
e) Business Promotion Charges	853,088	1,221,972
f) Postage and Communication Expenses	3,599,488	2,949,137
g) Foreign Exchange Loss	917,489	979,115
h) Hire charges	93,440	-
i) Insurance	167,365	74,313
j) Listing Fees	551,595	447,000
k) Loss on sale of Investment	-	2,040,500
l) Loss on sale of assets	2,142	-
m) Miscellaneous Expenses	336,647	722,598
n) Office Expenses	927,970	916,911
o) Power & Fuel	3,596,768	4,085,341
p) Printing & Staionery	390,107	503,247
q) Professional Fees	9,638,971	2,961,002
r) Rates & Taxes	741,615	1,117,134
s) Rent	9,559,854	8,778,139
t) Repairs & Maintenance Buildings	1,507,544	887,587
u) Repairs & Maintenance Others	8,180,578	3,477,760
v) Security Charges	838,727	1,079,600
w) Sitting fees	720,000	660,000
x) Travelling & Conveyance	12,199,045	10,359,822
y) Vehicle Maintenance	1,801,459	1,590,746
z) Water charges	104,025	215,565
aa) Amortisation of deferred interest on Rent deposit paid	192,674	149,222
ab) Interest Expenses on rent deposits received	803,930	394,965
Total	**59,727,621**	**57,466,393**
35. <u>Additional Information:</u>		
a) Value of Imports calculated on CIF basis:		
i) Purchases of Stock in Trade	3,395,441	6,973,937
ii) Capital goods	-	-
b) Expenditure in foreign currency: (net of withholding tax)		
i) Purchases	3,395,441	6,973,937
ii) Foreign travel	6,241,773	6,599,824
c) Details of non-resident shareholdings		
i) Number of nonresident share holders	167	112
ii) Number of shares held by nonresident shareholders	247,257	165,066
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
d) Earnings in foreign exchange:		
i) Software Exports & Consultancy	210,917,318	201,533,385

Notes to Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	2017-18	2016-17
36.	**Earnings per share:**		
	(Basic and diluted)		
	Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
(a)	**Before exceptional item**		
	Profit for the year after tax expense	4,950,765	7,476,676
	Weighted average number of equity shares	12,701,561	12,139,272
	Paid up value per share	10.00	10.00
	Earnings per share (basic & diluted) (*)	0.39	0.62
(b)	**After exceptional item**		
	Profit for the year after tax expense	4,950,765	7,476,676
	Add: Preference dividend payable including dividend tax	-	-
	Total	**4,950,765**	**7,476,676**
	Weighted average number of equity shares	12,701,561	12,139,272
	Paid up value per share	10.00	10.00
	Earnings per share (basic & diluted) (*)	0.39	0.62
	(*) Effect of potential equity shares is antidilutive		

Notes to Financial Statements

For the Year ended March 31, 2018

37. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

(a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under: (Amount in Rs.)

Particulars	March 31, 2018	March 31,2017
Employer's contribution to provident & pension funds	5,146,186	3,665,339

(b) Defined Benefit Plan:

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

(Rs. In lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2018		March 31, 2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	87.80	47.75	61.42	35.66
Current Service Cost (*)	41.56	-	10.07	0.84
Interest Cost	6.37	3.46	4.74	2.76
Actuarial (gain)/ loss	(23.08)	11.57	12.12	18.45
Benefits Paid	(2.68)	(13.65)	(0.55)	(9.96)
Defined Benefit obligation at end of the year	109.97	49.14	87.80	47.75
2. Reconciliation of opening and closing balance of fair value of plan assets:				
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	-	-	-	-
Present value of obligation	109.97	49.14	87.80	47.75
Amount recognized in Balance Sheet under liabilities:	109.97	49.14	87.80	47.75
Expense recognized during the year: (under "Note 31" "Employee Benefit Expenses" in the Statement of Profit and Loss)	**March 31, 2018**		**March 31, 2017**	
In Income Statement:				
Current Service Cost	41.56	-	10.07	0.84
Interest Cost	6.37	3.46	4.74	2.76
Expected return on plan assets	-	-	-	-
In Other Comprehensive Income:				
Actuarial (gain)/ loss	(23.08)	11.57	12.12	18.45
Net Cost	24.85	15.03	26.93	22.05
Actuarial assumptions:	**March 31, 2018**		**March 31, 2017**	
Mortality Table	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**
Discount rate (per annum)	7.69%	7.69%	7.25%	7.25%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

(*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Notes to Financial Statements

For the Year ended March 31, 2018

(c) Sensitivity Analysis:

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

(Rs. In lakhs)

Particulars	March 31,2018		March 31,2017	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	119.00	102.10	95.26	81.35
Change in rate of salary increase (delta effect of +/- 1.0%)	103.13	117.70	82.24	93.66
Change in rate of Mortalility (delta effect of +/- 0.5%)	109.94	109.99	87.79	87.81
Change in rate of Attrition (delta effect of +/- 0.5%)	109.77	110.14	87.72	87.87

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

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

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

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

38. SEGMENT REPORTING:

Primary Segments

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

i) Export

ii) Domestic

(Amount in Lakhs.)

Particulars	March 31, 2018	March 31, 2017
Revenue:		
Export	2109.17	2015.33
Domestic	150.82	148.57
Net Income from Operations	**2259.99**	**2163.90**
Add: Income from Exceptional Items/Other Income	463.38	339.09
Profit before Depreciation/Tax/ Interest/Amortization :		
- from Exports	79.96	619.34
- from Domestic	(153.36)	(223.87)
Income from Exceptional Items/ Other Income	463.38	339.09
Total	**389.98**	**734.55**
Less: (1) Interest	120.68	119.82
(2) Other Unallocated Expenses	-	-
(3) Depreciation/Amortization	121.15	586.95
Profit Before Taxation	**148.15**	**27.79**

Segmental Capital Employed:

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

Notes to Financial Statements

For the Year ended March 31, 2018

39. RELATED PARTY TRANSACTIONS:

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

Sl. No.	Name of the Related Party	Relationship
1	Midrange Software Pte Ltd,Singapore Izmo Inc,USA Izmo Europe,BVBA	Wholly Owned Subsidiary
2	Izmo France,SARL	Step down subsidiary
3	Carazoo Online Solutions Private Limited	Associates
4	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni	Key Management Personnel and their relatives ("KMP")
5	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited,India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited,India D'Gipro Design Automation and Marketing Private Limited D'Gipro Systems Private Limited Hughes Precision Manufacturing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence

(b) Transactions with the related parties (Rs. in Lakhs)

Particulars	Relationship	Current Year	Previous Year
Purchase of goods and services/Reimbursements:	Enterprises over which KMP and their relatives are able to exercise significant influence		
Si2 Microsystems Private Limited,India		49.31	10.39
Software Sales & Service Exports	Wholly Owned Subsidiary		
Izmo Inc,USA	Wholly Owned Subsidiary	2109.17	2073.02
Midrange Software Pte Ltd,Singapore		-	0.37
Rental Income	Enterprises over which KMP and their relatives are able to exercise significant influence		
Si2 Microsystems Private Limited,India		31.09	41.39
Remuneration paid:			
Mrs. Shashi Soni	KMP	15.00	8.48
Mr. Sanjay Soni	KMP	60.00	60.00
Mrs. Kiran Soni	KMP	30.00	30.00

(c) Outstanding balances at the end of the year: (Rs. in Lakhs)

Particulars	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Midrange Software Pte Ltd,Singapore	Wholly Owned Subsidiary	146.08	143.3	147.63
Izmo Inc,USA		2322.64	1935.21	1601.76
Izmo Europe,BVBA				
Izmo France,SARL	Step down subsidiary	-	-	-
Carazoo Online Solutions Private Limited	Associates	19.11	0.66	104.52
Si2 Microsystems Private Limited,India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	69.40	47.44	111.69
D'Gipro Design Automation and Marketing Private Limited		155.23	155.20	155.20
D'Gipro Systems Private Limited		-	18.00	-

40. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 95,59,854/- (Previous Year Rs. 87,78,139/-).

The details of minimum future rental payable towards non-cancelable lease agreements are as under: (Amount in Rs.)

Particulars	March 31,2018	March 31,2017	April 01,2016
Payable not later than year	10,008,779	9,524,004	7,893,504
Later than one year and not less than five years	45,017,861	45,190,691	34,657,674

Notes to Financial Statements

For the Year ended March 31, 2018

41. Financial risk management objectives and policies:

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

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

Market Risk

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

The sensitivity analysis in the following sections relate to the positions as at March 31, 2018. March 31, 2017 and April 1, 2016:

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

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018, March 31, 2017 and April 1, 2016 including the effect of hedge accounting.

i. Foreign currency risk

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

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2018 are as under:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01,2016	
	FCY	Rs. in Lakhs	FCY	Rs. in Lakhs	FCY	Rs. in Lakhs
Assets (Receivables)	$ 3630873.58	2322.64	$ 3192948.72	2,070.26	$ 2414724.94	1,601.76
Liabilities (Payables)	€ 23,927.03 $2,053,577.08	1355.02	€ 23,927.03 $3,216,875.75	1967.13	€ 23,927.03 $2,438,651.97	1456.81

Foreign currency sensitivity:

Particulars	As at March 31, 2018 Changes in FCY Rate by:		As at March 31, 2017 Changes in FCY Rate by:		As at April 01,2016 Changes in FCY Rate by:	
	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%
Effect on Profit before tax	23.42	-23.42	20.52	-20.52	15.83	-15.83

42. Fair Value Measurement (Ind AS 113):

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

The below table summarises particulars of Financial Instruments used: (Amount in Rs.)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Financial Assets at amortized cost:			
Investments	1,600,938,496	1,600,938,496	1,602,978,996
Trade Receivables	238,660,173	196,206,728	162,298,083
Other Financial Assets	47,101,885	55,153,339	51,540,178
Cash & cash equivalents	2,438,328	6,946,887	23,933,112
Other Bank Balances	-	-	-
Total Financial Assets	**1,889,138,882**	**1,859,245,450**	**1,840,750,369**
Financial Liabilities at amortized cost:			
Borrowings	131,900,405	237,430,369	272,435,371
Other Financial Liabilities	26,919,114	31,647,482	85,934,477
Trade Payables	133,092,480	128,094,319	142,095,753
Total Financial Liabilities	**291,911,999**	**397,172,170**	**500,465,601**

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

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

Notes to Financial Statements

For the Year ended March 31, 2018

43. Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees will get equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2018 have a vesting period of maximum 3 years from the date of grant.

Total expenses arising from share-based payment transactions recongnised in profit or loss as part of employee benefit expense were as follows: (Amount in Rs.)

Sl No	Particulars	31-Mar-18	31-Mar-17
i)	Employee Stock Options Expenses	10,217,995	3,941,776
Total		**10,217,995**	**3,941,776**

44. Managerial Remuneration (Amount in Rs.)

Sl No	Particulars	31-Mar-18	31-Mar-17
i)	Salary and allowances	7,068,000	6,421,956
ii)	Contribution to Provident fund	432,000	426,066
Total		**7,500,000**	**6,848,022**

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.

Managerial remuneration for the current year includes a 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 10th September 2016.

45. Commitments (Amount in Rs.)

Sl No	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
i)	Warranty Costs on Software Sale	Not Quantified	Not Quantified	Not Quantified
ii)	Unexpired Letters of credit	-	-	-

46. Contingent Liabilities (to the extent of which not provided for) (Amount in Rs.)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Money for which the company is contingently liable:	-	-	-
Bank Guarantee*	2,179,110	2,822,110	2,822,110
*Bank Guarantee issued to DCCT(A& R) 4.8 towards VAT & CST tax demand in dispute for FY 2010-11.			

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

Name of the statute	Nature of dues	Demand disputed (Amt.in Rs.)	Amount Paid Under Protest (Amt.in Rs.)	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	NIL	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer pricing	36,750,932	7,000,000	2010-11	Appellate Tribunal
Income-tax Act, 1961	Transfer pricing	30,910,300	-	2011-12	Appellate Tribunal
Income-tax Act, 1961	Income-tax	8,423,520	-	2013-14	CIT(A)
Income-tax Act, 1961	Income-tax and Transfer pricing	51,033,800	-	2014-15	CIT(A)
Karnataka Value Added Tax Act, 2003	VAT & CST	4,213,689	1,589,738	FY 2010-11	KAT

Notes to Financial Statements

For the Year ended March 31, 2018

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

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Izmo Inc.	2,322.64	2,372.32	1,963.91	2,177.54	1,601.76	1,649.60

Sundry Debtors includes a sum of Rs. 4.43 crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date.

48. 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 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.

49. Transfer Pricing

The company derives a significant portion of its revenue Rs.2109.17 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 2018, particularly on their amount of tax expense and that of the provision for taxation.

50 The Company has filed appeals before CIT (A) against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2014-15 and also filed its appeal before the Honourable High Court Of Karnataka against order of the ITAT for the AY 2009-10 which are pending disposal as on Balance sheet date.

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

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

---

for and on behalf of the Board

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Place: Bengaluru
30th May, 2018

As per my Report of even date

Guru Prakash.V
Chartered Accountant
Membership No. 228938

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 31, 2018

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of **Izmo Limited** (herein referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 (herein referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

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

In conducting 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the 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 Group as at March 31, 2018 and its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its cash flows for the year ended on that date, subject to reservations provided in the other matters.

Other Matters

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. 189.30 Crores as at 31st March 2018 and total revenue from operations of Rs. 62.99 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 Section 143 (3) of the Act, based on my audit, I report that:

a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.

b) In my opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from my examination of those books;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;

d) In my opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the company as on March 31, 2018 taken on record by the Board of Directors of the Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to my separate report in "Annexure A" which is based on the auditor's report of the Company and its subsidiary companies incorporated in India. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies for the reasons stated therein.

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

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

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

CA Guru Prakash V
Chartered Accountant
M. No: 228938

Place: Bengaluru
Date: 30th May 2018

Annexure - A to the Auditors' Report

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

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

In conjunction with my audit of the consolidated financial statements of the Company as of and for the year ended March 31, 3018, I have audited the internal financial controls over financial reporting of **Izmo Limited** (herein referred to as 'the Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Bengaluru
Date: 30th May 2018

Consolidated Balance Sheet

as at 31st March, 2018

(Amount in Rs.)

	Particulars	Note	As at March 31,2018	As at March 31,2017	As at April 01,2016
I.	**ASSETS**				
	Non-current assets				
	(a) Property, plant and equipment	4	24,324,129	28,712,323	32,698,087
	(b) Capital work-in-progress	5	19,870,468	52,647,585	22,905,002
	(c) Investment Property	6	21,995,295	24,446,052	26,703,563
	(d) Other Intangible assets	7	1,743,412,018	1,583,225,799	1,566,876,146
	(e) Financial assets				
	(i) Investments	8	-	6,483,860	2,040,500
	(f) Deferred tax assets	9	16,689,651	18,434,731	8,891,451
	(g) Other non-current assets	10	47,031,118	44,432,659	42,467,482
	Total Non-current assets		**1,873,322,678**	**1,758,383,09**	**1,702,582,231**
	Current assets				
	(a) Inventories	11	52,577	107,814	195,180
	(b) Financial assets				
	(i) Investments	12	-	93,841,681	164,233,196
	(ii) Trade receivables	13	174,812,636	127,181,904	63,133,510
	(iii) Cash and cash equivalents	14	46,985,866	28,297,884	53,348,081
	(iv) Other financial assets	15	181,026,278	175,731,605	214,243,658
	Total Current assets		**402,877,357**	**425,160,888**	**495,153,625**
	TOTAL ASSETS		**2,276,200,035**	**2,183,543,897**	**2,197,735,856**
I.	**EQUITY AND LIABILITIES**				
	Shareholders' funds				
	(a) Share capital	16	128,216,730	121,622,730	120,986,730
	(b) Other equity	17	1,764,817,690	1,683,078,048	1,631,806,857
	TOTAL EQUITY		**1,893,034,420**	**1,804,700,778**	**1,752,793,587**
II.	**LIABILITIES**				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	18	131,900,405	169,928,335	23,928,400
	(ii) Other financial liabilities	19	11,659,472	16,714,478	20,474,562
	(b) Provisions	20	13,880,221	11,087,858	8,563,862
	Total Non current liabilities		**157,440,098**	**197,730,671**	**52,966,824**
	Current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	21	-	67,502,034	248,506,971
	(ii) Trade payables				
	(i) micro and small enterprises, and	22	-	-	-
	(ii) other than micro and small enterprises	22	77,490,553	84,243,336	36,759,523
	(iii) Other Financial Liabilities	23	500,000	330,000	2,983,316
	(b) Provisions	24	2,029,849	2,466,992	1,143,823
	(c) Other current liabilities	25	142,213,971	26,570,086	102,581,813
	(d) Current Tax Liabilities (Net)	26	3,491,144	-	-
	Total Current liabilities		**225,725,517**	**181,112,448**	**391,975,445**
	TOTAL EQUITY AND LIABILITIES		**2,276,200,035**	**2,183,543,897**	**2,197,735,856**

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Consolidated Statement of Profit and Loss

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	Note No.		Current Year		Previous Year
I	Revenue from operations	27		629,866,481		542,806,777
II	Other income	28		50,748,282		42,472,705
III	**Total Income (I + II)**			**680,614,764**		**585,279,482**
IV	**Expenses:**					
	Purchases of stock in trade	29	7,162,443		7,021,752	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	30	55,237	7,217,680	87,366	7,109,118
	Employee benefits expense	31		296,129,628		221,322,940
	Finance costs	32		11,867,577		11,836,853
	Depreciation and amortization expense	33		122,560,921		119,252,456
	Other expenses	34		153,336,826		186,649,030
	Total expenses			**591,112,631**		**546,170,397**
V	**Profit before exceptional & extraordinay items and tax (III-IV)**			**89,502,132**		**39,109,085**
VI	Exceptional Items	35		19,122,348		-
VII	Profit before extraordinay items & tax (V-VI)			70,379,784		39,109,085
VIII	Extraordinay items			-		-
IX	**Profit before tax (VII - VIII)**			**70,379,784**		**39,109,085**
X	Tax expense:					
	Current tax		3,453,772		2,176,917	
	Deferred tax		6,410,682	9,864,454	(9,597,464)	(7,420,547)
XI	Profit for the year from continuing opertaions (IX-X)			**60,515,330**		**46,529,632**
XII	Profit/(loss) from discontinuing operations			-		-
XIII	Tax expense of discontinuing operations			-		-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV	Profit for the year			**60,515,330**		**46,529,632**
XVI	**Other comprehensive income**					
	(I) Items that will not be reclassified to profit or loss					
	a) Remeasurements of the defined benefit plans		2,307,586		(1,209,854)	
	b) Taxes on above		-		400,724	
	(ii) Items that may be reclassified to profit or loss					
	a) Mark to Market of Investments		-		2,063,821	
	b) Taxes on above		-	2,307,586	(454,907)	799,784
XVII	**Total Comprehensive Income for the year (XV + XVI)**			**62,822,916**		**47,329,416**
XVIII	Earning per equity share before exceptional item:	37		**6.27**		**3.83**
	Basic & diluted (in Rs.)					
	Earning per equity share after exceptional item:	37		**4.76**		**3.83**
	Basic & diluted (in Rs.)					
	(Paid up value per share)			10.00		10.00
	Significant accounting policies and notes attached form an integral part of the financial statements					

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Consolidated Cash Flow Statement

For the Year ended March 31, 2018

(Amount in Rs.)

	March 31, 2018	March 31, 2017
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	72,687,370	39,963,052
Adjustments for:		
Depreciation	122,560,921	119,252,456
Interest Expense	11,867,577	11,836,853
Interest Income	(318,000)	(235,159)
Rental Income	(9,224,929)	(9,853,034)
Long term/ Short term capital gain on redemption of mutual funds	(24,769,826)	(13,452,493)
Profit on Sale of Assets	(145,315)	(110,546)
Employee stock option expenses	10,217,995	3,941,776
Changes in fair value of financial assets at fair value through profit / loss	996,604	544,187
Amortisation of deferred interest income on Rent deposit received	(807,508)	(423,465)
Interest income on rent deposits paid	(207,658)	(129,612)
Operating Profit Before Working Capital Changes	**182,857,231**	**151,334,015**
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	(47,630,732)	(64,048,393)
(Increase)/Decrease in Inventories	55,237	87,366
(Increase)/Decrease in short term Loans and Advances	(7,878,146)	36,527,263
Increase/(Decrease) in Current Liabilities and Provisions	109,856,037	(31,065,648)
Cash Generated from Operations	**237,259,627**	**92,834,602**
Direct Taxes paid (Net of Refunds)	(3,453,772)	(2,176,917)
Net cash from Operating Activities	**233,805,855**	**90,657,685**
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(276,250,830)	(129,395,089)
Capital Work-in-Progress	32,777,117	(29,742,583)
Proceeds from Sale of Fixed Assets	487,957	146,803
Sale proceeds from short term investments, includes dividend income(net of related expenses)	103,928,496	79,400,648
Rental Income	9,224,929	9,853,034
Interest Received	318,000	235,159
Net cash used in Investing Activities	**(129,514,332)**	**(69,502,028)**
C. Cash Flows from Financing Activities		
Repayment of Long Term Borrowings	(105,529,964)	(35,005,002)
Conversion of Long Term Borrowings into Equity share capital	31,200,000	-
Proceeds from issue of equity share capital (net of expenses)	594,000	636,000
Interest paid	(11,867,577)	(11,836,853)
Net Cash used in Financing Activities	**(85,603,541)**	**(46,205,855)**
Net increase in Cash and Cash Equivalents (A + B + C)	**18,687,982**	**(25,050,198)**
Cash and Cash Equivalents at the Beginning of the Year	**28,297,884**	**53,348,081**
Cash and Cash Equivalents at the End of the Year	**46,985,866**	**28,297,884**
Components of Cash and Cash Equivalents	**March 31, 2018**	**March 31, 2017**
Balances with Scheduled Banks		
- In Current Accounts	44,734,143	25,392,807
- In EEFC Accounts	-	-
Cash on Hand	72,613	82,967
Deposite with Bank	2,179,110	2,822,110
Total	**46,985,866**	**28,297,884**

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

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

Suraj Kumar Sahu
Company Secretary

Guru Prakash.V
Chartered Accountant
Membership No. 228938

Place: Bengaluru
30th May, 2018

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

1. BACKGROUND:

IZMO LIMITED ("the Group") consists of companies operating in India , Europe, United States, Singapore and France. The group is engaged in interactive marketing solutions. The company offers hi-tech automotive e-retailing solutions.

2A.SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 3.

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

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

Sl No	Name	Country	"Ownership / Control"
1	Midrange Software Pte Ltd	Singapore	100%
2	Izmo Inc	USA	100%
3	Izmo Europe BVBA	Belgium	100% *
4	Izmo France SARL (Subsidiary of Midrange Software Pte.Ltd)	France	100%
5	Frog data (Subsidiary of Izmo Inc Group, USA)	USA	100%

*Izmo Ltd along with its US subsidiary Izmo Inc, is holding 100% shareholding of Izmo Europe BVBA.

The financials statements of subsidiaries used in the consolidated are drawn up to the same reporting date as that of the parent company i.e., year ended 31.03.2018.

The financial statements of the Indian company are prepared in accordance with the Indian Accounting Standards followed in India. The financial statements of the subsidiary in Singapore are prepared in accordance with the Singapore Statement of Accounting Standards. The financial statements of the US subsidiaries are prepared in accordance with the accounting practices in the US. The financial statements of the subsidiary in Belgium are prepared in accordance with the accounting practices in Belgium. The effect of adoption of non-uniform accounting policies/practices has not been quantified.

Differences arising on account of change in the financial statement of the subsidiary for previous period, consequent to their finalization, as compared to the figure previously adopted for the purpose of consolidation are treated as a prior period item and related adjustments are carried out where necessary

b) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year.

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

Accordingly, future results to could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

c) PROPERTY, PLANT AND EQUIPMENT:

(i) Tangible assets:

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

(ii) Intangible assets:

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

(iii) Depreciation & Amortization:

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

b. Intangible assets are amortized over a period of 2-5 years

d) INVESTMENTS:

(i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.

(ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

e) INVENTORIES:

(i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at works cost or net realizable value whichever is lower.

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

f) REVENUE RECOGNITION:

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

(i) Sale of products and services is recognized on shipment of goods and transfer of significant risks and rewards to customers or on proportionate completion of services. Net sales are stated at contractual realizable values, net of excise duty, sales tax, goods & services tax, service tax, value added tax and trade discounts.

(ii) Interest income is recognized on time proportion basis.

(iii) Dividend income is recognized, when the right to receive the dividend is established.

(iv) Rental income is recognized on time proportion basis.

(v) 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.

(vi) 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 Deferrred Revenue

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

g) EMPLOYEE BENEFITS:

(i) Short term employee benefits:

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

(ii) Post employment benefits:

a. Defined contribution plans:

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

b. Defined benefit plans:

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

c. Compensated Absences:

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

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

(ii) Share Based Payments:

Share-based compensation benefits are provided to employees via the IZMO Limited Employee Stock Option Plan The fair value of options granted under the Employees' Stock Option Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth

  targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

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

h) FOREIGN CURRENCY TRANSACTIONS:

(i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.

(ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.

(iii) Non monetary items denominated in foreign currency,

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

are valued at the exchange rate prevailing on the date of transaction.

(iv) The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reaonable approximation of the cummulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognised in the statement of comprehensive income
- Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

i) TAXES ON INCOME:

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

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

j) BORROWING COSTS:

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

k) PROVISIONS AND CONTINGENT LIABILITIES:

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

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

l) EARNINGS PER SHARE

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

m) FINANCIAL INSTRUMENTS:

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

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(i) Cash and Cash Equivalents:

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

(ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial liabilities

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

n) IMPAIRMENT:

(i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non Financial Assets:

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

o) LEASES

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) Finance leases

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

2B. Recent Accounting Pronouncements

"Introduction of new Ind AS Standard / Amendments to Ind AS Standards

Through a Notification dated 28th March 2018, the Ministry of Corporate Affairs has indicated 1st April 2018 as the effective date for the implementation of Ind AS 115- Revenue from Contracts with Customers. In addition, limited amendments have been made to some other Ind AS standards (Ind AS's 2, 12, 21, 28 and 40) The company is in the process of assessing the impact of the introduction of Ind AS 115- Revenue from Contracts with Customers and the limited amendments to the other Ind AS Standards. The impact, if any, will be disclosed in the financial statements for the period ended 30th June 2018/ year ended 31st March 2019. "

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

3.1 Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for fiscal years presented. The Company has prepared Opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-2.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

Optional Exemptions:

a) Deemed Cost:

Property, plant and equipment and intangible assets were carried in the balance sheet prepared under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 01, 2016.

Under previous GAAP, investment in subsidiaries, joint venture and associate were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at March 31, 2016 as deemed cost at the date of transition.

b) Share-based payment:

The Company is allowed to apply Ind AS 102, Share-Based Payment, to equity instruments that remain unvested as of transition date. The Company has elected to avail itself of this exemption and apply the requirements of Ind AS 102 to all such grants under the ESOP 2013 Plan. Accordingly, these options have been measured at fair value.

The excess of stock compensation expense measured using fair value over the cost recognized under previous GAAP has been adjusted in 'ESOP Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

c) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

3.2 The following statement provides first-time Ind AS adoption reconciliation that quantifies the significant differences arising on account of transition from previous GAAP to Ind AS

a) Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016 (transition date):

Notes to Consolidated Financial Statements For the Year ended March 31, 2018

a) Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016 (transition date):

(Amount in Rs.)

Particulars	As at March 31,2017			As at April 01,2016		
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
I. ASSETS						
Non-current assets						
(a) Property, plant and equipment	28,712,323	-	28,712,323	32,698,087	-	32,698,087
(b) Capital work-in-progress	52,647,585	-	52,647,585	22,905,002	-	22,905,002
(c) Investment Property	24,446,052	-	24,446,052	26,703,563	-	26,703,563
(d) Other Intangible assets	1,583,225,799	-	1,583,225,799	1,566,876,146	-	1,566,876,146
(e) Financial assets	-	-	-	-	-	-
(i) Investments	6,483,860	-	6,483,860	2,040,500	-	2,040,500
(ii) Other financial assets	-	-	-	-	-	-
(f) Deferred tax assets (net)	27,311,027	(8,876,296)	18,434,731	13,102,145	(4,210,694)	8,891,451
(g) Other non-current assets	44,432,660		44,432,660	42,467,482		42,467,482
Total Non-current assets	**1,767,259,306**	**(8,876,296)**	**1,758,383,010**	**1,706,792,925**	**(4,210,694)**	**1,702,582,231**
Current assets						
(a) Inventories	107,814	-	107,814	195,180	-	195,180
(b) Financial assets						
(i) Investments	53,571,760	40,269,921	93,841,681	145,130,146	19,103,050	164,233,196
(ii) Trade receivables	127,181,904	-	127,181,904	63,133,510	-	63,133,510
(iii) Cash and cash equivalents	28,297,884	-	28,297,884	53,348,081	-	53,348,081
(iv) Other financial assets	175,731,606	-	175,731,606	214,243,658	-	214,243,658
Total Current assets	**384,890,967**	**40,269,921**	**425,160,888**	**476,050,576**	**19,103,050**	**495,153,626**
TOTAL ASSETS	**2,152,150,273**	**31,393,625**	**2,183,543,898**	**2,182,843,501**	**14,892,356**	**2,197,735,857**
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital	121,622,730	-	121,622,730	120,986,730	-	120,986,730
(b) Other equity	1,651,684,423	31,393,625	1,683,078,048	1,616,914,501	14,892,356	1,631,806,857
Equity attributable to shareholders of IZMO LIMITED	**1,773,307,153**	**31,393,625**	**1,804,700,778**	**1,737,901,231**	**14,892,356**	**1,752,793,587**
Non-controlling interest	-	-	-	-	-	-
TOTAL EQUITY	**1,773,307,153**	**31,393,625**	**1,804,700,778**	**1,737,901,231**	**14,892,356**	**1,752,793,587**
II. LIABILITIES						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	169,928,335	-	169,928,335	23,928,400	-	23,928,400
(ii) Other financial liabilities	16,714,478	-	16,714,478	20,474,562	-	20,474,562
(b) Provisions	11,087,858	-	11,087,858	8,563,862	-	8,563,862
(c) Deferred tax liabilities (net)	-		-	-	-	-
Total Non current liabilities	**197,730,671**	**-**	**197,730,671**	**52,966,824**	**-**	**52,966,824**
Current liabilities						
(a) Financial liabilities						
(i) Borrowings	67,502,034	-	67,502,034	248,506,971	-	248,506,971
(ii) Trade payables						
(i) micro and small enterprises, and	-		-	-		-
(ii) other than micro and small enterprises	84,243,336	-	84,243,336	36,759,523	-	36,759,523
(iii) Other Financial Liabilities	330,000	-	330,000	2,983,316	-	2,983,316
(b) Provisions	2,466,992	-	2,466,992	1,143,823	-	1,143,823
(c) Other current liabilities	26,570,086	-	26,570,086	102,581,813	-	102,581,813
(d) Current Tax Liabilities (Net)	-	-	-	-	-	-
Total Current liabilities	**181,112,448**	**-**	**181,112,448**	**391,975,445**	**-**	**391,975,445**
TOTAL EQUITY AND LIABILITIES	**2,152,150,272**	**31,393,625**	**2,183,543,897**	**2,182,843,500**	**14,892,356**	**2,197,735,856**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

b) Reconciliation of profit / (loss) between Ind AS and previous GAAP

(Amount in Rs.)

Nature of adjustments	Amount
Net Profit after tax as reported under Previous GAAP	49,653,388
Ind AS: Adjustments increase/(decrease)	
Employee stock option expenses	(3,941,776)
Actuarial gains/losses in respect of employees defined benefit plans reclassified as other comprehensive income	(1,209,854)
Amortisation of deferred interest on Rent deposit paid	(149,222)
Interest income on rent deposits paid	129,612
Amortisation of deferred interest income on Rent deposit received	423,465
Interest Expenses on rent deposits received	(394,965)
Total Ind AS adjustments affecting loss as per statement of profit and loss	**(5,142,740)**
Profit under Ind AS (after tax)	**44,510,648**
Other comprehensive income	
Actuarial gains/losses in respect of employees defined benefit plans reclassified as other comprehensive income	1,209,854
Fair value adjustments on investments (Mark to Market of Mutual Funds)	2,063,821
Deferred tax Asset in respect of above items(net)	(454,907)
Total Ind AS adjustments of other comprehensive income	**2,818,768**
Total comprehensive income reported under Ind AS	**47,329,416**

c) Reconciliation of Other equity between Ind AS and previous GAAP

(Amount in Rs.)

Nature of adjustments	As at March 31,2017	As at April 1,2016
Other Equity as reported under Previous GAAP	1,666,567,889	1,616,914,502
Effect of Transition to Ind AS:		
Mark to Market on current investments	21,166,871	19,103,050
Deferred tax liabilties (net)	(4,665,602)	(4,210,694)
Amortisation of deferred interest on Rent deposit refundable	(149,222)	-
Interest income on rent deposits - refundable	129,612	-
Amortised Rental Expense- Receivable	(394,965)	-
Deferred Income - Rental Deposit- Receivable	423,465	-
Total Ind AS Adjustments	**16,510,159**	**14,892,356**
Other equity under Ind AS	**1,683,078,048**	**1,631,806,858**

d) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Notes:

A Under previous GAAP, there was no requirement to present investment property as a distinct line item and the same was included under property, plant and equipment as at March 31,2016 and non current investments as at March 31,2017 and measured at cost. Under Ind AS, investment property is required to be presented as a distinct item under the head non current assets - investment property.

B Under previous GAAP, non current Investments were recognized at cost. Where applicable, provision was made to recognize a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments (other than investments in subsidiaries, associate and joint ventures) are to be recognized at fair value through other comprehensive income.

C Under previous GAAP, rental deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.

D Under previous GAAP, allowance for trade receivables and dues from subsidaries were recognized based on the incurred loss method. Under Ind AS, loss allowance are based on probable loss assessment as estimated by the management.

E Under previous GAAP, actuarial gains and losses on measurement of employees defined benefit plans were recognized in the statement of profit and loss. Under Ind AS, the same are recognized under other comprehensive income. Suitable reclassifications have been done.

F Under previous GAAP, deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Under Ind AS, Deferred tax is recognised for temporary differences between tax and book bases of the relevant assets and liabilities.

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

4. Property plant and equipment: Tangible assets

(Amount in Rs.)

Particulars	Land	Building	Computers	Plant & Machinery	Office equipments	Electrical Installations	Furniture and fittings	Leasehold Improvements	Motor vehicles	Total
Gross block :										
Balance as at 01 April 2016	**4,674,279**	**61,484,949**	**48,626,769**	**7,051,808**	**78,623,946**	**8,877,215**	**10,327,071**	**17,290,093**	**15,449,177**	**252,405,307**
Reclassification to investment property	-	61,484,949	-	-	-	-	-	-	-	61,484,949
Balance as at 01 April 2016 (Ind AS)	**4,674,279**	**-**	**48,626,769**	**7,051,808**	**78,623,946**	**8,877,215**	**10,327,071**	**17,290,093**	**15,449,177**	**190,920,358**
Additions	-	-	4,569,955	-	2,788,487	143,464	1,151,963	-	-	8,653,869
Disposals	-	-	68,300	-	-	-	-	-	2,521,224	2,589,524
Balance as at 31 March 2017	**4,674,279**	**-**	**53,128,424**	**7,051,808**	**81,412,433**	**9,020,679**	**11,479,034**	**17,290,093**	**12,927,953**	**196,984,703**
Additions	-	-	2,426,204	-	697,564	122,766	604,126	-	3,884,829	7,735,489
Disposals	-	-	454,182	-	-	-	-	-	1,391,687	1,845,869
Balance as at 31 March 2018	**4,674,279**	**-**	**55,100,446**	**7,051,808**	**82,109,997**	**9,143,445**	**12,083,160**	**17,290,093**	**15,421,095**	**202,874,323**
Accumulated depreciation :										
Balance as at 01 April 2016	**-**	**34,781,386**	**39,562,510**	**6,877,827**	**69,742,062**	**5,882,314**	**8,563,582**	**14,714,657**	**12,879,319**	**193,003,657**
Reclassification to investment property	-	34,781,386	-	-	-	-	-	-	-	34,781,386
Balance as at 01 April 2016 (Ind AS)	**-**	**-**	**39,562,510**	**6,877,827**	**69,742,062**	**5,882,314**	**8,563,582**	**14,714,657**	**12,879,319**	**158,222,271**
Depreciation charge for the year	-	-	5,766,795	36,561	4,476,744	476,528	536,874	911,218	398,656	12,603,376
Disposals	-	-	32,043	-	-	-	-	-	2,521,224	2,553,267
Balance as at 31 March 2017	**-**	**-**	**45,297,262**	**6,914,388**	**74,218,806**	**6,358,842**	**9,100,456**	**15,625,875**	**10,756,751**	**168,272,380**
Depreciation charge for the year	-	-	4,669,102	37,589	4,308,960	483,180	1,655,221	49,767	577,223	11,781,041
Disposals			431,079	-	-	-	-	-	1,072,148	1,503,227
Balance as at 31 March 2018	**-**	**-**	**49,535,285**	**6,951,977**	**78,527,766**	**6,842,022**	**10,755,677**	**15,675,642**	**10,261,826**	**178,550,194**
Net block :										
Balance as at 01 April 2016	4,674,279	-	9,064,259	173,981	8,881,884	2,994,901	1,763,489	2,575,436	2,569,858	32,698,087
Balance as at 31 March 2017	4,674,279	-	7,831,162	137,420	7,193,627	2,661,837	2,378,578	1,664,218	2,171,202	28,712,323
Balance as at 31 March 2018	**4,674,279**	**-**	**5,565,161**	**99,831**	**3,582,231**	**2,301,423**	**1,327,483**	**1,614,451**	**5,159,269**	**24,324,129**

Additional information:

1) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5	**Intangible Assets under development:**			
	a) Software	19,870,468	52,647,585	22,905,002
	Total	**19,870,468**	**52,647,585**	**22,905,002**

6. Investment Property

(Amount in Rs.)

Gross block :	**Building at Whitefield**
Balance as at 01 April 2016	61,484,949
Additions	-
Balance as at 31 March 2017	61,484,949
Additions	-
Balance as at 31 March 2018	**61,484,949**
Accumulated depreciation:	
Balance as at 01 April 2016	34,781,386
Amortisation charge for the year	2,257,511
Balance as at 31 March 2017	37,038,897
Amortisation charge for the year	2,450,757
Balance as at 31 March 2018	**39,489,654**
Net block :	
Balance as at 01 April 2016	26,703,563
Balance as at 31 March 2017	24,446,052
Balance as at 31 March 2018	**21,995,295**

Fair market value of Building at Rs. 26,20,88,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on the respective dates.

7. Other Intangible Assets

(Amount in Rs.)

Gross block :	**Computer software**	**Techincal Know-how**	**Intellectual property**	**Misc Expenditure**	**Total**
Balance as at 01 April 2016	71,988,729	2,178,996,138	217,427,487	30,701,226	2,499,113,580
Additions	759,579	119,981,641	-	-	120,741,220
Balance as at 31 March 2017	72,748,308	2,298,977,779	217,427,487	30,701,226	2,619,854,800
Additions	153,385,617	115,129,724	-	-	268,515,341
Balance as at 31 March 2018	**226,133,925**	**2,414,107,503**	**217,427,487**	**30,701,226**	**2,888,370,141**
Accumulated amortisation:					
Balance as at 01 April 2016	70,893,809	663,416,325	167,226,074	30,701,226	932,237,434
Amortisation charge for the year	822,800	53,367,354	50,201,413	-	104,391,567
Balance as at 31 March 2017	71,716,609	716,783,679	217,427,487	30,701,226	1,036,629,001
Amortisation charge for the year	63,122,519	45,206,603	-	-	108,329,123
Balance as at 31 March 2018	**134,839,128**	**761,990,282**	**217,427,487**	**30,701,226**	**1,144,958,124**
Net block :					
Balance as at 01 April 2016	1,094,920	1,515,579,813	50,201,413	-	1,566,876,146
Balance as at 31 March 2017	1,031,699	1,582,194,100	-	-	1,583,225,799
Balance as at 31 March 2018	**91,294,797**	**1,652,117,221**	**-**	**-**	**1,743,412,018**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

8. Non current investments:

(Amount in Rs.)

Details of investments / Name of the Company	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	No of shares	Face value	Amount	No of shares	Face value	Amount	No of shares	Face value	Amount
a) Investments in equity Instruments:									
a) (Other than Trade,Unquoted)									
Investment Others									
Investment in Equity Shares of Carazoo Online Services Pvt.Ltd	-	-	-	-	-	-	48,810	INR 10	2,040,500
Investment in Frog Data, US				-		6,483,860	-	-	-
Total			**-**			**6,483,860**			**2,040,500**
Less: Provision for diminution in value of investments			-			-			-
Total			**-**			**6,483,860**			**2,040,500**

(Amount in Rs.)

	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
9.	**Deferred tax Assets (Net):**			
	a) Deferred tax liability:			
	i) On account of depreciation on fixed assets (other than land)	-	-	-
	ii) On account of fair valuation of investments	-	(4,665,602)	(4,210,694)
	Total	**-**	**(4,665,602)**	**(4,210,694)**
	b) Deferred tax asset:			
	i) On account of depreciation on fixed assets (other than land)	16,689,651	23,100,334	13,102,145
	ii) On account of timing differences in recognition of expenditure	-	-	-
	Total	**16,689,651**	**23,100,334**	**13,102,145**
	Net Deferred tax (liability)/asset	**16,689,651**	**18,434,732**	**8,891,451**
10.	**Other non current assets:**			
	(unsecured and considered good)			
	a) Balances with revenue authorities	9,008,738	8,897,353	8,792,353
	b) Advance payment of tax (net)	13,772,913	11,832,510	11,586,502
	c) Capital advances	11,725,000	11,725,000	11,725,000
	d) Security deposits	10,245,303	9,509,430	8,190,648
	e) Security deposits- Others	1,698,202	1,694,732	1,269,732
	f) Deferred Income - Rental Deposit	580,961	773,634	903,247
		47,031,118	**44,432,659**	**42,467,482**
	Less: Allowance for bad and doubtful receivables	**-**	**-**	**-**
	Total	**47,031,118**	**44,432,659**	**42,467,482**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
11. Inventories:			
a) Finished goods	52,577	107,814	195,180
Total	**52,577**	**107,814**	**195,180**
12. Investments:			
b) Investments in Mutual Funds	-	93,841,681	164,233,196
Total	**-**	**93,841,681**	**164,233,196**
13. Trade receivables:			
a) Trade receivables exceeding six months	12,122,669	13,250,756	2,104,030
b) others	162,689,967	113,931,148	61,029,480
	174,812,636	**127,181,904**	**63,133,510**
Less: Allowance for doubtful receivables exceeding six months		-	-
Total	**174,812,636**	**127,181,904**	**63,133,510**
Additional information:			
1) Breakup of above:			
a) Secured, considered good			
b) Unsecured, considered good	174,812,636	127,181,904	63,133,510
c) Doubtful	-	-	-
Total	**174,812,636**	**127,181,904**	**63,133,510**
Less: Allowance for doubtful receivables exceeding six months	-	-	-
Total	**174,812,636**	**127,181,904**	**63,133,510**
2) a) Debts due by directors or other officers of the company			
Amounts due by private companies in which directors of the Company are directors	-	-	-
14. Cash and Cash Equivalents:			
a) Balances with banks			
- in other accounts	46,913,253	28,214,917	53,263,475
b) Cash on hand	72,613	82,967	84,606
Total	**46,985,866**	**28,297,884**	**53,348,081**
15. Other Financial Assets:			
a) Loans and advances	129,311,074	157,095,762	185,593,647
b) Others	51,715,204	18,635,843	28,650,012
	181,026,278	**175,731,605**	**214,243,658**
Less: Allowance for doubtful advances for advance paid to suppliers and others	-	-	-
Total	**181,026,278**	**175,731,605**	**214,243,658**
Additional information:			
1) Breakup of above:			
a) Secured, considered good			
b) Unsecured, considered good	181,026,278	175,731,605	214,243,658
c) Doubtful	-	-	-
Total	**181,026,278**	**175,731,605**	**214,243,658**
Less:			
Allowance for doubtful advances for advance paid to suppliers and others	-	-	-
Total	**181,026,278**	**175,731,605**	**214,243,658**
2) a) Debts due by directors or other officers of the company	-	-	-
b) Amounts due by private companies in which directors of the Company are directors	15,522,336	15,519,975	15,519,975

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	Amt in Rs.	Nos.	Amt in Rs.	Nos.	Amt in Rs.
16. Share capital:						
Authorized:						
Equity shares of Rs. 10/- each	18,000,000	180,000,000	13,200,000	132,000,000	13,200,000	132,000,000
	18,000,000	**180,000,000**	**13,200,000**	**132,000,000**	**13,200,000**	**132,000,000**
Issued, subscribed and fully paid up:						
Equity shares of Rs. 10/- each						
At the beginning of the year	12,162,273	121,622,730	12,098,673	120,986,730	12,098,673	120,986,730
Issued during the year						
- by way of conversion of loan into fully paid up equity shares	6,00,000	60,00,000	-	-	-	-
- by way of Employee Stock Options	659,400	6,594,000	63,600	636,000	-	-
At the end of the year	12,821,673	128,216,730	12,162,273	121,622,730	12,098,673	120,986,730
Total carried to Balance Sheet		**128,216,730**		**121,622,730**		**120,986,730**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	Percentage	Nos.	Percentage	Nos.	Percentage
(i) Sanjay Vedprakash Soni	2,803,010	21.86%	2,722,682	22.39%	2,717,582	22.46%
(ii) Shashi Soni	687,787	5.36%	612,287	5.03%	611,187	5.05%

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

17. Other Equity

(Amount in Rs.)

Particulars	Other Equity					Other Comprehensive Income			Total Other equity
						Items that will be reclassified to profit or loss	Items that will not be reclassified to profit or loss		
	Share premium	General Reserve	Retained earnings	ESOP Outsanding Account	Total (A)	Mark to Market of Investment	Actuarial gains/ (losses) of employee benefits	Total(B)	
As at 1st April 2016	1,447,293,217	6,339,532	163,281,752	-	1,616,914,501	-	-	-	1,616,914,501
Add/(Less): Ind AS adjustments	-	-	(3,721,124)	3,721,124	-	19,103,050	-	19,103,050	19,103,050
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	(4,210,694)	-	(4,210,694)	(4,210,694)
As at 1st April 2016 (after opening Ind AS adjustments)	**1,447,293,217**	**6,339,532**	**159,560,628**	**3,721,124**	**1,616,914,501**	**14,892,356**	**-**	**14,892,356**	**1,631,806,857**
Add/(Less): Profit / (Loss) for the year	-	-	49,653,388	-	49,653,388	-	-	-	49,653,388
Add/(Less): Reclassification	2,959,113	-	-	(2,959,113)	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(5,142,740)	3,941,776	(1,200,964)	2,063,821	1,209,854	3,273,675	2,072,711
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	(454,908)	-	(454,908)	(454,908)
Total as at March 31 2017	**1,450,252,330**	**6,339,532**	**204,071,276**	**4,703,787**	**1,665,366,925**	**16,501,269**	**1,209,854**	**17,711,123**	**1,683,078,048**
Add/(Less): Profit for the year	-	-	60,515,330	-	60,515,330	-	-	-	60,515,330
Add/(Less): On account of new issue	25,200,000	-	-	-	25,200,000	-	-	-	25,200,000
Add/(Less): On account of ESOP	2,487,390	-	-	(2,487,390)	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(21,166,871)	10,217,995	(10,948,876)	-	2,307,586	2,307,586	(8,641,290)
Less: Tax Adjustment on Ind AS items	-	-	4,665,602	-	4,665,602	-	-	-	4,665,602
Total as at March 31 2018	**1,477,939,720**	**6,339,532**	**248,085,337**	**12,434,392**	**1,744,798,981**	**16,501,269**	**3,517,440**	**20,018,709**	**1,764,817,690**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non- Current Liabilities			
18. Borrowings:			
a) Secured loans:			
a. Loan from Banks	131,900,405	170,151,712	24,129,601
b. Loan from Others	-	-	-
Less: Current maturities on loan from banks		223,377	201,201
	131,900,405	**169,928,335**	**23,928,400**
b) Unsecured loans:			
a. Deferred Payment Liabilities			
Less: Current maturities			
	-	-	-
Total Borrowings (a+b)	**131,900,405**	**169,928,335**	**23,928,400**
Additional information:			
1) Details of security for secured loans:			
Vehicle Loan from bank / financial institution secured against the hypothecation of the respective vehicles purchased			
2) Terms of repayment of term loans and others			
From Bank:			
i) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% per annum and repayable in 60 equal monthly instalments.			
Non- Current Liabilities			
19. Other Financial Liabilities:			
a) Refundable Security deposits from Lessee	11,159,599	10,855,569	10,460,604
b) Trade Payables	-	2,044,428	5,757,396
c) Liability towards investment in subsidiary	-	2,507,000	2,507,000
d) Other deposits	-	-	18,616
e) Deferred Rent Expense	499,973	1,307,481	1,730,946
Total	**11,659,472**	**16,714,478**	**20,474,562**
20. Provisions:			
a) For employee defined benefit plans	9,530,363	7,165,746	5,370,175
b) For employee compensatory absences	4,349,858	3,922,112	3,193,687
Total	**13,880,221**	**11,087,858**	**8,563,862**
Current Liabilities			
21. Borrowings:			
Secured loans:			
a) Loans repayable on demand			
- from banks	-	67,502,034	248,506,971
Total	**-**	**67,502,034**	**248,506,971**
1) Details of security for secured loans:			
a) Working capital loans from Barclays Bank PLC are secured by a pledge over approved debt mutual funds and personal guarantee of Mr. Sanjay Soni.	-	67,502,034	248,506,971

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Liabilities			
22. Trade payables:			
a) Total outstanding dues of micro and small enterprises			
Trade payables	-	-	-
	-	-	-
b) Total outstanding dues of creditors other than micro and small enterprises			
Trade payables	77,490,553	84,243,336	36,759,523
Total	**77,490,553**	**84,243,336**	**36,759,523**

Additional Information:
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on (1) above and the unpaid interest	-	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

23.	**Other Finacial Liabilities:**			
	a) Advance from customers	-	-	-
	b) Others	500,000	-	2,653,316
	c) Share warrant Application money payable	-	330,000	330,000
	Total	**500,000**	**330,000**	**2,983,316**
24.	**Provisions:**			
	a) Provision for short term compensated absences	563, 646	1,614,192	771,534
	b) Provision for Gratuity	1,466,203	852,800	372,289
	Total	**2,029,849**	**2,466,992**	**1,143,823**
25.	**Other current liabilities:**			
	a) Current maturities of secured loan from bank	-	223,377	201,201
	b) Accrued Expenses and other liabilities	65,266,928	6,806,472	52,456,368
	c) Statutory Dues	11,611,618	8,671,267	8,591,591
	d) Deferred Income	65,335,425	10,868,970	39,554,925
	e) Unclaimed Dividend	-	-	1,777,728
	Total	**142,213,971**	**26,570,086**	**102,581,813**
26.	**Current Tax Liabilities (Net):**			
	a) Provision for tax (net of advance tax outside India)	3,491,144	-	-
	Total	**3,491,144**	**-**	**-**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	2017-18	2016-17
27. Revenue from operations:		
a) Software Sales & Services:		
Domestic	15,082,387	14,856,920
Exports	614,784,094	527,949,857
Total	**629,866,481**	**542,806,777**
28. Other income:		
a) Interest Income	318,000	235,159
b) Maintenance Charges Income	2,733,735	2,506,828
c) Miscellaneous Income	8,131,472	5,173,678
d) Profit on sale of Assets	145,315	110,546
e) Service Charges Received- Carazoo	-	2,577,264
f) Profit on sale of Mutual Funds	24,769,826	13,452,493
g) Rental Income	9,224,929	9,853,034
h) Exchange fluctuation gain	4,409,839	8,010,626
i) Interest income on rent deposits paid	207,658	129,612
j) Amortisation of deferred interest income on Rent deposit received	807,508	423,465
Total	**50,748,282**	**42,472,705**
29. Cost of Purchase:		
a) Cost of Purchase for Resale	7,056,854	6,973,937
b) Custom Duty	105,589	47,815
Total	**7,162,443**	**7,021,752**
30. Changes in inventories of stock in trade:		
Stocks at the end of the year		
a) **Trading goods**		
Stock in Trade	52,577	107,814
	52,577	**107,814**
Less: Stocks at the beginning of the year		
a) **Trading goods**		
Stock in Trade	107,814	195,180
	107,814	**195,180**
Total	**55,237**	**87,366**
31. Employee benefit expenses:		
a) Salaries , wages and bonus	276,993,373	211,153,080
b) Contribution to provident and other funds	5,146,186	6,355,057
c) Employee stock option expenses	10,217,995	3,941,776
d) Staff welfare expenses	1,464,488	1,082,881
e) Reclassification of Actuarial gains/ losses	2,307,586	(1,209,854)
Total	**296,129,628**	**221,322,940**
32. Finance costs:		
a) Interest expense	11,867,577	11,836,853
b) Other borrowing costs	-	-
Total	**11,867,577**	**11,836,853**
33. Depreciation and amortization:		
a) Depreciation	14,231,798	68,410,609
b) Amortization of intangible assets	108,329,123	50,841,847
Total	**122,560,921**	**119,252,456**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	2017-18	2016-17
34. Other expenses:		
a) Advertisement Expenses	270,756	338,082
b) Payment to auditors		
- as auditor	300,000	270,000
- for taxation matters	100,000	80,000
- for Certification and limited review	-	140,000
c) Bank Charges	729,111	410,667
d) Bad Debts Written-Off	1,132,322	10,882,591
e) Books & Periodicals	43,520	31,939
f) Business Promotion Charges	3,134,461	3,939,278
g) Commission on Sales	3,518,784	7,269,332
h) Consultancy Charges	39,261,265	84,059,432
i) Directors sitting fees	720,000	660,000
j) Entertainment Expenses	3,876	69,261
k) Insurance	1,908,718	1,534,579
l) Listing Fees	551,595	447,000
m) Loss on sale of Investment	-	2,040,500
n) Membership & Subscription	198,084	298,425
o) Miscellaneous Expenses	462,053	568,206
p) Office Expenses	2,175,509	1,864,114
q) Postage and Communication expenses	5,576,624	4,999,435
r) Power & Fuel	3,700,793	4,085,341
s) Printing & Staionery	478,204	510,379
t) Professional Fees	25,206,451	14,597,172
u) Rates & Taxes	2,123,974	2,323,935
v) Rent	21,549,380	18,202,010
w) Recruitment expenses	-	6,180
x) Repairs & Maintenance Buildings	1,600,984	887,587
y) Repairs & Maintenance Others	9,720,571	3,717,891
z) Security Charges	842,070	1,082,685
aa) STPI - Service Charges	-	215,000
ab) Travelling & Conveyance	21,587,229	18,146,056
ac) Vehicle Maintenance	4,403,183	2,427,764
ad) Preliminary Exp W/off	1,040,706	-
ae) Amortisation of deferred interest on Rent deposit paid	192,674	149,222
af) Interest Expenses on rent deposits received	803,930	394,965
Total	**153,336,826**	**186,649,030**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(Amount in Rs.)

Particulars	2017-18	2016-17
35. Exceptional Items		
a) Bad debts written off	19,122,348	-
Total	**19,122,348**	**-**
36. Additional Information:		
a) Value of Imports calculated on CIF basis:		
i) Purchases of Stock in Trade	3,395,441	6,973,937
ii) Capital goods	-	-
b) Expenditure in foreign currency: (net of withholding tax)		
i) Purchases	3,395,441	6,973,937
ii) Foreign travel	6,241,773	6,599,824
c) Details of non-resident shareholdings		
i) Number of nonresident share holders	167	112
ii) Number of shares held by nonresident shareholders	247,257	165,066
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
d) Earnings in foreign exchange:		
i) Software Exports & Consultancy	614,784,094	527,949,857
37. Earnings per share:		
(Basic and diluted)		
Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
(a) Before exceptional item		
Profit for the year after tax expense	79,637,678	46,529,632
Weighted average number of equity shares	12,701,561	12,139,272
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	6.27	3.83
(b) After exceptional item		
Profit for the year after tax expense	60,515,330	46,529,632
Add: Preference dividend payable including dividend tax	-	-
Total	**60,515,330**	**46,529,632**
Weighted average number of equity shares	12,701,561	12,139,272
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	4.76	3.83
(*) Effect of potential equity shares is antidilutive		

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

38. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

(a) Defined Contribution Plan:

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

(Amount in Rs.)

Particulars	March 31, 2018	March 31, 2017
Employer's contribution to provident & pension funds	5,146,186	6,355,057

(b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust and leave encashment is a defined benefit plan.

The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(Rs. in Lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2018		March 31, 2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	87.80	47.75	61.42	35.66
Current Service Cost (*)	41.56	-	10.07	0.84
Interest Cost	6.37	3.46	4.74	2.76
Actuarial (gain)/ loss	(23.08)	11.57	12.12	18.45
Benefits Paid	(2.68)	(13.65)	(0.55)	(9.96)
Defined Benefit obligation at end of the year	109.97	49.14	87.80	47.75
2. Reconciliation of opening and closing balance of fair value of plan assets:	-	-	-	-
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:	-	-	-	-
Fair value of plan assets	-	-	-	-
Present value of obligation	109.97	49.14	87.80	47.75
Amount recognized in Balance Sheet under liabilities:	109.97	49.14	87.80	47.75
Expense recognized during the year: (under "Note 31" "Employee Benefit Expenses" in the Statement of Profit and Loss)	**March 31, 2018**		**March 31, 2017**	
In Income Statement:				
Current Service Cost	41.56	-	10.07	0.84
Interest Cost	6.37	3.46	4.74	2.76
Expected return on plan assets	-	-	-	-
In Other Comprehensive Income:				
Actuarial (gain)/ loss	(23.08)	11.57	12.12	18.45
Net Cost	24.85	15.03	26.93	22.05
Actuarial assumptions:	**March 31, 2018**		**March 31, 2017**	
Mortality Table	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**	**Indian Assured Lives (2006 -08) (Ultimate)**
Discount rate (per annum)	7.69%	7.69%	7.25%	7.25%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

(*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(c) Sensitivity Analysis:

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

(Rs. in Lakhs)

Particulars	March 31,2018		March 31,2017	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	119.00	102.10	95.26	81.35
Change in rate of salary increase (delta effect of +/- 1.0%)	103.13	117.70	82.24	93.66
Change in rate of Mortalility (delta effect of +/- 0.5%)	109.94	109.99	87.79	87.81
Change in rate of Attrition (delta effect of +/- 0.5%)	109.77	110.14	87.72	87.87

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

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

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

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

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

39. RELATED PARTY TRANSACTIONS:

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

Sl. No.	Name of the Related Party	Relationship
1	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni	Key Management Personnel and their relatives ("KMP")
2	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited,India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited,India D'Gipro Design Automation and Marketing Private Limited Hughes Precision Manufacturing Pvt Ltd D'Gipro Systems Private Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

(b) Transactions with the related parties

(Rs. in Lakhs)

Particulars	Relationship	Current Year	Previous Year
Purchase of goods and services:			
Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	49.32	10.39
Rental Income			
Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	31.09	41.39
Remuneration paid:			
Mrs. Shashi Soni	KMP	15.00	8.48
Mr. Sanjay Soni	KMP	60.00	60.00
Mrs. Kiran Soni	KMP	30.00	30.00

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

(Rs. in Lakhs)

Particulars	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Si2 Microsystems Private Limited,India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	15.55	47.44	111.69
D'Gipro Design Automation and Marketing Private Limited		-	-	8.5
D'Gipro Systems Private Limited		-	18	-

40. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 2,15,49,380/- (Previous Year Rs. 1,82,02,010/-).

The details of minimum future rental payable towards non-cancelable lease agreements are as under:

(Amount in Rs.)

Particulars	March 31,2018	March 31,2017	April 01,2016
Payable not later than year	10,008,779	9,524,004	7,893,504
Later than one year and not less than five years	45,017,861	45,190,691	34,657,674

41. Financial risk management objectives and policies:

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

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

Market Risk

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

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

The sensitivity analysis in the following sections relate to the positions as at March 31, 2018. March 31, 2017 and April 1, 2016:

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

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018, March 31, 2017 and April 1, 2016 including the effect of hedge accounting.

a. Foreign currency risk

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

42. Fair Value Measurement (Ind AS 113):

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

The below table summarises particulars of Financial Instruments used: (Amount in Rs.)

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Financial Assets at amortized cost:			
Investments	-	6,483,860	2,040,500
Trade Receivables	174,812,636	127,181,904	63,133,510
Other Financial Assets	181,026,278	28,297,884	53,348,081
Cash & cash equivalents	46,985,866	175,731,606	214,243,658
Total Financial Assets	**402,824,780**	**337,695,253**	**332,765,750**
Financial Liabilities at amortized cost:			
Borrowings	131,900,405	237,430,369	272,435,371
Other Financial Liabilities	12,159,472	17,044,478	23,457,878
Trade Payables	77,490,553	11,087,858	8,563,862
Total Financial Liabilities	**221,550,430**	**265,562,705**	**304,457,111**

43. Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees will get equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2018 have a vesting period of maximum 3 years from the date of grant.

Total expenses arising from share-based payment transactions recongnised in profit or loss as part of employee benefit expense were as follows: (Amount in Rs.)

Sl No	Particulars	31-Mar-18	31-Mar-17
i)	Employee Stock Options Expenses	10,217,995	3,941,776
Total		**10,217,995**	**3,941,776**

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

44. Managerial Remuneration

(Amount in Rs.)

Sl No	Particulars	31-Mar-18	31-Mar-17
i)	Salary and allowances	7,068,000	6,421,956
ii)	Contribution to Provident fund	432,000	426,066
Total		**7,500,000**	**6,848,022**

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.
Managerial remuneration for the current year includes of Rs.60.00 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 10th September, 2016.

45. Commitments

(Amount in Rs.)

Sl No	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
i)	Warranty Costs on Software Sale	Not Quantified	Not Quantified	Not Quantified
ii)	Unexpired Letters of credit	-	-	-

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

(Amount in Rs.)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Money for which the company is contingently liable:			
Bank Guarantee*	2,179,110	2,822,110	2,822,110
*Bank Guarantee issued to DCCT(A& R) 4.8 towards VAT & CST tax demand in dispute for FY 2010-11.			

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

(Amount in Rs.)

Name of the statute	Nature of dues	Demand disputed	Amount Paid Under Protest	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer Pricing	NIL	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer Pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer Pricing	36,750,932	7,000,000	2010-11	Appellate Tribunal
Income-tax Act, 1961	Transfer Pricing	30,910,300	-	2011-12	Appellate Tribunal
Income-tax Act, 1961	Income - tax	8,423,520	-	2013-14	CIT(A)
Income-tax Act, 1961	Income - tax & Transfer pricing	51,033,800	-	2014-15	CIT(A)
Karnataka VAT Act 2003	VAT & CST	4,213,689	1,589,738	2010-11	KAT

47. 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 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.

Notes to Consolidated Financial Statements

For the Year ended March 31, 2018

48. Segment Reporting

Primary Segments

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

i) Export

ii) Domestic

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Revenue:		
Export	6147.84	5279.50
Domestic	150.82	148.57
Net Income from Operations	**6298.66**	**5428.07**
Add: Income from Exceptional Items/Other Income	**507.48**	**424.73**
Profit before Depreciation/Tax/Interest/Amortization :		
-from Exports	1693.96	1501.13
-from Domestic	(153.36)	(223.87)
Income from Exceptional Items/Other Income	507.48	424.73
Total	**2048.08**	**1701.98**
Less: (1) Interest	118.68	118.37
(2) Depreciation/Amortization	1225.60	1192.52
Profit Before Taxation	**703.80**	**391.09**

Segmental Capital Employed:

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

49. Transfer Pricing

The company derives a significant portion of its revenue Rs.2109.17 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 2018, particularly on their amount of tax expense and that of the provision for taxation.

50. The Company has filed appeals before CIT (A) against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2014-15 and also filed its appeal before the Honourable High Court Of Karnataka against order of the ITAT for the AY 2009-10 which are pending disposal as on Balance sheet date.

51. The inter company (between holding and subsidiaries and intra-subsidiary) balances as at 31.03.2018 are subject to reconciliation.

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

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

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

Sanjay Soni	**Shashi Soni**	**Kiran Soni**	**Suraj Kumar Sahu**	**Guru Prakash.V**
Managing Director	Chairperson	Chief Financial Officer	Company Secretary	Chartered Accountant Membership No. 228938

Place: Bengaluru
30th May, 2018

IZMO Limited

Registered Office: 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bengaluru-50076
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 23rd Annual General Meeting of the members of the Company being held on 24th Day of September, (Monday) 2018, 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, Bengaluru-50076

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, Bengaluru – 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

2. Name:
   Address:

   E-mail Id:

   Signature: , or failing him

3. Name:
   Address:

   E-mail Id:

   Signature:

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 24th day of September, (Monday) 2018 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 Financial Statements including Auditors' Report and Board's Report		
02.	Re-appointment of Mr. Sanjay Soni who retires by rotation		
Special Business:	**Special Resolutions:**		
03.	Continuance of directorship of Mr. Vijay Gupta (DIN-00929401), Independent director of the company		
04.	Issue of 10,00,000 convertible share warrants on preferential basis to promoters		
05.	Issue of Equity Shares upto INR 40 Crores to the Qualified Institutional Buyers		

Signed this…… day of ……., 20….

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

Ammunition Manufacturing

Ammunition proposed for manufacturing include
7.62 x 39mm, 7.62 x 51mm, 7.62 x 54mm, 12.7 x 108mm,
14.5 x 114mm, 5.56 x 45 mm and .50 CAL.





izmo ltd.

P.O. Box 7620, 177/2C, Billekahalli Industrial Area, Bannerghatta Road,
Bengaluru-560 076, India | Tel: +91 80 67125400 Fax: +91 80 67125408

www.izmoltd.com / www.izmocars.com / www.izmocars.eu / www.izmocars.fr / www.izmoweb.in