

izmo

NEW VISTAS



20TH ANNUAL REPORT 2014-2015

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izmoWeb

Meri Website Meri Pehchan

Your website is your identity...

Just Click. Try. Buy!



izmoWeb responsive websites give you an instant presence on Google and other search engines

Connect with the world,
Connect with your customers,
Connect with your community

Why **izmoWeb**?

Low Cost, Elegant, Reliable

- Fully developed responsive websites that work well on any device - PCs, Laptops, Tablets or Mobiles, with all the content you need - ready to go.
- No development required - just add your name, logo and address
- The most advanced web platform in the world
- 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
- You run your business, we run your website

For More Information call: +91 80 6712 5455

Corporate Information

Board of Directors

Mrs. Shashi Soni
Chairperson

Mr. Sanjay Soni
Managing Director

Mr. Vijay Kumar D Gupta
Director

Mr. Perur Phaneendra
Director

Mr. Ramanujam Krishnamurthy
Director

Auditors

Mr. R. Vijayanand
Chartered Accountant
"Sri Sri" F-303, Temple Trees,
Kanakapura Main Road,
Bangalore – 560 078

Share Transfer Agents

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

Bankers

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

Registered & Corporate Office

izmo Limited
177/2C, Bilekahalli Industrial Area,
Banneraghatta Road,
Bangalore - 560 076, India
Tel : 91-80-67125400 to 5407
Fax : 91-80-67125408
Email : info@izmold.com

INDIA

Bangalore
izmo Limited
Bilekahalli Industrial Area,
Banneraghatta Road,
Bangalore - 560 076, India
Tel : 91-80-67125400 to 5407

izmo Limited
SV Arcade,
Bilekahalli Main Road,
Off BG Road, IIM Post,
Bangalore - 76

Sales & Marketing Offices

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

Delhi
izmo Limited
3rd Floor A-10,
Lajpat Nagar- Part-II
New Delhi – 110 024
Tel : 91-11-46575529

U.S.A

Corporate Headquarters

San Francisco
665 3rd Street, Suite 320,
San Francisco, CA 94107
Tel : 415.495.6000
Fax: 415.495.2955

Photography Studio, Long Beach

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

EUROPE

Brussels
Diegemstraat, 45
1800 Vilvoorde,
Belgium

Core Management Team

U.S.A

Mr. Tej Soni
President of izmocars

Mr. Chris Daniels
Head - Studio Operations

Europe

Mr. Marc Van Roy
Head - Client Management

India

Mr. Sarabashish Bhattacharjee
Chief Architect

Mrs. Kiran Soni
Chief Financial Officer

Mr. Gopi SD
Senior Manager-Finance and Accounts

Mr. Akula Sathya Kiran
Head-Web Division

Mr. M.V.Sivakumar
Head-Image Editing and CGI

Mr. Dipankar Kacharia
Head - AOA Division

Websites

www.izmold.com
www.izmocars.com
www.izmocars.fr
www.izmoitalia.it
www.carazoosolutions.com

www.izmoweb.com
www.izmocars.eu
www.izmo.es
www.izmoweb.in
www.izmoStudio.com

www.izmoStudio.eu
www.izmoStock.com
www.izmoVO.com
www.izmovo.fr

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF IZMO LIMITED WILL BE HELD AT 9.30 A.M ON TUESDAY THE 29TH DAY OF SEPTEMBER 2015 AT BHARATIYA VIDYA BHAVAN, RACE COURSE ROAD, BANGALORE – 560 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1.To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
- 2.To appoint a Director in place of Mrs. Shashi Soni, who retires by rotation and being eligible, offers herself for re-appointment.
- 3.To ratify the appointment of Mr.R.Vijayanand, Chartered Accounts (Membership Number 202118) who was appointed in previous Annual General Meeting.

Place : Bangalore
Date : 03.09.2015

By order of the Board
For IZMO Limited
Sd/-
Sanjay Soni
Managing Director
DIN: 00609097
Address: Flat No. 9, Prestige Casablanca Apartments,
12/1, Airport Road, Bangalore-560017

Notice

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON POLL AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** An instrument appointing a proxy in order to be effective should be filled and deposited at the Registered Office of the Company not less than **48 hours** before the commencement of the meeting.
2. A person appointed as proxy, can act as a proxy for not more than 50 members and holding in aggregate not more than 10% of the total paid up share capital of the Company. A member holding more than 10% of the paid up share capital of the Company may appoint a single person as proxy and such person appointed cannot act as proxy for any other member.
3. The relevant details of Directors seeking appointment / re-appointment, as required by Clause 49(IV)(G)(I) of the Listing Agreements entered into with the Stock Exchanges, are annexed herewith.
4. The Register of Directors and Key Managerial Personnel and their Shareholding, Register of contracts with related party and contracts and Bodies in which directors are interested and Register of Proxies would be available for inspection by the Members at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, September 29th 2015.
6. Bodies Corporate members are requested to send a certified copy of the board resolution authorising their representative/s to attend and vote at the meeting pursuant to provisions of Section 113 of the Companies Act, 2013.
7. The Company was not required to transfer any amounts to IEPF Account during the year and would transfer the amounts to IEPF Account as and when due.
8. Members are entitled to hold their shares in dematerialized (“Demat”) form. Those Members who are holding shares in physical form are requested to dematerialise their shares by approaching any of the Depository Participant/s. In case any Member wishes to dematerialise his/her/its shares and needs any assistance, he / she / it may write to the Registrar & Transfer Agent of the Company: ‘Cameo Corporate Services Limited’, “Subramanian Building”, V Floor, # 1, Club House Road, Chennai – 600 002.
9. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.
10. Electronic copy of the Annual Report is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may note that the Notice of the 20 th Annual General Meeting of the Company and the Annual Report will also be available on the website of the Company www.izmoltd.com. Physical copies of the aforesaid documents will also be available at the Registered Office of the Company on all working days except on Saturdays, Sundays and public holidays between 11:00 a.m. to 5:00 p.m.
13. Members holding shares in the same name or same order of names under different Ledger Folios are required to send all their Share

Notice

Certificates to the Company's Share Transfer Agent at Chennai for consolidating all such Shareholdings into one Folio to facilitate better service.

14. Members holding shares in physical form only are requested to inform the changes, if any, in their registered addresses to the Company's Share Transfer Agent, Cameo Corporate Services Limited, "Subramanian Building", V Floor, # 1, Club House Road, Chennai – 600 002.
15. Members holding shares in electronic form should address all their correspondence to their respective Depository Participant (DP) only, regarding change of address, change of Bank account/ change of Bank nomination etc., and not to the Company. The Company will not act on any direct request from such members holding shares in electronic form for change/deletion in bank details.
16. Members may address all their documents/correspondence relating to the Equity Shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated above.
17. For convenience of members, an attendance slip is annexed to the proxy form.
18. Members are requested to affix their signature at the space provided and fill up all the particulars i.e., DP details, Client ID No. /Folio Numbers and hand over the attendance slip at the place of the meeting.
19. Members are requested to bring their copy of the Annual Report for the Meeting.
20. Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.
21. Voting through Electronic Means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 26th September 2015 (9AM IST) and ends on Monday, 28th September 2015 (5PM IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st August 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (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) Next 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:

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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) <ul style="list-style-type: none"> ▪ 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ▪ Please enter the DOB or Dividend Bank Details in order to login. If 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.
- (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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

Notice

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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 email to helpdesk.evoting@cdslindia.com
22. During this period, Members of the Company, holding shares as at 21st August 2015 either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- Note: e-Voting shall not be allowed beyond said time.
- The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company.
23. Mr. Manjunatha Reddy M having Membership No.: 19957 and CP No.: 7259, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
25. **A Member can opt for only one mode of voting i.e., either through e-voting or at the Annual General Meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and vote at the Annual General Meeting shall be treated as invalid.**
26. The results declared along with the Scrutinizer's Report shall be placed on the Company's website within two days of passing of the resolution at the 20th Annual General Meeting of the Company to be held on September 29, 2015. The same will also be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Notice

DETAILS OF DIRECTORS AS ON THE DATE OF THIS NOTICE SEEKING APPOINTMENT OR RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (“AGM”)

Particulars	Mrs. Shashi Soni
Date of Birth	04.04.1941
Date of Appointment	01.06.2001
Qualification	Under Graduate
Expertise in specific functional area	42 years of industrial experience
No. of Shares held in the Company	602517 as at 30.06.2015
Directorship in other Companies	1. Deep Oxygen Private Limited 2. Deep Investment Advisory Bangalore Private Limited
Membership/Chairmanships of the Committees of other Public Companies	Nil
Attendance in the Board Meetings	No. of Board Meetings:6 Attended:5

Place : Bangalore
Date : 03.09.2015

By order of the Board
For IZMO Limited
Sd/-
Sanjay Soni
Managing Director
DIN: 00609097
Address: Flat No. 9, Prestige Casablanca Apartments,
12/1, Airport Road, Bangalore-560017

Route Map for the venue of AGM





Charge of the Light Brigade by Thomas Jones Barker (1815-1882)

“Take up one idea. Make that one idea your life--think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone.

This is the way to success.”

Swami Vivekananda

Directors' Report

Dear Shareholder,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited statements of accounts for the year ended 31st March, 2015.

Financial Highlights :

(Amount in Lakhs)

Particulars	2014-15	2013-14
Revenue from Operations	1,843.05	1,605.41
Other Income	187.75	243.84
Total Revenue	2,030.80	1,849.25
Direct cost of Operations	119.85	122.72
Increase/(Decrease) in Stocks/WIP	(2.53)	(0.96)
Employee Benefit Expenses	807.64	611.20
Financial Expenses	187.98	184.60
Depreciation	580.76	550.56
Other Expenses	328.15	343.83
Total Expenses	2,026.91	1,627.35
Profit before Tax & Exceptional Item	3.89	37.30
MAT Credit Adjustment	-	(9.71)
Profit before Tax	3.89	27.59
Provision for Taxation	(20.71)	(13.76)
Deferred Tax	43.31	5.85
Profit after Tax	26.49	19.68

Performance

The Company's sales have shown an increase of 14.80% as compared to the previous year. This is mainly on account of the growth in sales of the Company's products in the European market. This trend will continue as long as the European Union remains in recession. The prolonged recession is forcing car dealerships and car manufacturers to cut costs wherever possible. That is leading to an increased demand for the company's Virtual Showroom product all across Europe.

The other income has shown a sharp fall primarily on account of the INR remaining quite stable against the US Dollar.

Analysis of Expenses

The direct cost of operations in FY 14-15 are slightly higher than that incurred in FY 13-14. This is inspite of higher revenues from this Division in FY 14-15 as compared to FY 13-14. This is primarily on account of better price realization for Enterprise Connectivity products.

The company has increased its employee headcount substantially in FY 14-15 as compared to the previous year. This has resulted in the sharply higher employee costs for the company. The company has added headcount as it is developing new products, which would be launched in India, US and Europe simultaneously in the current year. The new products are expected to contribute substantially to the company's topline and bottomline in the next few years.

Financial costs have increased slightly as compared to the previous year. However, this should reduce substantially in the current year.

Other expenses have shown a slight decrease over the previous year. The company's constant endeavor is to keep the costs at a bare minimum.

Directors' Report

Depreciation has seen a slight increase due to higher capital expenditure incurred during the year. The company has upgraded its production and Server infrastructure to ensure higher productivity.

Profitability

The overall profitability of the company is more or less similar to that of the previous year. The company has been able to maintain its profitability despite a substantial increase in its headcount.

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

Business Overview

Taking Wings – from Niche Marketing to the Global Marketplace

After a decade of successfully marketing izmo web technology to the automotive vertical worldwide, the company has now decided to step into the mainstream global market place, with ready-to-go websites for any business, complete with business-ready content and elegant, attention-grabbing graphics.

“Meri Website, Meri Pehchan”

The new avatar of izmoWeb – “Meri Website, Meri Pehchan”, or “My Website, My Identity” globally, is targeted at professionals and businesses.

The Great Website Challenge

THEY ALL SAY THAT GETTING YOUR OWN WEBSITE IS AS EASY AS 1, 2, 3... **REALLY?!!**

Your journey with most website providers

- Think about it...
- Find you set up & they give you a template
- Then you create a layout
- Work with a graphic designer for pictures and images
- Start collecting content & arranging it on a page
- Collect HTML, menus, navigation, SEO...
- Oh, forget it...

Your journey with izmoWeb

- CLICK Select your category
- TRY See fully developed websites with content
- BUY Just fill in a form & your website is live! - 100% in 24 hours

izmoWeb- a revolutionary web marketing concept all set to change retail marketing

Directors' Report

Research shows that almost anyone – from professionals like doctors, chartered accountants and lawyers to local businesses like restaurants, play schools, gyms, bars, beauty parlors and even hair stylists can derive enormous business advantage from an effective, well promoted website.

Your company is now stepping into this new business territory with a new, business friendly concept, going miles ahead of the competition to make the web journey easy and convenient for our customers.

izmoWeb - a true “one-stop” solution

Earlier, businesses had to figure out from whom to buy a domain name, who will design the website, who will write the content for it, who will do the hosting, who will provide search engine optimization (SEO) and online marketing, who will create business email ids, and so on. A hundred hurdles needed to be crossed before they can have an effective, performing website bringing in new clients every day.

Even businesses who can afford the large budget did not have the expertise to tie all of these together into a viable project and take the website live. As a result, most businesses were stuck with basic, “business card” websites. Many of them lost faith in web marketing altogether, continuing with expensive newspaper advertising for the lack of a better web alternative.

Your company is about to change all of that, with izmoWeb.

First in the World

To begin with, izmoWeb is built for customers. All that customers need to do is fill in their business name, address, location, and pricing, and upload their logo if available. Everything else– from buying the domain to taking the website live, creating business email ids and creating and plugging in social ids - is done with no customer effort required.



This is a revolutionary step, since no other provider in the world is now offering fully configured go-to-market websites complete with business content written by experts, to multiple business verticals as diverse as health care, accounting, hospitality, education, and more.

Responsive Web Technology – Built for the New web

izmoWeb is built for the new web -a web that is viewed on multiple devices, from a PC at the office to a laptop at home, a tablet device on the go, or increasingly, on cellphones. Your company uses the latest in “responsive web” technology to dynamically re-orient the website to make it work best on any device. izmoWeb responsive websites not only make it easy for the customers of our clients to access their services, but also ranks higher up in Google, out of the box, since the search engine now prefers responsive websites over older adoptive websites with separate mobile sites.

Easy to Manage

The new izmoWeb websites are quite easy to manage, even for people with little or no knowledge of websites. With the world's most sophisticated web platform under the hood, website content and marketing campaigns can be created on the fly. New customer testimonials can be added as soon as the business receives them. Website analytics is easily available with a few clicks.

Directors' Report

Easy to Scale Up

Once business websites pick up traction and orders begin to pour in, many businesses may need to scale up their web marketing. Your company makes it easy for them to plug in web marketing and social marketing modules at will, by providing an expert team to work for them at competitive prices.

Built to Extend

Unlike other web providers, izmoWeb websites are not stand alone websites fending for themselves, but part of a larger “Mothership” business portal network which acts as a force multiplier and makes the izmoWeb web marketing platform unassailable.

Typically, prospective customers do background research first, mostly on web portals before narrowing down to a buying decision by which time they start visiting business websites. With the Portal-Website duo, izmoWeb helps clients to capture prospective customers early on, when they are still researching on portals.



izmoWeb- More than a Website, a Business Ecosystem

izmoWeb websites also come with an advanced appointment system out of the box, making them a true web marketing solution that can deliver customers to our clients' doorstep. Once the websites and marketing automation gain traction, businesses can opt for a more advanced CRM system that will not only manage customers over long lifecycles, but also automate their customer communication.

With izmoCRM, no customer will remain untouched for any period of time. Since an existing customer is as valuable as twelve or more new customers, the add-on CRM system will make izmoWeb an even more potent, and unbeatable web marketing solution.

Directors' Report

Scope of Business

Worldwide, there are 500 million ineffective websites which can be replaced with izmoWeb.

INDIA

India alone has 1.3 million small and medium enterprises (SMEs), employing a full 40% of India's workforce. 94.9% of these SMEs are micro enterprises who are unlikely to have a dedicated web marketing team.

izmoWeb and “Make in India”

India's SMEs contribute only 17% to the GDP. One of the reasons behind the sluggish performance is a lack of marketing reach. izmoWeb can work wonders in this area, coupled with the “Make in India” campaign, opening up markets worldwide for Indian SMEs.

NORTH AMERICA

USA

There are 28.4 million small businesses in the U.S., and they employ 56.1 million people – about half of the total U.S workforce. In the first quarter of 2014 alone, 382,000 small businesses opened in the U.S. – each one a potential izmoWeb customer.

Your company is initiating a plan to roll out izmoWeb across the U.S., leveraging its strong connections with the business ecosystem to ramp up operations drastically.

MEXICO

izmo has significant presence in Mexico, where it is the largest provider of automotive websites. Mexico has over 4 million SMEs and izmo is hopeful of a successful nationwide rollout of izmoWeb services in the country, building on its spectacular success in automotive retail.

EUROPE

FRANCE

France has an SMB sector in excess of 2.4 million businesses. French SMEs are highly entrepreneurial, and in the midst of a transition from traditional marketing to more cost-effective web-centric marketing.

izmo has a stable client-base and good market reputation in France as the countries' largest web provider in the automotive vertical, and is hopeful of a quick rollout of izmoWeb in the country.

OTHER EU NATIONS

BELGIUM, ITALY, SPAIN, PORTUGAL AND GERMANY

izmo is hopeful of leveraging its existing presence in Belgium, Italy, Spain, Portugal and Germany, to roll out izmoWeb in all of these counties expeditiously.

As explained earlier, izmoWeb is a game-changer in digital marketing, opening up web marketing to businesses and professionals who could not have managed a web marketing presence otherwise due to budget and expertise constraints. Your company expects to generate rapid results in this area.

Directors' Report

AUTOMOTIVE VERTICAL

North America

USA

Ending long years of disappointing sales slumps, U S auto sales retained the headwinds of 2014 in 2015 as well. Sales is expected to touch the Industry's best ever annual record of 17.4 million vehicles, even as vehicle prices remain at a record high.

Riding on this renewed upsurge, the multi-media division of izmo was able to make considerable headway in the market, adding top-tier clients like GM, Microsoft, Toyota Motor Sales (TMS), Mitsubishi, USA123, ADS, AOL, Autonation, Autopoint, Autotrader, Dataone, DEP, DME, Dominion, Evolio, Gomoto, HGM, Jato, JDPa, Jetpack, Kukui, NEWS, SIM, Stickout and Vincentric, even as we retain clients such as Kuhio Auto Group in the website and CRM space.

With the average age of vehicles rising to an unprecedented 11 years, dealers are increasingly able to derive attractive revenue from sales and service, with the right CRM to automate customer interactions. izmoCRM in its new avatar is expected to make significant headway in the U.S. market.

Mexico

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 24.8% market share.



izmo dealer websites and portals also drive the sales of Renault, Volkswagen, Chrysler Ram Dodge Jeep, and Suzuki vehicles, as well as used cars. Prominent dealer groups in our portfolio include Autocom, Andanac, Autosur and Ga3.

European Union

Western Europe is now showing signs of a recovery, with sales picking up momentarily across the major markets of UK, Germany, France, Italy and Spain. Half-yearly new car registrations in EU rose 8.2% in the first half, with 7,169,984 vehicles registered, according to European Automobile Manufacturers Association.

The trend was visible in every major market in June, with Portugal (+ 33.9%) Spain (+23.5%), France (+15.0%), Italy (+14.4%), Germany (+12.9%) and U.K. (+ 12.9%) posting double-digit gains. Surprisingly, even Greece posted double digit growth at 13%. As a result, analysts now predict a more confident outlook in new car sales.

Meanwhile, the prolonged decline in revenue that lasted for over 6 years forced dealerships across EU to look for marketing alternatives to the prohibitively expensive print and TV advertising. Across EU, dealerships have increasingly started looking at their websites as the primary marketing driver.

izmo is the only solutions provider in the E.U. offering a “one-stop”, all inclusive web marketing solution required by dealers to drive this online marketing shift.

The izmo solution suite for EU auto dealers include “Virtual Showroom” Websites, Online Marketing and Social Media, Automotive CRM and ILM, Service Management and Dealership Performance Consulting, as well as image processing services.

Directors' Report

In order to address culturally diverse national markets, izmo has identified and engaged with well established channel partners in France, Spain, Portugal and Italy.

The European division of izmoStudio made impressive gains in the automotive visual media segment, with a client list including major clients such as MSN, Hertz, Stickout, Leaseplan, JDPAAMTT (Global Clients), ASV, AutoICI, AutoReduc, AVIS, Bernard, Car Trawler, Elite, Eucon, Europ Car, EuroTax, Meinauto, Mobile DE, Multilease, Orange Wheels, Terberg Leasing and Tusker.

France

Your company is delighted to report that izmo is now the #1 auto dealer website provider in France. This milestone was achieved with the addition of PGA.

izmo continues to serve HESS, the Lamirault Group, Metin Group and Kayser Group. The dealer portfolio of your company in France now includes the French Brands Peugeot, Citroen, and Renault, as well as Audi, Alfa Romeo, Abarth, Chrysler, Chevrolet, Dacia, Dodge, Fiat, Fiat Professional, Hyundai, Jeep, Jaguar, Land rover, Kia, Lancia, Lexus, Mini, Mercedes Benz, Nissan, Opel, Porsche, Saab, Seat, Skoda, Subaru, Suzuki, Toyota, Volkswagen and Volvo as well as automotive portals.

Spain

Your company made significant inroads in the Spanish automotive market after adding Audi and Volkswagen websites for the Vilamòbil group, and has added 18 websites to the Spanish portfolio, including Augusta Car Group, and Grupo Nicolas.

Portugal

izmo was able to make an important breakthrough in the service segment in Portugal, with hundreds of dealers signing up for an innovative service solution for Ancra. Presently izmo has 16 websites serving dealers in Portugal.

Italy

izmo has made significant inroads into the Italian market, with the addition 12 auto dealer websites for Linea Blu, Biella Auto Central Car Spa.

Solutions Map



Directors' Report

ASIA

India

After a year of sluggish sales, the Indian automotive Industry closed 2015 on a very positive note, with vehicle sales up in all segments except commercial vehicles. The Indian automotive industry achieved an overall growth of 7.22% 2014-15, with auto dealerships reporting an increase of 4.99% in sales, selling 1,876,017 vehicles. Utility vehicle sales are also up, at 5.30%.

Increasingly, automotive dealers are now switching their marketing strategies, making their website the center of their marketing activities. As a result, Carazoo, the only Automotive solutions provider in the Indian market to provide 360° auto retail solutions, is experiencing fast-paced growth. The Carazoo suite of solutions also include online marketing, CRM and Lead Management solutions.

Some of these Carazoo-powered online showrooms are: Bimal Auto, NBS Mahendra, Landmark Group, PPS Group, Sai Service Group, Sagar Auto, Mody Auto Group, Kataria Automobiles, Fortpoint Automotive, Trident Automotive Group and Shaman Auto Group.

On a strategic evaluation, Cap Gemini named Carazoo as one of the 7 Global entities that will influence Auto Retailing along with Yahoo, eBay, Wal-Mart and Edmunds.com.



With 184 online showrooms currently live, Carazoo is the #1 car dealer website provider in India. The Carazoo website portfolio includes Maruti Suzuki, Volkswagen, Hyundai, Honda, Mahindra, FIAT, Chevrolet, Ford, Renault, Tata Motors, Nissan, ISUZU, and Skoda, besides Bajaj, Hero, Suzuki, and Honda websites in the 2-wheeler segment, group websites, and Trucks & Tractors websites.

Market Opportunity and Growth Strategy

With practically every business in the world's biggest markets looking forward to the web as their primary marketing source, the website segment for SMEs represent an opportunity of at least 10 million websites annually. With more than a decade of experience in the automotive sector, a highly competitive segment, the time is now ripe for izmo to enter the global market for websites for businesses and professionals with the launch of izmoWeb.com.

izmo is entering the market with five distinct competitive advantages:

- True one stop-solution, ideal for small businesses. All they have to do is enter their business name, address, preferred domain name and pricing information, and upload an optional logo. Izmo then performs all of the steps required to have a web business set up, including registering their domain name, setting up their website, hosting it, creating email ids, setting up their profile on Google and more.
- Professional content for all major business segments. With any other provider, the client will have to either write the content or hire others.
- Advanced appointments system built in: almost any business requires an appointment system.
- More than a website, a web ecosystem: izmo websites are not merely standalone website offering, but a complete system including a mother ship portal, that tracks and drives customers to the business right from day one.
- No other provider in the world offers all of these at our price. With our India advantage + global market presence, the entry barrier is quite high for others to offer any significant competition.

Directors' Report

izmo's Vision



izmo is hopeful of entering the global big league in this segment in a very short time, capitalizing on the conducive business environment provided by the “Make in India” initiative and aggressively targeting markets, employing innovative media strategies.

#1 Global Provider of automotive imagery and visual marketing solutions

With state-of-the-art studios in close proximity to the global nerve centers of the automotive world, namely 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 years back.

We are now expanding the izmoStudio product portfolio to part video and VGI enhanced imagery, to further consolidate and expand our market leadership.

Presently, izmo studio is serving:

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

In the next fiscal, we are hopeful of further consolidating our position in all of these categories, aggressively marketing the enhanced capabilities of izmoStudio.

izmo. The #1 Automotive web solutions provider in France, Mexico and India

Your company is also in the process of consolidating the auto dealer solutions business in North America, Europe and Asia.

We are already the #1 auto dealer website provider in France, Mexico and India. With the launch of the new generation “Responsive” web platform, arguably the most advanced web platform in the world, the new generation appointments

Directors' Report

“Responsive” web platform, arguably the most advanced web platform in the world, the new generation appointments system, and the new version of izmoCRM with marketing automation, we hope to make great progress in our automotive business segment in all of our markets.

India Advantage



The India advantage of high-end support services at a relatively modest cost is a strategic advantage that greatly supports the organic growth of the company. Unlike other players, the India component is not merely another cost-cutting measure for izmo – it is integral to the very corporate structure of the company, built into its corporate DNA.

Global Clientele



ISUZU



DOMINION
DEALER SOLUTIONS



AVIS



More...

Directors' Report

izmoWeb

Meri Website, Meri Pehchan



Related Products

izmoRainmaker iCRM

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

izmoRainmaker

Organic Online Marketing



Related Products

izmoWeb iLM
Intelligent Web Design Internet Lead Management

izmoRainmaker is a comprehensive, interactive, Internet marketing solution developed exclusively for the automotive retail industry by online marketing experts. Every izmocars customer works with a dedicated Rainmaker team, whose job is to increase your traffic, market your brand online through Search Engine Marketing (SEM) for car dealers, Social Media Marketing (SMM) and Search Engine Optimization (SEO).

izmoRainmaker Offers:

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

Directors' Report

iCRM

Customer Relationship Management



Related Products

izmoWeb

iLM

Internet Lead Management

iCRM is an enterprise class Customer Relationship Management solution industry.

iCRM is delivered as a service, is completely Web- based and contains the following core functionalities:

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

iCRM 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.

izmoStock

Stock Imagery



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

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

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

Directors' Report

izmoStudio

Automotive Imagery & Animation



Related Products

izmoStock
Automotive Stock
Photography

izmoToolkit
Internet Tools for Successful
Auto Business

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

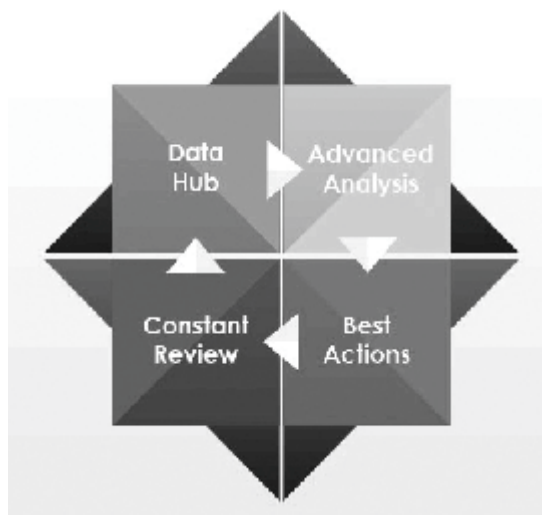
Large Automotive Photography Studios strategically located in Long Beach, USA and Brussels, Belgium, combined with state-of-the-art post-production facilities in Bangalore, enables izmoStudio to quickly produce large volumes of work, covering about 500 automotive models.

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

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

iDataMagic

Data Analytics for Auto Dealers



Related Products

izmoWeb

izmoRainmaker

Using the data accumulated across the organization remains one of the biggest challenges today. iDataMagic is your end to end solution that transforms raw data into actionable strategic knowledge to guide decisions, helping to increase market share, revenue and profits.

iDataMagic's predictive analytics is about seizing opportunities for competitive advantage by leveraging insight hidden in data. For example, knowing which customer is most likely going to stop servicing their car when their warranty is over or knowing which leads are more likely to close based on overall customer behavior trends.

The challenge today is not just in handling data but trying to understand what it's trying to tell us. iDataMagic delivers cost savings, while helping you increase your market share profitably.

Directors' Report

Growth Strategies

izmocars is uniquely positioned as the innovation leader globally in automotive retail, providing end-to-end solutions ranging from a web platform to mobile websites, online marketing & Social Media, Email Marketing, CRM, Lead Management, and Service Management, apart from market-leading interactive selling tools and automotive photography. izmocars aims to consolidate market position and thought leadership as the only end-to-end Automotive e-Solutions Provider globally.

The company is also consolidating its market leadership in the OEM space for high-end imaging, automotive animation, and web solutions. A major addition to the image portfolio is MSN global, covering USA, Canada, UK, France, Germany, Russia, Spain, Italy, Netherlands, Mexico, Brazil, Australia, China, and Japan. Izmo is also expanding its OEM portfolio of GM, Ford, Toyota, Lexus, Mitsubishi, Nissan, Renault, ISUZU, and Hyundai.

Other prominent companies in the visual solutions portfolio include: AOL, YAHOO, AutoTrader, DATAONE, Jato, DME, AmFam, ImageSpan, SIM, MeinAuto, Elite, Hertz, Terberg Leasing, Mobile DE, ASV, Eurpocar, Dominion, Avis, Multilease, VP, Cartrawler, Individual Cars, Dealer E Process, and Stickout.

Subsidiaries:

The Company is having three wholly owned Subsidiaries. Izmo Europe BVBA, Izmo Inc. and Midrange Software Pte Ltd,. The Consolidated Financial Statement is provided in this Annual Report as per the Companies Act 2013.

Fixed Deposits:

Your Company has not accepted any deposits.

Particulars of loans/ Guarantees/investments under Section 186:

The Company has taken a working capital loan from Barclays Bank PLC, for an amount of Rs. 12.15 Crores. As a collateral security the Company has pledged the securities held by it as investment along with all the rights, title, claims, demand, benefit and interests of the company as per the terms of the Agreement between the Company and the Bank.

Directors' Report

Details of directors, KMP, appointed/ceased during the year:

Name	Appmnt/ Resgn	Date of event	Designation
Mr. Perur Phaneendra	Appointment	30.09.2014	Independent Director
Mr. Ramanujam Krishnamurthy	Appointment	30.09.2014	Independent Director
Mrs. Kiran Soni	Appointment	10.11.2014	CFO
Mrs. Chitra. M.A	Appointment	10.11.2014	Company Secretary & Compliance Officer
Mr. RN Chawhan	Resignation	30.05.2014	Director
Ms. Chitra. M.A	Resignation	24.08.2015	Company Secretary & Compliance Officer

Board presently is constituted as follows:

- | | | | |
|----|-----------------------------|---|--|
| a. | Mrs. Shashi Soni | - | Chairperson |
| b. | Mr. Sanjay Soni | - | Managing Director |
| c. | Mr. Vijay Kumar D Gupta | - | Non Executive and Independent Director |
| d. | Mr. Perur Phaneendra | - | Non Executive and Independent Director |
| e. | Mr. Ramanujam Krishnamurthy | - | Non Executive and Independent Director |

Committees of the Board of Director:

Following Committees of the Board as required to be constituted under the provisions of Companies Act, 2013 and the Clause 49 of the Listing has been constituted by the Company:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

The three Independent Directors of the Company Viz., Mr. Vijay Kumar D Gupta, Mr. Perur Phaneendra and Mr. Ramanujam Krishnamurthy constitutes all the aforesaid Committees of the Board.

Number of meetings of the Board:

During the Financial Year 6 Board Meetings were held on 30.05.2014, 23.06.2014, 04.08.2014, 03.09.2014, 10.11.2014 and 10.02.2015.

Statement on Declaration of Independence given by Independent Directors under Section 149:

All Independent Directors have given declarations that they meet the criteria of independence as laid down u/s 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Directors' Report

Familiarization Program for Independent Directors:

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

Compliance of Code of Conduct by Directors

This Code envisages that the Board of Directors of the Company and Senior Management Personnel must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law. The purpose of this Code is to enhance ethics & transparency in the governance of the Company, and thereby reinforce the trust and confidence reposed in the Officers by the shareholders of the Company. All the members of the Board and Senior Management Personnel have affirmed compliance to the Code, as at 31st March 2015.

A declaration to this effect signed by Managing Director is provided in the Corporate Governance Report. A copy of the Code has been posted in the Company's Website (www.izmo.com) and

Formal annual evaluation of Board on its own performance and that of its committees and individual Directors:

Pursuant to the Companies Act 2013 and Clause 49 of the Listing Agreement evaluation of performance is carried out by the Company. Performance of executive directors has been evaluated by Independent directors and that of independent directors has been evaluated by Executive directors. Evaluation report shows that performance of all the directors are satisfactory.

Company's Policy on directors appointment, remuneration criteria for determining qualifications, etc as provided under 178(3)

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee ("the Committee") and has been approved by the Board of Directors.

Details of policy on director's Appointment, remuneration criteria etc is given in **Annexure A**

Audit Committee Composition

The Audit Committee of the Company has 3 independent directors as its members viz., Mr. Perur Phaneendra, Mr. Vijay Kumar D Gupta and Mr. Ramanujam Krishnamurthy. The terms of appointment, role and the powers of audit Committee is as per the Section 177 Companies Act 2013 and Clause 49 of the Listing Agreement. Four meetings of Audit Committee were held during the Financial Year 2014-15 on 30.05.2014, 04.08.2014, 10.11.2014 and 10.02.2015.

Directors' Report

Vigil Mechanism/ Whistle Blower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Code of Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Therefore the Company has established Vigil Mechanism/ Whistle Blower Policy for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The policy of the Company on Vigil Mechanism / Whistle Blower has been uploaded in the Company's Website (www.izmo.com).

No complaints have been received during the year Financial Year 2014-15.

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.

Risk Management Policy

During the year, the Company has constituted a risk management committee to assist the Board in effective risk management. Three independent directors of the Company viz, Mr. Perur Phaneendra, Mr. Vijay Kumar D Gupta and Mr. Ramanujam Krishnamurthy constitutes the risk management committee. A copy of Risk Management Policy is available in the Company's Website (www.izmo.com).

Particulars of Contracts/arrangements with related parties

During the year, the Company had not entered in to any contract/arrangement/ transaction with related parties. Your directors draw attention of the members to notes to the financial statement which sets out related party disclosures. Particulars of related party transactions in Form AOC-2 is annexed with this Report in Annexure G. The policy on related party transactions may be accessed on the company's website, www.izmo.com.

Management Discussion & Analysis Report:

Pursuant to the provisions of Clause 49 of the Listing Agreement, Management Discussion & Analysis Report is annexed as part of this report separately as **Annexure B**.

Report on Corporate Governance

The report on Corporate Governance together with the Auditor's Certificate regarding the Compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed and forms part of this Annual Report as **Annexure C**.

Directors' Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

A. Conservation of Energy :

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

B. Technology Absorption and Research & Development (R&D) :

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

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

C. Foreign Exchange Earnings & Outgo :

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

Earnings – Rs. 1656.90 Lakhs (PY Rs.1425.56 Lakhs)

Outgo – Rs.172.60 Lakhs (PY Rs.135.29 Lakhs)

Extract of Annual Return

The extract of Annual Return of the Company is given in this Annual Report -**Annexure D**

Directors' Responsibility Statement:

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

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) 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 for the financial year ended 31st March 2015;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; &

(vi) 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.

Directors' Report

Explanation or comments by the Board on every qualification/reservation/adverse remark/ disclaimer by the Statutory Auditor in his report

Director's replies to the qualifications/observations of the Auditors are as follows:

Sl. No.	Auditors Qualifications	Directors Reply
1	Where overdue amount in respect of a loan granted is more than Rupees one lakh, reasonable steps have not been taken by the Company for recovery of the principal amount.	Steps have been taken to recover the amount and the Management is in talk with the concerned Company and hereby ensures that the same will be recovered at the earliest.
2.	The Consolidation Cash Flow Statements of subsidiaries has not been complied as per the Companies Act 2013. I am therefore unable to comment on the impact, if any, on the Profit & Loss Account as at the Balance Sheet date.	For the FY 2014-15, the Company is taking care to comply with the Companies Act with regard to the Consolidation of Cash Flow Statements.
3	As regards provision for current year taxation, the Company is in the process of making payment towards TDS on Non Resident dues of Rs.11,30,408/- under the provisions of Income Tax Act 1961. Management is of the opinion that dues with respect to withholding taxes shall be paid in full before the due date of filing of Income tax returns and accordingly no disallowance under the provisions of Income Tax Act 1961 shall be attracted in respect of the same.	As of now, the above referred dues have been already paid by the Company.
4.	In respect of loans granted, the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence I am unable to comment as to whether receipt of the principal amount and the interest is regular.	The Company is confident of recovering the loans granted, hence the same is not prejudicial to the interest of the Company.
5.	According to the information and explanations given to me and on the basis of examination of books of accounts. I observe that the Company has defaulted in repayment of term loans installments amounting to Rs. 260.02 Lakh (Principal amount of Rs. 194.62 Lakh and Interest of Rs. 65.40 Lakh) payable from September 2012 to March 2015 and Rs. 11.19 Crore towards other credit facilities payable from September 2011.	The Management took note of the same and has made arrangement to repay the same.

Directors' Report

Explanation or comments by the Board on every qualification/ reservation/adverse remark/ disclaimer by Secretarial auditor in his report

<p>Ms Kiran Soni, who was appointed as corporate analyst from September 30,2008 was redesignated as Chief Financial Officer with effect from November 10, 2014. The Company did not have a Chief Financial Officer during the period from April 1, 2014 to November 09, 2014 as required under clause (iii) of sub section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.</p>	<p>Ms. Kiran Soni a Chartered Accountant (Member of ICAI, Member Ship No203665) by profession has been working in the Company since 2008. She has been Chief officer of Finance Dept even before her re designation as CFO in the Board Meeting dated 10th November 2014.</p>
<p>The Company had not appointed a Company Secretary during the period from April 1, 2014 to November 09, 2014 as required under Section 203, sub section (1), clause (ii) of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, However, the said sub-section was complied with by the appointment of Ms. Chitra.M.A as Company Secretary with effect from November10, 2014.</p>	<p>The Company was constantly trying to find a suitable candidate for the position of Company Secretary and unfortunately was not able to find one. However, to ensure the compliance of various provisions of Companies Act, 2013 and other applicable Laws, the Company all through took the services of Practising Company Secretaries. Further, since 10.11.2014, the Company has complied with the requirement of appointment of Whole time Company Secretary.</p>

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2014-15.

Human Resources:

As on March 31, 2015 the employee strength was 192 employees. This includes staff in India and in overseas offices.

Directors' Report

ESOP:

The Company was given 'in principal approval' by both the stock exchanges for listing of ESOP shares under the 'Employee Stock Option Plan 2013". The Board on recommendation of Nomination and Remuneration Committee noted the list of eligible employees in its meeting dated 30.05.2015. First vesting of shares which will be 30 % of total options granted to the eligible employees will be due in the month of June 2016.

Auditors:

Secretarial Auditors:

As per the Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. V. Sreedharan, Practising Company Secretary, Founder and Senior Partner of V Sreedharan & Associates, Company Secretaries, for conducting the secretarial audit. The said audit covers the Companies Act and the Rules made there under, Listing Agreement and other related laws including sector specific laws which are applicable to the Company.

A copy of Secretarial Audit Report has been given in **Annexure E**

Ratio of Managerial Remuneration

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

Acknowledgment:

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

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

ANNEXURE A

Policy for appointment and removal of Director, KMP and Senior Management :**1. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

2. Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that

Directors' Report

an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Directors' Report

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to

P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Companies Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

Directors' Report

ANNEXURE B

Management Discussion & Analysis Report:

This Report is made pursuant to the provisions of Clause 49 of the Listing Agreement

1. Industry structure and developments:

Your company operates in an environment where disruptive technological innovation is the order of the day. Continuous innovation and technology adoption has enabled the Company to transform its business rapidly and stay ahead of the competition.

Technological Innovation has been a catalyst in attaining business breakthroughs worldwide by the Company.

Opportunities and Threats:

The world over, business transformation is being led by the web and web based technologies. From cloud storage to big data and SaaS (Software as a Service) applications, what used to be confined to corporate silos are rapidly moving to an open, secured, collaborative, just-in-time web environment. By staying ahead of this race in exploiting the business advantages of emerging technology, izmo has been able to successfully market its products and solutions internationally. To keep advancing, your company needs to continuously acquire new technology, and the systems to run it efficiently.

Disruptive technology acts as a threat to every company operating in the web domain, including izmo. At the same time, this fast-evolving high-technology environment also opens up new vistas for your company, enabling it to introduce innovative products and services like iDataMagic, the new izmoWeb web solution, voiceover enhanced video, and CGI enhanced imagery.

2. Segment wise or Product-wise performance:

NORTH AMERICA

USA: izmo is currently serving OEMs, top global portals, other companies in the automotive space and auto dealers, with Multimedia solutions, Automotive Websites, SEO and Social Marketing, CRM, and data analytics services. Your company continues to be the #1 automotive imagery and visual marketing

solutions provider in the U.S. as well as globally.

Mexico: Being the first mover in Mexico has paid rich dividends for izmo. Our company continues to be the #1 automotive website provider in Mexico.

On analysis of the general trend and the Economic Conditions of the Market izmo feels that it is the ideal time to launch izmoWeb as a generic one-stop web marketing solution for businesses across North America. izmo is also in the process of launching the new version of izmoCRM, and introducing a new appointment management system as well.

EUROPE

European Union: The wild fluctuations in EU car sales proved to be a powerful catalyst driving dealers in large numbers to adopt cost-effective online marketing solutions that not only reduce costs but deliver measurable results. As a result your company was able to make important breakthroughs in several European countries, including France, Belgium, Spain, Portugal, and Italy.

During the same period, the European division of izmoStudio made great strides in the automotive visual media segment, and continues to be the #1 automotive imagery and visual marketing solutions provider in the EU market.

France: Your Company is the #1 automotive website provider in France, with a client list including virtually the who's who in automotive retail space – PGA, HESS, the Lamerault Group, Metin Group, and Kayser Group. Your company is providing retail websites for Peugeot, Citroen, Renault, Audi, Alfa Romeo, Abarth, Chrysler, Chevrolet, Dacia, Dodge, Fiat, Fiat Professional, Hyundai, Jeep, Jaguar, Land rover, Kia, Lancia, Lexus, Mini, Mercedes Benz, Nissan, Opel, Porsche, Saab, Seat, Skoda, Subaru, Suzuki, Toyota, Volkswagen, and Volvo dealers as well as automotive portals for HESS.

Spain: Your company made inroads in the Spanish automotive market with over eighteen websites for the Vilamobil group, Augusta Car Group, and Grupo Nicolas.

Portugal: izmo had made an important breakthrough

Directors' Report

in the service segment in Portugal, with hundreds of dealers signing up for an innovative service solution for Ancra. Presently izmo has 16 websites serving dealers in Portugal.

Italy: izmo has made significant inroads into the Italian market, with the addition 12 auto dealer websites for Linea Blu, Biella Auto, Central Car Spa.

Conditions are ideal for izmo to launch izmoWeb as a generic one-stop web marketing solution for businesses in EU, as well as the new version of izmoCRM, and a new appointment management system.

ASIA

India: Indian Dealers are increasing turning towards web based marketing to generate more sales. As a result, Carazoo continues to be the #1 car dealer website provider in India, with 184 online showrooms currently live.

izmo is now offering izmoWeb as a generic one-stop web marketing solution for businesses in India, and will be formally launching these services shortly. A new version of izmoCRM, and an appointment management system would also be introduced shortly.

Outlook:

izmo is uniquely positioned as the innovation leader globally, in the highly competitive automotive retail space, providing end-to-end solutions ranging from a cloud based responsive website platform, online marketing & social media, email marketing, CRM, lead management, and data analytics, apart from market-leading interactive selling tools and automotive photography. izmo is currently positioning itself to package and launch some of these services globally for any business, particularly in the SMB segment.

This is a defining moment for your company, since rapid strides in the global web space can propel izmo into the big league.

3.Risks and concern:

izmo operates in markets worldwide. Changing market equations have a bearing on the operations of the Company. The Gains of the Company are significantly inter linked with the adoption of web business systems all over the Globe. Rapidly developing markets and the competition in these markets are major concerns for your Company.

4. Internal control systems and their adequacy:

The Company is one of the main users Cutting-edge Technology and is avidly using web services to reach prospective customers worldwide. We have implemented control mechanisms in real-time and are confident that the established internal Control mechanism is commensurate with the size and the operation of the Company.

5. Discussion on financial performance with respect to operational performance:

The performance for the year has shown a marked improvement over the previous year. This is primarily on account of improvement in the US market consequent to new business opportunities which arose, leading to an increase in export revenue by 16% as compared to the previous year.

Enterprise connectivity product sales have shown a slight increase as compared to the previous year.

The Other income has shown a sharp fall primarily on account of INR remaining quite stable against the US Dollar.

6.Material developments on the Human Resources/ Industrial Relations front, including number of people employed:

The company has increased its employee headcount substantially in FY 14-15 as compared to the previous year, with 203 employees in payroll as of March, 2015. This is to enable fast-track development of products which are scheduled to be launched in the U.S., EU and Asian markets shortly.

Place: Bangalore
Date: 3rd September, 2015

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

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

Report on Corporate Governance

ANNEXURE C

1. Company's Philosophy on Code of Governance

The Company's Philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to shareholders and stakeholders.

2. Board of Directors

The Board of Directors of the Company is comprised of;

1. Non-executive Directors and
2. Executive Directors

The Attendance of each Director at the Board Meetings, last Annual General Meetings and Relationship with other Directors were as under:

Name of the Director	Category	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)	Relationship with other Directors
Shashi Soni	Executive	5	No	Yes
Sanjay Soni	Executive	6	Yes	Yes
Vijay Kumar D Gupta	Non-Executive	4	No	No
Mr. Ramanujam Krishnamurthy	Non-Executive	2	NA	No
Mr. Perur Phaneendra	Non-Executive	2	NA	No

Number of Board Meetings held and the date on which held: 6

During the year 6 Board Meetings were held on 30.05.2014, 23.06.2014, 04.08.2014, 03.09.2014, 10.11.2014 and 10.02.2015.

Details of Directors as on the date of this notice seeking appointment/re-appointment at the "AGM"

Particulars	Mrs. Shashi Soni
Date of Birth	04.04.1941
Date of Appointment	01.06.2001
Qualification	Under Graduate
Expertise in specific functional area	42 years of industrial experience
No. of Shares held in the Company	602517 as at 30.06.2015
Directorship in other Companies	1. Deep Oxygen Private Limited 2. Deep Investment Advisory Bangalore Private Limited
Membership/Chairmanships of the Committees of other Public Companies	Nil
Attendance in the Board Meetings	No. of Board Meetings:6 Attended:5

Report on Corporate Governance

3. Audit Committee

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

The functions of Audit Committee are as follows:

- 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 other function as is mentioned in the terms of reference of the Audit Committee.

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 is comprised of the following three independent Directors:

- 1) Mr. Perur Phaneendra – Chairman
- 2) Mr. Vijay Kumar D Gupta – Member

3) Mr. Ramanujam Krishnamurthy - Member

The Audit Committee has met 4 times during the year under review on 30.05.2014, 04.08.2014, 10.11.2014 and 10.02.2015.

Audit Committee Members	No of meeting held	No. of meeting attended
Mr. Perur Phaneendra	4	2
Mr. Vijay Kumar D Gupta	4	2
Mr. Ramanujam Krishnamurthy	4	2

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.

4. Nomination and Remuneration Committee

1. 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.

2. 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;

Report on Corporate Governance

f. Identifying the employees eligible for Stock options.

3. Composition

The Committee comprises three Non-executive Independent Directors.

The Remuneration Committee is comprised of the following Directors:

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

4. Remuneration Policy

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

5. Details of remuneration for the year 2014 – 15

Name of Director	Remuneration Amount in Rs.	Sitting Fees Amount in Rs.
Mr. Sanjay Soni	60,00,000	NA
Mrs. Shashi Soni	1,96,044	NA
Mr. Vijay Kumar Gupta	NA	Rs.20,000 per meeting
Mr. Perur Phaneendra	NA	Rs. 20,000 per meeting
Mr. Ramanujam Krishnamurthy	NA	Rs. 20,000 per meeting

The Remuneration Committee has met only once during the year under review on 10.11.2014 and Mr. Perur Phaneendra and Mr. Ramanujam Krishnamurthy attended the same.

5. Stakeholders Relationship Committee

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

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

6. Risk Management Committee

The Company's Risk Management Committee of the Company is constituted as per Clause 49 of the

Listing Agreement. The Committee is comprised of three independent directors.

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

7. Stakeholders' Grievance Committee

The Company's Share Transfer Committee also acts as the Shareholders' Grievances Committee and addresses the issues related thereto.

Number of Shareholder's Complaints received so far- Nil

Number not solved to the satisfaction of shareholders- Nil

Number of pending complaints- Nil

8. General Body Meeting

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

Year	Venue	Date	Time
2011-12	Hotel Chalukya Race Course Road	29.09.2012	9.30 AM
2012-13	Bharatiya Vidya Bhavan Race Course Road	30.09.2013	9.30 AM
2013-14	Bharatiya Vidya Bhavan Race Course Road	30.09.2014	9.30 AM

9. Special resolutions passed in the previous 3 AGMs

Sl No	Particulars	Date of passing special resolution
1	Reappointment of Mr. Sanjay Soni as Managing Director	30.09.2013
2	Appointment of Mrs. Shashi Soni as Chairperson and Whole time Director of the Company	30.09.2013
3	Granting of ESOP to the employees of the Company	30.09.2013
4	Granting of ESOP to the employees of the Subsidiary Company	30.09.2013

Report on Corporate Governance

10. Postal Ballot

The Company has passed following three resolutions by Postal Ballot on 02.08.2014 pursuant to Section 110 of the Companies Act, 2013 and e-Voting under Section 108 of the Companies Act, 2013. Mr. Manjunath Reddy, having Membership No. 19957 and CP No. 7259, Practising Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot.

Item No. 1

Change of name of the Company from 'Logix Microsystems Limited' to 'IZMO Limited' pursuant to Section 13 of the Companies Act, 2013 and consequent alteration in the Memorandum and in the Articles of Association of the Company:

Number of valid postal ballot forms/e-votes received	2775974
Number of votes in favour of the Resolution	2774458
Number of votes against the Resolution	1516
Number of invalid/neutral postal ballot forms received	NIL

The Resolution therefore was approved by the members of the Company with the requisite majority as special resolution.

Item No.2

Transaction with Related Parties u/s 188 of the Companies Act, 2013

Number of valid postal ballot forms/e-votes received	95896
Number of votes in favour of the Resolution	93640
Number of votes against the Resolution	2256
Number of invalid/neutral postal ballot forms received	NIL

The Resolution therefore was approved by the members of the Company with the requisite majority as special resolution.

Item No.3

Amendment to the Employee Stock Option Scheme

namely Employee Stock Option Plan 2013 [ESOP 2013]

Number of valid postal ballot forms/e-votes received	2775974
Number of votes in favour of the Resolution	2771467
Number of votes against the Resolution	4507
Number of invalid/neutral postal ballot forms received	NIL

The Resolution therefore was approved by the members of the Company with the requisite majority as special resolution.

11. Disclosures:

- i. There were no transactions of material nature with the related parties during the year which were in conflict with the interest of the Company. The Company has drafted a policy on related party transaction which has been published in the website of the Company.
- ii. There were no instances of non-compliance on any matter related to the capital markets, during the last year.
- iii. The Company has established a vigil mechanism called Whistle Blower Policy. Every employee of the company shall promptly report to the management, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company's interest. Any employee can choose to make a protected disclosure under the whistleblower policy of the company, providing for reporting to the chairperson of the audit committee.
The Policy is uploaded in the website of the Company and no employee has been denied access to the audit committee.
- iv. Adoption of mandatory and non mandatory requirements of Clause 49.

The Company is complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non mandatory requirement of clause 49 of the Listing Agreement.

- Separate post of CEO and Chairman
- The Company has appointed separate persons to

Report on Corporate Governance

the post of Chairperson and Managing Director.

12. Means of Communication

Quarterly results are published in daily newspapers viz, Business Standards / Vartha Bharati. These quarterly results are also made available at the website of the Company www.izmold.com.

13. General Shareholders Information

- Annual General Meeting is proposed to be held on Tuesday, the 29th day of September 2015 at 9.30 A.M at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001.
- Date of book closure: 29th September 2015.
- Listing of Equity Shares on Stock Exchanges at: National Stock Exchange (NSE) and The Stock Exchange, Mumbai (BSE)
- Listing fees for the year 2014-15 has been paid to National Stock Exchange and the Stock Exchange, Mumbai.
- Scrip Code at:
National Stock Exchange – IZMO
The Stock Exchange, Mumbai - 532341
- Registrar and Share Transfer Agent and Share Transfer System:
Cameo Corporate Services Limited
“Subramanian Building”, 5th Floor,
1, Club House Road, Chennai – 600 002
Tel: 044-28460390
Fax: 044-28460129
Email: cameogm@satyam.net.in

The Share Transfers in physical form are processed and the Share Certificates returned within a period of 15–20 days from the date of receipt, subject to the documents being valid in all respects. After the Share

Name and address of Stock Exchanges where shares of the Company are listed:

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Transfer is effected, a letter is sent by the R&T Agents to the buyer (transferee) indicating the details of the transferred shares and in case the buyer wishes to dematerialise the shares he can approach a Depository Participant (DP) with the letter. The DP will, based on the letter, generate a dematerialisation request, which he will send to the Company along with the option letter issued by the R&T Agents. On receipt of the same the R&T Agents will dematerialise the shares. In case, the buyer (transferee) does not wish to dematerialise the shares, he need not exercise the option and the R&T Agents will despatch the Share Certificates after 30 days. It also arranges for issue of dividend and also accepts, deals with and resolve complaints of shareholders. Shareholder complaints are given top priority by the Company and by the Share Transfer Agents and are replied to, promptly. Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agents. Members may also write to the Compliance Officer at the Registered Office of the Company as stated below:

The Compliance Officer
P.O. Box 7620,
177/2C,
Billekahalli Industrial Area
Bannerghatta Road,
Bangalore – 560 076

Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained.

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Report on Corporate Governance

▪ Distribution of Shareholding as on 31.03.2015:

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Up to 100	3700	49.3136	265027	2.1905
101 – 500	2243	29.8947	662911	5.4792
501 – 1000	718	9.5695	607678	5.0226
1001 – 2000	338	4.5048	525359	4.3422
2001 – 3000	144	1.9192	371659	3.0718
3001 – 4000	66	0.8796	236540	1.9550
4001 – 5000	68	0.9063	321902	2.6606
5001 – 10000	113	1.5060	882415	7.2934
10001 & above	113	1.5060	8225182	67.9841
Total	7503	100.00	12098673	100.00

▪ Share holding Pattern as on 31.03.2015

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Resident	7094	7229439	59.75
FII	0	0	0
NRI	95	141207	1.17
Corporate Body	267	1458246	12.05
Clearing Member	38	95348	0.79
Promoters	11	3174433	26.24
TOTAL	7503	12098673	100

▪ Dematerialisation of shares:

As on 31.03.2015, 97.95% of the Company's total Share Capital was held in dematerialised form. The Demat ISIN No. in NSDL & CDSL is INE 848A01014.

▪ Address for correspondence:

The Company's Registered Office & Corporate Office is situated at:

P.O. Box 7620, 177/2C,

Billekahalli Industrial Area

Bannerghatta Road, Bangalore – 560 076

Tel : +91-80-6712 5400 to 5409

Fax : +91-80-6712 5425

▪ Shareholders' correspondence should be addressed to:

Cameo Corporate Services Limited

“Subramanian Building”, V Floor

1, Club House Road, Chennai – 600 002

Tel: 044-28460390-94

Fax: 044-28460129

Email: cameogm@satyam.net.in

Contact person: Mr. Narashiman

▪ Stock market price data for the year 2014-15 on BSE:

Month	High	Low
April 2014	11.03	8.00
May 2014	13.50	9.30
June 2014	21.26	10.86
July 2014	19.95	15.15
August 2014	18.20	16.10
September 2014	23.20	15.65
October 2014	18.95	14.70
November 2014	26.50	17.05
December 2014	27.15	18.15
January 2015	30.00	18.65
February 2015	45.75	23.55
March 2015	58.40	35.00

Report on Corporate Governance

- Stock market price data for the year 2014-15 on NSE:

Month	High	Low
April 2014	11.25	8.20
May 2014	12.90	9.15
June 2014	21.00	12.00
July 2014	20.00	15.90
August 2014	18.15	15.00
September 2014	23.20	15.20
October 2014	19.10	14.60
November 2014	17.00	17.00
December 2014	25.50	18.55
January 2015	28.80	18.55
February 2015	46.00	24.00
March 2015	59.45	35.00

- Performance in comparison to broad-based indices such as Sensex :



Report on Corporate Governance

- Performance in comparison to broad-based indices such as NIFY:



- There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that all the members of the Board and Senior Management Personnel including me, have affirmed compliance to respective codes of conduct, in accordance with Clause 49(II)(E) for the Financial Year ended 31st March, 2015.

Place: Bangalore
Date: 3rd September, 2015

Sanjay Soni
Managing Director

CERTIFICATION BY MANAGING DIRECTOR AND CFO

We, Sanjay Soni, Managing Director & Kiran Soni, CFO of IZMO Limited certify that:

1. We have reviewed the financial 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 contains statement that might be misleading;
 - (b) these statements give a true and fair view of the state of affairs of the company and of the results or operations and cash flows. These statements have been prepared in conformity, in all respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept overall responsibility for the Company's internal control system for financial reporting. The Auditors & Audit Committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and Audit Committee:
 - (a) Any significant changes in internal control over financial reporting during the year;
 - (b) Significant changes in accounting policies during the year;
 - (c) Instances of significant fraud of which we have become aware of and which involve management or other employees who has significant role in the Company's internal control system over financial reporting.

Place: Bangalore

Date: 3rd September, 2015

Kiran Soni

CFO

Sanjay Soni

Managing Director

CERTIFICATE

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To:

The Members

IZMO Limited

Bangalore

I have examined the compliance of the conditions of Corporate Governance by IZMO Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange Mumbai/National Stock Exchange of India Limited, in India.

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

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investors' grievances received during the year ended 31st March, 2015, no investor grievances are pending against the Company as on 31st March, 2015, as per the records maintained by the Company and as stated by the Registrar and Share Transfer Agent.

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

Place: Bangalore

Date: 3rd September, 2015

R. Vijayanand

Chartered Accountant

(M.No.202118)

ANNEXURE D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND 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 and contact details:
177/2C, Billekahalli Industrial Area, Bannerghatta Road, Bangalore, Karnataka. 560 076.
Tel : 080 67125400 Fax : 080 67125408

- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and 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: cameogm@satyam.net.in
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 and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Software development for automotive industry	998	90%
2.	Enterprise Connectivity Solution	998	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Izmo Europe BVBA	0899.075.776	Subsidiary	100	2(87)(ii)
2	Midrange Software Pte. Ltd.	199206197N	Subsidiary	100	2(87)(ii)
3	Izmo Inc.,	140442315	Subsidiary	100	2(87)(ii)
4	Carazoo online Solutions Private Limited	U72900KA2011PTC061145	Associate	49	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. Of Shares at the end of				% Change during the year
	Demat	Physical	Total	% of Total sares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2350105	-	2350105	19.42	3174433	-	3174433	26.23	6.81
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	2350105	-	2350105	19.42	3174433	-	3174433	26.23	6.81
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= A(1)+(A)(2)	2350105	-	2350105	19.42	3174433	-	3174433	26.23	6.81
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1163394	-	1163394	9.61	-	-	-	-	-9.61
h) Foreign V C Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1163394	-	1163394	9.61	-	-	-	-	-9.61

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1545423	-	1545423	12.77	1458246	-	1458246	12.05	-0.72
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1 Lakh	2653181	96824	2750005	22.72	3036073	96224	3132297	25.88	3.16
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	3873953	151425	4025378	33.27	3732585	151424	3884005	32.10	-01.17
c) Others (specify)									
Clearing Members	2955	-	2955	0.02	95348	-	95348	0.78	0.76
HUF	155212	-	155212	1.28	213137	-	213137	1.76	0.48
NRI	106201	-	106201	0.87	141207	-	141207	1.16	0.29
Sub- total(B)(2)	8336925	248249	8585174	70.95	8676591	247649	8924240	73.76	2.81
Shareholding (B)=(B)(1)+(B)(2)	9500319	258249	9748568	80.57	8676591	247649	8924240	73.76	-6.81
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11850424	248249	12098673	100	11851024	247649	12098673	100	-

(ii) Shareholding of Promoters

Name of the promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered of total shares	
Shashi Soni	602367	04.97	0	603518	4.98	0	0.01
Sanjay Soni	1554262	12.85	2.066	2378440	19.62	0	6.80
Kiran Soni	226212	01.87	0	232213	1.92	0	0.00

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

Sl. No.	Name of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shashi Soni				
	At the beginning of the year	602367	4.97	602367	4.97
	Sale 28-Nov-2014	-94990	0.7837	507377	4.19
	Purchase 28-Nov-2014	94990	0.7837	602367	4.97
	Purchase 28-Nov-2014	1001	0.0083	603368	4.98
	Purchase 06-Mar-2015	150	0.0012	603518	4.98
	At the end of the year	603518	4.98	603518	4.98
2	Sanjay Soni				
	At the beginning of the year	1554262	12.8500	1554262	12.85
	Purchase 16-May-2014	20000	0.1653	1574262	12.98
	Purchase 23-May-2014	85424	0.7060	1659686	13.69
	Purchase 13-Jun-2014	48382	0.3998	1708068	14.09
	Purchase 20-Jun-2014	54339	0.4491	1762407	14.54
	Purchase 30-Jun-2014	121618	1.0052	1884025	15.54
	Purchase 11-Jul-2014	74596	0.6165	1958621	16.16
	Purchase 18-Jul-2014	25907	0.2141	1984528	16.37
	Sale 25-Jul-2014	-15400	0.1272	1969128	16.24
	Purchase 01-Aug-2014	15000	0.1239	1984128	16.37
	Purchase 08-Aug-2014	19311	0.1596	2003439	16.54
	Purchase 14-Aug-2014	4000	0.0330	2007439	16.56
	Purchase 17-Oct-2014	50000	0.4124	2057439	16.97
	Purchase 31-Oct-2014	21001	0.1732	2078440	17.14
	Purchase 21-Nov-2014	20000	0.1650	2098440	17.31
	Purchase 28-Nov-2014	30000	0.2474	2128440	17.56
	Release of shares encumbered 20-Mar-2015	250000	2.0621	2378440	19.62
	At the end of the year	2378440	19.6200	2378440	19.62
3	Kiran Soni				
	At the beginning of the year	226212	1.8700	226212	1.87
	Sale 23-May-2014	-112901	0.9331	113311	0.94
	Purchase 23-May-2014	112901	0.9331	226212	1.87
	Purchase 28-Nov-2014	1001	0.0083	227213	1.88
	Purchase 31-Dec-2014	5000	0.4130	232213	1.92
	At the end of the year	232213	1.9200	232213	1.92

(iv) Share holding Pattern of Top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	FID				
	At the beginning of the year the year specifying	1082636	8.9483	1082636	8.9483
	Sale 11-April-2014	-20561	0.1699	1062075	8.7784
	Sale 18-April-2014	-1043	0.0086	1061032	8.7698
	Sale 02-May-2014	-1623	0.2613	1029409	8.5084
	Sale 09-May-2014	-28873	0.2386	1000536	8.2697
	Sale 16-May-2014	-48829	0.4035	951707	7.8662
	Sale 23-May-2014	-54135	0.4474	897572	7.4187
	Sale 30-May-2014	-82901	0.6852	814671	6.7335
	Sale 06-June-2014	-150972	1.2478	66369	5.4857
	Sale 13-June-2014	-663699	5.4857	0	0
	At the end of the year(or on the date of separation, if separated during the year)	0	0	0	0
2	Mukul S Doshi				
	At the beginning of the year the year specifying	1004998	8.3066	1004998	8.3066
	Sale 08-Aug-2014	-221851	1.8336	783147	6.4729
	Sale 14 -Aug-2014	-222243	1.8369	560904	4.6360
	Sale 21- Nov-2014	-200000	1.6530	360904	2.9830
	Sale 27-Feb-2015	-128844	1.0649	232060	1.9180
	Sale 06- Mar-2015	-221500	1.8307	10560	0.0872
	Sale 13-Mar-2015	-10560	0.0872	0	0.0000
	At the end of the year(or on the date of separation, if separated during the year)	0	0	0	0.0000
3	Ashish Dhawan				
	At the beginning of the year 01-Apr-2014	766044	6.3316	766044	6.3316
	Sale 20-Jun-2014	-61053	0.5046	704991	5.8270
	Sale 30-Jun-2014	-28947	0.2392	676044	5.5877
	Sale 04-Jul-2014	-15852	0.1310	660192	5.4567
	Sale 11-Jul-2014	-25041	0.2069	635151	5.2497
	Sale 25-Jul-2014	-11006	0.0909	624145	5.1587
	Sale 05-Sep-2014	-13000	0.1074	611145	5.0513
	Sale 12-Sep-2014	-125101	1.0340	486044	4.0173
	Sale 19-Sep-2014	-73245	0.6053	412799	3.4119
	Sale 30-Sep-2014	-6755	0.0558	406044	3.3561
	Sale 10-Oct-2014	-77248	0.6384	328796	2.7176
	Sale 17-Oct-2014	-47425	0.3919	281371	2.3256
	Sale 24-Oct-2014	-134697	1.1133	146674	1.2123
	Sale 31-Oct-2014	-146674	1.2123	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	N Jayakumar				
	At the beginning of the year 01-Apr-2014	255000	2.1076	255000	2.1076
	Sale 05-Dec-2014	-48335	0.3995	206665	1.7081
	Sale 30-Jan-2015	-152102	1.2571	54563	0.4509
	Sale 06-Mar-2015	-50000	0.4132	4563	0.0377
	Sale 13-Mar-2015	-4563	0.0377	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
5	Dipti M Doshi				
	At the beginning of the year the year specifying	250000	2.0663	250000	2.0663
	sale	-250000	2.0663	0	0.0000
	At the end of the year(or on the date of separation, if separated during the year)	0	0.0000	0	0.0000
6	One Up Financial Consultants Pvt Ltd				
	At the beginning of the year 01-Apr-2014	248200	2.0514	248200	2.0514
	Purchase 23-May-2014	200	0.0016	248400	2.0531
	Purchase 30-May-2014	1600	0.0132	250000	2.0663
	Sale 20-Jun-2014	-10000	0.0826	240000	1.9836
	Sale 25-Jul-2014	-85000	0.7025	155000	1.2811
	Sale 27-Feb-2015	-2500	0.0206	152500	1.2604
	Sale 06-Mar-2015	-2500	0.0206	150000	1.2398
	Sale 20-Mar-2015	-3500	0.0289	146500	1.2108
	Sale 31-Mar-2015	-1000	0.0082	145500	1.2026
	At the end of the Year 31-Mar-2015	145500	1.2026	145500	1.2026
7	Urjitha J Master				
	At the beginning of the year 01-Apr-2014	235407	1.9457	235407	1.9457
	Purchase 04-Apr-2014	2761	0.0228	238168	1.9685
	Purchase 23-May-2014	332	0.0027	238500	1.9712
	Purchase 01-Aug-2014	85000	0.7025	323500	2.6738
	Purchase 14-Nov-2014	1500	0.0123	325000	2.6862
	At the end of the Year 31-Mar-2015	325000	2.6862	325000	2.6862
8	Prime Securities Limited				
	At the beginning of the year 01-Apr-2014	200696	1.6588	200696	1.6588
	Sale 20-Jun-2014	-50000	0.4132	150696	1.2455
	Sale 30-Jun-2014	-50000	0.4132	100696	0.8322
	Sale 25-Jul-2014	-50000	0.4132	50696	0.4190
	Sale 24-Oct-2014	-50696	0.4190	0	0.0000
	At the end of the Year 31-Mar-2015	0	0.0000	0	0.0000
9	Ajay Bharadwaj				
	At the beginning of the year the year specifying	180000	1.4877	180000	1.4877
	Sale-27 Feb 2015	-180000	1.4877	0	0.0000
	Purchase 27 Feb 2015	180000	1.4877	180000	1.4877
	At the end of the year 31-03-2015	180000	1.4877	180000	1.4877

10	LKP Finance Limited				
	At the beginning of the year 01-Apr-2014	161809	1.3374	161809	1.3374
	Sale 29-Aug-2014	-161809	1.3374	0	0.0000
	Purchase 12-Sep-2014	164779	1.3619	164779	1.3619
	Purchase 19-Sep-2014	99	0.0008	164878	1.3627
	Purchase 30-Sep-2014	330	0.0027	165208	1.3655
	Sale 14-Nov-2014	-3399	0.0280	161809	1.3374
	At the end of the Year 31-Mar-2015	161809	1.3374	161809	1.3374

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shashi Soni				
	At the beginning of the year	602367	4.97	602367	4.97
	Sale 28-Nov-2014	-94990	0.7837	507377	4.19
	Purchase 28-Nov-2014	94990	0.7837	602367	4.97
	Purchase 28-Nov-2014	1001	0.0083	603368	4.98
	Purchase 06-Mar-2015	150	0.0012	603518	4.98
	At the end of the year	603518	4.98	603518	4.98
2	Sanjay Soni				
	At the beginning of the year	1554262	12.8500	1554262	12.85
	Purchase 16-May-2014	20000	0.1653	1574262	12.98
	Purchase 23-May-2014	85424	0.7060	1659686	13.69
	Purchase 13-Jun-2014	48382	0.3998	1708068	14.09
	Purchase 20-Jun-2014	54339	0.4491	1762407	14.54
	Purchase 30-Jun-2014	121618	1.0052	1884025	15.54
	Purchase 11-Jul-2014	74596	0.6165	1958621	16.16
	Purchase 18-Jul-2014	25907	0.2141	1984528	16.37
	Sale 25-Jul-2014	-15400	0.1272	1969128	16.24
	Purchase 01-Aug-2014	15000	0.1239	1984128	16.37
	Purchase 08-Aug-2014	19311	0.1596	2003439	16.54
	Purchase 14-Aug-2014	4000	0.0330	2007439	16.56
	Purchase 17-Oct-2014	50000	0.4124	2057439	16.97
	Purchase 31-Oct-2014	21001	0.1732	2078440	17.14
	Purchase 21-Nov-2014	20000	0.1650	2098440	17.31
	Purchase 28-Nov-2014	30000	0.2474	2128440	17.56
	Release of shares encumbered 20-Mar-2015	250000	2.0621	2378440	19.62
	At the end of the year	2378440	19.6200	2378440	19.62

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Vijay Gupta				
	At the beginning of the year	37142	0.31	37142	0.31
	At the end of the year	37142	0.31	37142	0.31
4	Ramanujam Kishnamurthy				
	At the beginning of the year	Nil	NA	NA	NA
	Date wise increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (allotment/transfer/bonus/sweat equity)	Nil	NA	NA	NA
	At the end of the year	Nil	NA	NA	NA
5	Perur Phaneendra				
	At the beginning of the year	Nil	NA	NA	NA
	Date wise increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (allotment/transfer/bonus/sweat equity)	Nil	NA	NA	NA
	At the end of the year	Nil	NA	NA	NA
6	Chitra.M.A				
	At the beginning of the year	Nil	NA	NA	NA
	Date wise increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (allotment/transfer/bonus/sweat equity)	Nil	NA	NA	NA
	At the end of the year	Nil	NA	NA	NA
7	Kiran Soni				
	At the beginning of the year	226212	1.8700	226212	1.87
	Sale 23-May-2014	-112901	0.9331	113311	0.94
	Purchase 23-May-2014	112901	0.9331	226212	1.87
	Purchase 28-Nov-2014	1001	0.0083	227213	1.88
	Purchase 31-Dec-2014	5000	0.4130	232213	1.92
	At the end of the year	232213	1.9200	232213	1.92

V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
WC facility from SBM	12,14,66,746	NIL	NIL	12,14,66,746
TermLoan SBM	2,32,76,688	NIL	NIL	2,32,76,688
WC from Barclays bank	12,14,99,999	NIL	NIL	12,14,99,999
HDFC Car Loan	NIL	10,34,139	NIL	10,34,139
Geeta Monitors Pvt Ltd	NIL	81,74,583	NIL	81,74,583

Note : SBM Working Capital and Term Loan has been sold to Edelweiss ARC

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/ or Manager

Sl No.	Particulars of Remuneration	Mr. Sanjay Soni, Managing Director	Mrs. Shashi Soni, Whole Time Director	Total Amount
1.	Gross Salary			
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act 1961	Rs.34,20,000	Rs. 81,120	Rs.35,01,120
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	c. Profits in lieu of salary under section 17 (3) Income Tax 1961	Rs. 25,80,000	Rs. 1,14,924	Rs. 26,94,924
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of Profit	Nil	Nil	Nil
	- others specify			
5	Others, please specify	Nil	Nil	Nil
	Total	Rs. 60,00,000	Rs. 1,96,044	Rs. 61,96,044

B. Remuneration to other directors:

Sl No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Vijay Gupta	Mr. Ramanujam Krishnamurthy	Mr. Perur Phaneendra	
1	Independent Directors				
	• Fees for attending board/committee meetings	Rs.20,000 per meeting	Rs.20,000 per meeting	Rs.20,000 per meeting	
	• Commission	Nil	Nil	Nil	
	• Others, please specify	Nil	Nil	Nil	
2	Other Non Executive Directors	-	-	-	
3	Total Managerial Remuneration	Rs.60,000	Rs.100,000	Rs.100,000	Rs.2,60,000
4	Overall ceiling as per the Act	Within limit	Within limit	Within limit	

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Salary	-	Rs.5.42 Lakhs PA	Rs.12 Lakhs PA	17.42 Lakhs

VII. PENALTIES/ PUNISHMENTS/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Breif Description	Details of Penalty/Punishment/Compounding fees imposed	Authority(RD/NC LT/Court)	Appeal made, if any(give details)
Penalty					
Punishment					
Compounding					
Other Officers in Default- NIL					
Penalty					
Punishment					
Compounding					

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

ANNEXURE E

(Secretarial Audit Report given by Mr. V. Sreedharan)

FORM No.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, 2015

To,

**The Members of
IZMO LIMITED**

#177/2C BILLEKAHALLI INDUSTRIAL AREA, BANNERGHATTA ROAD, BANGALORE-560076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IZMO Limited**. (hereinafter referred to as "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2015 (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; (not applicable to the company during the audit period)
- (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 (not applicable to the company during the audit period)
- (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, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 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; and (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);

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

Software Technology Parks of India (STPI).

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India (NSE) Limited.

We have not examined compliance by the Company with respect to;

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government upto March 31, 2015.
- (b) Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit 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 except for the following;

Ms Kiran Soni, who was appointed as corporate analyst from September 30, 2008 was redesignated as Chief Financial Officer with effect from November 10, 2014. The Company did not have a Chief Financial Officer during the period from April 1, 2014 to November 09, 2014 as required under clause (iii) of sub section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company had not appointed a Company Secretary during the period from April 1, 2014 to November 09, 2014 as required under Section 203, sub section (1), clause (ii) of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, However, the said sub-section was complied with by the appointment of Ms. Chitra.M.A as Company Secretary with effect from November 10, 2014.

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

Adequate notice 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 compliance reports furnished by Ms.Kiran Soni, CFO and Ms. Chitra.M.A, Company Secretary of the Company, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules and regulations.

We further report that during the audit period, except for change of name from Logix Microsystems Ltd. to Izmo Ltd, there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.,

Place: Bangalore

Date: 27th August, 2015

for V. Sreedharan & Associates

V. Sreedharan

Partner

F.C.S-2347: C.P.833

ANNEXURE F

Ratio of Managerial Remuneration

Sl.No.	Particulars	Explanation
i.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	31.86:1 (Sanjay Soni) 01.04:1 (Shashi Soni)
ii.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	NIL
iii.	The percentage increase in the median remuneration of employees in the financial year	NIL
iv.	the number of permanent employees on the rolls of company;	192 employees
v.	The explanation on the relationship between average increase in remuneration and company performance;	Increase in the remuneration of employees is in line with industry standards
vi.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of the KMP's are in line with the remuneration Policy of the Company where their remuneration is determined based on their performance which is co related to the performance of the Company.
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalization of the Company as on March 31 2015 increased by 420.99% when compared to previous year ended March 31 2014. Further the market capitalization increased by (80.57)% when compared to the market capitalization when the company came out with the last public offer. The EPS of the Company as on March 31 2015 has improved by 0.06 When compared to the EPS on March 31 2014.
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was no increase in the managerial remuneration.
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Mr. Sanjay Soni, Managing Director remuneration constitutes 7.77% of the EBIDTA of the Company while for Mrs. Kiran Soni, CFO it is 0.65% of EBIDTA.
x.	The key parameters for any variable component of remuneration availed by the directors;	Not Applicable.
xi.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
xii.	Affirmation that the remuneration is as per the remuneration policy of the company:	The remuneration of directors, senior management and employees is as per the Remuneration Policy of the Company

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

ANNEXURE G

Form No. AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) 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

1.	<p>Details of contracts or arrangements or transactions not at arm's length basis</p> <p>(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</p>	<p>Not Applicable as there is no transactions not at arms length basis</p>
2	<p>Details of material contracts or arrangement or transactions at arm's length basis</p> <p>(a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts / arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any: (e) Date(s) of approval by the Board, if any: (f) Amount paid as advances, if any:</p>	<p>No new contracts entered during the year under review.</p>

By order of the Board
For IZMO Limited

Place: Bangalore
Date: 3rd September, 2015

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

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

Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IZMO LIMITED (FORMERLY LOGIX MICROSYSTEMS LIMITED)

Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of **Izmo Limited (formerly Logix Microsystems Limited)** ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Other Matter

a) The Consolidation of Financial Statements and Consolidation of Cash Flow Statements of his subsidiaries has not been complied as per Companies Act 2013. I am therefore unable to comment on the impact, if any, on the Profit & Loss account as at the Balance Sheet date.

my opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) in my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) in my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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, in my opinion and to the best of my information and according to the explanations given to me.
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24.24 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 24.25 to the financial statements;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New York, U.S.A
Date : 30th May, 2015

R. Vijayanand
Chartered Accountant
M. No: 202118

Annexure to the Independent Auditors' Report

The Annexure referred to in my Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, I report that:

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

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

ii)The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii) a)The Company has granted loans to one bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

b)In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

c)In respect of loans granted, the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence I am unable to comment as to whether receipt of the principal amount and the interest is regular.

d)Where overdue amount in respect of a loan granted is more than rupees one lakh, reasonable steps have not been taken by the Company for recovery of the principal amount.

iv)In my opinion and according to the information and explanations given to me, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. I have not observed any major weakness in the internal control system during the course of the audit.

Annexure to the Independent Auditors' Report

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

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

vii) a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to me, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to me, undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Date of Payment
Income Tax Act, 1961	TDS on foreign Payments	11,30,408	March 2015	Amount not paid till date

b) According to the information and explanations given to me, there are no material dues of wealth tax, duty of customs and cess 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 have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rs)	Amount Paid Under Protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Transfer Pricing	5,51,67,570	NIL	F.Y 2008-09	Appellate Tribunal
Income Tax Act, 1961	Transfer Pricing	3,90,81,185	NIL	F.Y 2009-10	Appellate Tribunal

c) As regards provision for current year taxation the company is in the process of making payment towards TDS on Non-Resident dues of Rs. 11,30,408/- under the provisions of Income Tax Act, 1961. Management is of the opinion that Dues with respect to withholding taxes shall be paid in full before the due date of filing of Income tax returns and accordingly no disallowance under the provisions of Income Tax Act, 1961 shall be attracted in respect of the same.

viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

ix) According to the information and explanations given to me and on the basis of examination of books of accounts, I observe that the Company has defaulted in repayment of term loans installments amounting to Rs.260.02 Lakh (Principal amount of Rs.194.62 Lakh and Interest of Rs.65.40 Lakh) payable from September 2012 to March 2015 and Rs. 11.19 Crore towards other credit facilities payable from September 2011.

x) In my opinion and according to the information and the explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xi) The Company did not have any term loans outstanding during the year.

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

R. Vijayanand

Chartered Accountant

M. No: 202118

Place: New York, U.S.A

Date : 30th May, 2015

Balance Sheet

As at 31st March, 2015

	Note No.	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	120,986,730	120,986,730
Reserves and Surplus	2	1,507,628,640	1,504,979,866
		1,628,615,370	1,625,966,596
Non-Current Liabilities			
Long Term Borrowings	3	-	4,282,776
Other Long Term Liabilities	4	15,093,031	13,298,550
Long Term Provisions	4A	7,143,364	5,236,940
		22,236,395	22,818,266
Current Liabilities			
Short Term Borrowings	5	252,175,467	121,466,746
Trade Payables	6	135,255,514	136,332,793
Other Current Liabilities	7	90,417,223	78,491,990
Short Term Provisions	8	1,071,714	639,429
		478,919,918	336,930,958
TOTAL		2,129,771,683	1,985,715,820
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	42,289,283	37,889,973
Intangible Assets		101,811,539	150,462,196
Non-Current Investments	10	1,612,978,996	1,602,978,996
Deferred Tax Assets (Net)		6,957,539	2,626,572
Long Term Loans & Advances	11	15,482,169	7,905,965
		1,779,519,526	1,801,863,702
Current Assets			
Current Investments	12	172,114,782	-
Inventories	13	138,199	391,433
Trade Receivables	14	117,668,276	146,988,161
Cash and Bank Balances	15	13,450,636	2,021,174
Short Term Loans & Advances	16	46,880,264	34,451,350
		350,252,157	183,852,118
TOTAL		2,129,771,683	1,985,715,820

Notes to Accounts & Significant Accounting policies

1 to 24

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

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Statement of Profit and Loss For the Year ended March 31, 2015

	Note No.	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
<u>INCOME</u>			
Revenue from Operations	17	184,305,104	160,541,160
Other Income	18	18,774,533	24,384,311
TOTAL REVENUE		203,079,637	184,925,471
<u>EXPENDITURE</u>			
Direct Cost of Operation	19	11,985,000	12,271,886
(Increase)/Decrease in Stocks/Work-in-Progress	20	253,234	(96,074)
Employee Benefit Expenses	21	80,763,644	61,120,384
Financial Costs	22	18,798,470	18,460,431
Depreciation/Amortisation Expenses	9	58,076,107	55,055,612
Other Expenses	23	32,814,631	34,383,440
TOTAL EXPENSES		202,691,086	181,195,679
Profit Before Tax & Exceptional item		388,551	3,729,792
Exceptional Items			
MAT Credit adjustment		-	(970,595)
Profit Before Tax		388,551	2,759,197
Tax Expenses			
Current Tax		(2,070,743)	(1,376,073)
Less: MAT Credit Adjustment		-	-
Deferred Tax		4,330,967	584,602
		2,260,224	(791,471)
Net Profit for the Year		2,648,775	1,967,726

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

Basic	0.22	0.16
Diluted	0.22	0.16

(Refer Note No. 24.13)

Notes to Accounts & Significant Accounting Policies 1 to 24

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

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Cash Flow Statement

For the Year ended March 31, 2015

	March 31, 2015 Rs.	March 31, 2014 Rs.
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	388,551	2,759,197
Adjustments for:		
Depreciation	58,076,107	55,055,612
Interest Expense	18,798,471	18,460,431
Interest Income	(990,702)	(95,141)
Rental Income	(10,774,690)	(10,471,981)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	595,228	-
Profit on Sale of Assets	(170,800)	-
ESOP balance W/off	-	-
Forex (gain) / loss (Net)	-	-
Operating Profit Before Working Capital Changes	65,922,165	65,708,118
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	29,319,885	26,932,257
(Increase)/Decrease in Current Investment	(172,114,782)	-
(Increase)/Decrease in Inventories	253,234	(96,074)
(Increase)/Decrease in short term Loans and Advances	(12,428,915)	(3,014,057)
Increase/(Decrease) in Current Liabilities and Provisions	139,918,217	131,805,573
Cash Generated from Operations	50,869,804	221,335,817
Direct Taxes paid (Net of Refunds)	-	(1,376,073)
Net cash from Operating Activities	50,869,804	219,959,744
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(13,920,333)	(200,588,060)
Proceeds from Sale of Fixed Assets	266,375	-
Rental deposit for buildings received	1,794,481	(1,170,000)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	(595,228)	-
Investment in Equity shares	(10,000,000)	-
Long term loans & Advances	(7,576,206)	(4,692,233)
Long term Provisions	1,906,424	603,460
Rental Income	10,774,690	10,471,981
Interest Received	990,702	95,141
Net cash used in Investing Activities	(16,359,096)	(195,279,711)
C. Cash Flows from Financing Activities		
Long Term Borrowings (Term loan & others)	(4,282,776)	(9,052,857)
Proceeds from issue of share capital (net of expenses)	-	-
Interest paid	(18,798,471)	(18,460,431)
Net Cash used in Financing Activities	(23,081,247)	(27,513,288)
Net increase in Cash and Cash Equivalents (A + B + C)	11,429,461	(2,833,256)
Cash and Cash Equivalents at the Beginning of the Year	2,021,174	4,854,430
Cash and Cash Equivalents at the End of the Year	13,450,636	2,021,174
Components of Cash and Cash Equivalents	March 31, 2015	March 31, 2014
Balances with Scheduled Banks		
- In Current Account	1,900,853	185,661
- In Deposit Account linked to Current Account	9,701,609	-
- In EEFC Account	-	-
Cash on Hand	15,195	2,159
Earmarked balance with banks (Unpaid dividend)	1,782,979	1,783,354
Deposit with Bank	50,000	50,000
TOTAL	13,450,636	2,021,174

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

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Notes on Financial Statements For the Year ended March 31, 2015

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

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 1: SHARE CAPITAL		
Authorised Capital 13,200,000 Equity Shares of Rs. 10/- each, fully paid (Previous Year :13,200,000 Equity Shares of Rs.10/- each fully paid)	132,000,000	132,000,000
Issued, Subscribed and Paid Up Capital 12,098,673 Equity Shares of Rs. 10/- each fully paid (Previous Year :12,098,673 Equity Shares of Rs. 10/- each fully paid)	120,986,730	120,986,730

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

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
SANJAY VEDPRAKASH SONI	2,378,440	19.66	1,554,262	12.85
VIJAY GUPTA	919,416	7.60	632,274	5.22
ASHISH DHAWAN	-	-	766,044	6.33
FID FUNDS (MAURITIUS) LIMITED	-	-	1,082,636	8.95
MUKUL S DOSHI	-	-	1,004,998	8.31

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

Particulars	As at March 31, 2015	As at March 31, 2014
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	12,098,673	12,098,673
Add: Shares issued during the year	-	-
Less: shares cancelled on buy back of Equity Shares	-	-
Equity shares at the end of the year	12,098,673	12,098,673

Note 2: RESERVES AND SURPLUS

Securities Premium Account		
As per last Balance Sheet	1,447,293,217	1,447,293,217
Additions during the year:	-	-
	1,447,293,217	1,447,293,217
General Reserve		
As per last Balance Sheet	6,339,532	6,339,532
Add: Transfer from Statement of Profit & Loss	-	-
Closing Balance	6,339,532	6,339,532
Surplus		
As per last Balance Sheet	51,347,116	49,379,390
Add: Net Profit after Tax for the year	2,648,775	1,967,726
	53,995,891	51,347,116
	1,507,628,640	1,504,979,866

Notes on Financial Statements

For the Year ended March 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 3: LONG TERM BORROWINGS		
From Banks-Secured:		
Term Loan:		
Term Loan from State Bank of Mysore (including Interest accrued)	-	4,282,776
TOTAL	-	4,282,776

Note : SBM Term Loan has been sold to Edelweiss ARC

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 4: OTHER LONG TERM LIABILITIES		
Rental Deposit refundable	12,586,031	10,791,550
Liability towards Investment in Subsidiary	2,507,000	2,507,000
TOTAL	15,093,031	13,298,550
Note 4A: LONG TERM PROVISIONS		
Long Term Provisions for Gratuity	4,526,837	3,446,480
Long Term Provisions for Compensatory Absences	2,616,527	1,790,460
TOTAL	7,143,364	5,236,940
Note 5: SHORT TERM BORROWINGS		
From Banks-Secured:		
a) Working Capital Facilities from State Bank of Mysore (Secured against first charge on inventories & receivables, immovable property, second charge on moveable assets and personal guarantee by Promoter Directors)		
i) Open Cash Credit	9,546,064	9,546,064
ii) Packing Credit	111,920,682	111,920,682
b) Working Capital Facilities from Barclays bank (Secured against short term investments and personal guarantee by Promoter Directors)	121,499,999	-
From Others-Unsecured:		
Car Loan from HDFC	1,034,139	-
Geeta Monitors Pvt Ltd	8,174,583	-
TOTAL	252,175,467	121,466,746

Note : SBM Working Capital has been sold to Edelweiss ARC

Notes on Financial Statements For the Year ended March 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 6: TRADE PAYABLES		
Sundry Creditors	135,255,514	136,332,793
TOTAL	135,255,514	136,332,793
Note 7: OTHER CURRENT LIABILITIES		
Current maturities of long term debt		
Unclaimed Dividend	23,276,688	19,461,912
Share Warrant Application Money pending allotment (Refer Note No.24.6)	1,782,978	1,783,353
Statutory dues	330,000	330,000
Deferred Income	3,103,692	18,431,547
Other payables (mainly comprises of Interest payable)	3,558,347	2,809,171
	58,365,518	35,676,007
TOTAL	90,417,223	78,491,990
Note 8: SHORT TERM PROVISIONS		
Provision for Taxation	80,106	145,249
Short term Provision for Gratuity	672,110	304,760
Short term Provision for Compensated absences	319,498	189,420
TOTAL	1,071,714	639,429

Note 9: FIXED ASSETS

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION /AMORTISATION				NET BLOCK	
	As at 01.04.2014	Additions	Deletions/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the year	Deletions/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Asset										
1. Land	4,674,279	-	-	4,674,279	-	-	-	-	4,674,279	4,674,279
2. Buildings	49,178,564	-	-	49,178,564	23,239,027	1,080,937	-	24,319,964	24,858,600	25,939,537
3. Computers	33,861,823	9,406,948	-	43,268,771	32,921,261	2,721,487	-	35,642,748	7,626,023	940,562
4. Plant and Machinery	6,871,701	-	-	6,871,701	6,213,533	503,396	-	6,716,929	154,772	658,168
5. Office Equipments	6,175,128	125,273	-	6,300,401	4,943,369	1,128,823	-	6,072,192	228,209	1,231,759
6. Diesel Generators	1,919,067	-	-	1,919,067	1,355,375	115,646	-	1,471,021	448,046	563,692
7. Electrical Installations	4,639,947	117,305	-	4,757,252	3,542,575	332,378	-	3,874,953	882,299	1,097,372
8. Furniture & Fittings	4,581,194	28,625	-	4,609,819	4,200,544	79,116	-	4,279,660	330,159	380,650
9. Interiors	7,708,528	363,293	-	8,071,821	7,173,245	496,217	-	7,669,462	402,359	535,283
10. Vehicles	14,031,906	2,124,878	2,100,682	14,056,102	12,163,236	1,213,436	2,005,107	11,371,565	2,684,537	1,868,670
11. Canteen Structure	301,039	-	-	301,039	301,039	-	-	301,039	-	-
Total (A)	133,943,176	12,166,322	2,100,682	144,008,816	96,053,204	7,671,437	2,005,107	101,719,533	42,289,283	37,889,973
Intangible Asset										
12. Software	65,682,233	1,754,012	-	67,436,245	65,277,177	385,623	-	65,662,800	1,773,445	405,056
13. Intellectual Property	200,076,188	-	-	200,076,188	50,019,047	50,019,047	-	100,038,094	100,038,094	150,057,141
Total (B)	265,758,420	1,754,012	-	267,512,433	115,296,224	50,404,670	-	165,700,894	101,811,539	150,462,196
Grand Total (A+B)	399,701,596	13,920,333	2,100,682	411,521,249	211,349,428	58,076,107	2,005,107	267,420,427	144,100,822	188,352,169
Previous Year	199,113,536	200,588,060	-	399,701,596	156,293,816	55,055,612	-	211,349,428	188,352,169	42,819,720

Notes on Financial Statements

For the Year ended March 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 10: NON- CURRENT INVESTMENTS		
Other than Trade, Unquoted		
Investment in Equity Instruments of Subsidiaries(at Cost)		
i) Investment in Equity Shares of Midrange Software Pte Ltd, Singapore (1,904,915 Equity Shares of face value SGD 1 each fully paid) (Previous Year: 1,904,915 Equity Shares of face value SGD 1 each fully paid)	55,123,998	55,123,998
ii) Investment in Equity Shares of Izmo Inc (Formerly Logix Americas Inc.,) (100,000 Equity Shares of face value USD 1 each fully paid, issued at USD 195.01 per share) (Previous Year: 100,000 Equity Shares of face value USD 1 each fully paid, issued at USD 195.01 per share) (50,000 Equity Shares of face value USD 1 each fully paid, issued at USD266.942 per share) (Previous Year:(50,000 Equity Shares of face value USD 1 each fully paid, issued at USD266.942 per share)	1,456,937,211	1,456,937,211
iii) Investment in Equity Shares of Logix Microsystems Inc., USA (65,500 Equity Shares of face value USD 1 each fully paid) (Previous Year: 65,500 Equity Shares of face value USD 1 each fully paid)	3,071,845	3,071,845
iv) Investment in Equity Shares of Carazoo Online Services Pvt.Ltd (48,810 Equity Shares of face value Rs.10 each fully paid) (Previous Year: 48,810 Equity Shares of face value Rs.10 each fully paid)	2,040,500	2,040,500
v) Share Application Money pending allotment- Izmo Europe BVBA, Belgium Euros :NIL (Previous Year: Euros 13,59,093)	-	88,877,287
vi) Investment in Equity Shares of Izmo Europe BVBA, Belgium (1,359,093 Equity Shares of Euro 1 each fully paid) (Previous Year: NIL)	88,877,287	-
Less: Reserve for Diminution in value of Investment	(3,071,845)	(3,071,845)
Investment in Equity Instruments of Others (at Cost)		
i) Investment in Equity Shares of Cobot Systems Pvt. Ltd	10,000,000	-
TOTAL	1,612,978,996	1,602,978,996
Note 11: LONG TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Deposits	4,963,731	3,549,732
Unsecured Loan to Carazoo	10,518,438	4,356,233
TOTAL	15,482,169	7,905,965
Note 12: CURRENT INVESTMENTS		
Trade Investments, Quoted: Valued at Lower of Cost or Market Value		
Investment in Mutual Funds:	172,114,782	-
TOTAL	172,114,782	-

Notes on Financial Statements

For the Year ended March 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 13: INVENTORIES		
Stock in Trade	138,199	391,433
Software work-in-Progress	-	-
TOTAL	138,199	391,433
Note 14: TRADE RECEIVABLES		
Debts outstanding for a period exceeding 6 months		
Unsecured, Considered Good	18,212,902	89,075,049
Unsecured, Considered Doubtful	-	-
Other Debts (Unsecured, Considered Good)	99,455,373	57,913,111
	117,668,275	146,988,160
Less: Provision for Doubtful Debts	-	-
TOTAL	117,668,275	146,988,160
Note 15: CASH AND BANK BALANCES		
a. Cash & Cash equivalents		
i) Balances with Scheduled Banks		
Current Account	1,900,853	185,661
Fixed Deposit Account	9,701,609	-
ii) Cash on Hand	15,195	2,159
b. Earmarked balance with banks (Unpaid dividend)	1,782,979	1,783,354
c. Deposit with Banks	50,000	50,000
(The above deposit are held as Margin money against Bank Guarantee's availed)		
TOTAL	13,450,636	2,021,174
Note 16: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good:		
Loans and advances to related parties (Refer Note No.24.16)	15,519,975	18,711,707
Employee Loans & Advances	848,333	54,942
MAT Credit Entitlement	-	1,771,857
Income-tax Paid at Source	5,712,753	4,875,490
Income Tax refund receivable	3,171,869	1,331,709
Work-in-progress-software development	9,012,324	-
Other Short term Loans & Advances	12,615,010	7,705,645
(primarily comprises of Interest Receivable on Inter-Corporate Deposits amounting to Rs 51,42,322/- (Previous Year Rs 51,42,322/-)		
TOTAL	46,880,264	34,451,350

Notes on Financial Statements

For the Year ended March 31, 2015

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Note 17: REVENUE FROM OPERATION		
Software Sales & Services		
-Domestic	18,615,450	17,985,470
-Exports	165,689,654	142,555,690
TOTAL	184,305,104	160,541,160
Note 18: OTHER INCOME		
Interest Income [TDS: Rs. 97,722/- (Previous Year: Rs. 9,515)]	990,702	95,141
Income from Investments	114,782	-
Other Non-operating income		
-Rental Income	10,774,690	10,471,981
-Service Charges received (Carazoo)	4,447,926	5,760,957
-Profit on Sale of Fixed Assets	170,800	-
-Reimbursement of expenses	1,455,040	1,591,096
-Miscellaneous Income	820,594	6,465,136
TOTAL	18,774,533	24,384,311
Note 19: DIRECT COST OF OPERATION		
Cost of Purchase for Resale	11,982,661	12,267,687
Customs duty	2,339	4,199
TOTAL	11,985,000	12,271,886
Note 20: (INCREASE)/ DECREASE IN WORK-IN-PROGRESS		
Opening Stock		
Stock in Trade	391,433	295,359
Software Work in Progress	-	-
Total (A)	391,433	295,359
Closing Stock		
Stock in Trade	138,199	391,433
Software Work in Progress	-	-
Total (B)	138,199	391,433
(Increase)/Decrease in Work-in-Progress	253,234	(96,074)
Note 21: EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages (Refer Note No. 24.12)	73,496,595	56,552,625
Contribution to Provident and Other Funds	4,317,433	2,536,648
Staff Welfare Expenses	2,949,616	2,031,111
TOTAL	80,763,644	61,120,384
Note 22: FINANCIAL COSTS		
Interest Expense	18,798,471	18,460,431
TOTAL	18,798,471	18,460,431

Notes on Financial Statements For the Year ended March 31, 2015

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Note 23: OTHER EXPENSES		
Directors Sitting Fees	260,000	-
Books & Periodicals	4,009	3,910
Corporate Expenses	330,586	196,509
Electricity, Generator & Water Charges	3,555,080	5,699,012
Insurance	193,650	159,660
Membership & Subscription	119,444	124,941
Miscellaneous Expenses	437,015	176,829
Office Expenses	852,516	602,265
Postage & Telecommunication	1,969,772	1,315,764
Professional, Legal & Consultancy Charges (Refer Note No.24.7)	3,032,070	2,623,076
Printing & Stationery	379,372	169,136
Rent	5,639,230	5,478,420
Rates & Taxes	729,559	780,529
Repairs & Maintenance	1,229,177	795,548
Recruitment expenses	-	1,854
Security Charges	1,121,077	577,065
STPI - Service Charges	296,000	581,000
Traveling & Conveyance	8,785,165	6,614,795
Vehicle Maintenance	1,395,675	866,724
Exchange Rate Difference	673,279	6,738,363
Bank Charges	82,228	85,016
Bad Debts written off	3,588	-
Advertisement Expenses	179,189	130,554
Business Promotion	695,833	539,063
Exhibition & Seminar Expenses	-	12,000
Entertainment Expenses	141,108	111,407
Loss on sale of Investment	710,010	-
TOTAL	32,814,631	34,383,440

Notes on Financial Statements For the Year ended March 31, 2015

24 NOTES ON ACCOUNTS

24.1 Significant Accounting Policies

a. Basis of Preparation

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

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

b. Revenue Recognition

Izmo Cars Solutions

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

Enterprise Connectivity & Security

Revenue from sale of hardware and software products is recognized on the dispatch of goods from the company's premises/transfer of Licenses.

Income from Maintenance Contracts is accounted for in the ratio of the period expired to the total period of contract and the amount invoiced from the customers towards the unexpired portion of such contracts is treated as Deferred Revenue

Dividend Income & Interest Income

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

c. Inventory Valuation

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

d. Fixed Assets

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

e. Depreciation

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

f. Investments

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

g. Foreign Currency Transactions

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

h. Borrowing Cost

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

i. Taxation

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

Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets/liabilities are reviewed as at each Balance sheet date.

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

j. Retirement/ Employee Benefits

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

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

Other Employee benefits are accounted for on accrual basis.

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

k. Intangible Assets

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

l. Earnings per Share

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

adjusted for the effects of all potential dilutive equity shares.

m. Provisions & Contingent Liabilities

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

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

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

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Money for which the company is contingently liable:		
Performance Guarantees (STPI - customs duty)	50,000	50,000

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

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

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

24.4 During the financial year 2013-14, the Company received the allotment of 50,000 equity shares on 15th April 2013 from its subsidiary Logix Americas Inc., which is the holding company for the US subsidiaries against Share Application Money pending allotment as on that date. The investment in Logix Americas Inc., has in-turn been invested by way of equity and loans in Homestar Systems Inc., Homestar LLC, the step-down subsidiaries of Logix Americas Inc.

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	220,000	220,000
Taxation Matters	80,000	80,000
Professional charges *	355,000	185,000
* Including Statutory Certification fees		
Total	655,000	485,000

24.8 C I F Value of Imports

(Amount in Rs.)

Particulars	Current Year	Previous Year
Purchases	11,605,075	11,863,661
Capital Goods	-	-
Total	11,605,075	11,863,661

24.9 Expenditure in Foreign Currency

(Amount in Rs.)

Particulars	Current Year	Previous Year
Purchases	11,602,736	11,859,462
Capital goods	-	-
Foreign Travel	5,657,426	1,669,865
Rebate on Export	-	-
Total	17,260,162	13,529,327

24.10 Earnings in Foreign Currency

(Amount in Rs.)

Particulars	Current Year	Previous Year
Software Exports & Consultancy	165,689,654	142,555,690
Reimbursements in respect of Marketing costs	-	-

24.13 Earning per Share:

Computation of earnings per share (basic & diluted) -

Particulars		After extraordinary items		Before extraordinary items	
		2014 - 2015	2013 - 2014	2014 - 2015	2013 - 2014
Basic					
Net Profit after tax attributable to Equity share holders (Rs)	A	2,648,775	1,967,726	2,648,775	1,967,726
Weighted average number of shares outstanding *	B	12,098,673	12,098,673	12,098,673	12,098,673
Basic EPS (Rs)	A/B	0.22	0.16	0.22	0.16
Diluted					
Net Profit after tax attributable to Equity share holders (Rs)	A	2,648,775	1,967,726	2,648,775	1,967,726
Weighted average number of shares outstanding*	B	12,098,673	12,098,673	12,098,673	12,098,673
Add : Weighted average no of potential equity shares on account of ESOP	C	-	-	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	12,098,673	12,098,673	12,098,673	12,098,673
Diluted EPS (Rs)	A/D	0.22	0.16	0.22	0.16
Face value per share (Rs)		10	10	10	10

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

(Rs. in Lakhs)

Particulars	Gross			Amortization			Net	
	Opening	Addition	Total	Opening	Addition	Total	Opening	Closing
(a) Internally Generated Software	40.00	0.00	40.00	40.00	0.00	40.00	0.00	0.00
(b) Acquired Software	616.82	17.54	634.36	612.77	3.86	616.63	4.05	17.73
TOTAL	656.82	17.54	674.36	652.77	3.86	656.63	4.05	17.73
(c) Intellectual Property	2,000.76	0.00	2,000.76	500.19	500.19	1,000.38	1,500.57	1,000.38
TOTAL	2,657.58	17.54	2,675.12	1,152.96	504.05	1,657.01	1,504.62	1,018.11

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

Particulars	Opening Stock	Purchases/ Sales Returns	Sales/Purchase Returns/Disposals	Closing Stock
Current Year Software	16	-	8	6
Previous Year Software	14	10	8	16

24.12 Managerial Remuneration

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary & Allowances	6,002,712	5,775,912
Contribution to Provident Fund	193,332	420,132
Total	6,196,044	6,196,044

The above amounts do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available.

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

Managerial remuneration (relating to FY 2010-11 to 2012-13), in excess of the approval by the central government, as informed by the management, the same is being repaid by the Managing director in over a period of two years and will be repaid before March, 2017.

24.15 Lease-Operating Lease

The Company is obligated under cancelable lease for the office space that is renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under cancelable operating leases for the year ended 31 March, 2015 are as follows.

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
Minimum Lease Payment	46,158,755	30,894,071
Contingent Rent	-	-
Amount due within 1 Year	8,388,740	5,189,780
Amount due later than 1 Year & not later than 5 Years	37,770,015	25,704,291

24.16 List of Related Parties**a) Enterprises Controlled by the Company**

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

b) Key Management Personnel

Mr. Sanjay Soni
Mr. Tej Soni

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

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

(Amount in Lakhs)

Nature of Transactions	Subsidiary Companies		Key Management Personnel		Enterprises in which Key Management Personnel or their relative have a significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services/Rentals/Re-imbusement of Expenses/Investment						
Deep Heritage	-	-	-	-	-	0.15
Si2 Microsystems Pvt Ltd.,	-	-	-	-	18.62	34.59
D'gipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	-	-
Remuneration	-	-	61.96	61.96	-	-
Software Sales & Service Exports						
Izmo Inc., USA	1,656.90	1,371.90	-	-	-	-
Midrange Software Pte Ltd.,	-	53.66	-	-	-	-
Rental Income						
Si2 Microsystems Pvt Ltd.,	-	-	-	-	51.50	51.50
D'gipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	20.40	20.40
Receivables						
Izmo Inc., USA	1,103.13	1,425.47	-	-	-	-
Carazoo Online Solutions Pvt Ltd	105.18	83.14	-	-	-	-
D'gipro Design Automation and Marketing Pvt Ltd.,	-	-	-	-	155.20	160.36
Payables						
Homestar LLC	13.04	12.56	-	-	-	-
Izmo Inc., USA	1,150.11	1,108.38	-	-	-	-
Si2 Microsystems Pvt Ltd.,	-	-	-	-	86.43	101.12

24.17 Sundry Debtors includes the following amounts in respect of dues from Subsidiaries:

(Amount in Lakhs.)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Izmo Inc.	1,103.13	1,447.21	1,425.47	2,696.79

Sundry Debtors includes a sum of Rs. 1.82 crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date.

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

24.19 Income from Investments comprises of :

(Amount in Rs.)

Particulars	Current Year	Previous Year
Dividend	-	-
Income from Mutual fund (Debt fund)	114,782	-
Profit / (Loss) on sale of investments	(710,010)	-
TOTAL	(595,228)	-

24.20 Provision Taxation :

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

The Deferred tax balance comprises of the following:

Particulars	Current Year	Previous Year
Deferred Tax Asset\Liabilities		
Depreciation	35.88	1.63
Leave Salary & Gratuity	7.43	4.22
Timing differences u/s 40(a)(ia) of Income Tax Act,1961	-	-
TOTAL	43.31	5.85

"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. "

24.21 Segment Reporting Primary Segments

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

- Export
- Domestic.

(Amount in Lakhs.)

Particulars	Current Year	Previous Year
Revenue:		
Export	1656.90	1,425.56
Domestic	186.15	179.85
Net Income from Operations	1843.05	1,605.41
Add: Income from Exceptional Items/Other Income	187.75	234.14
Profit before Depreciation/Tax/Interest/Amortization :		
-from Exports	720.53	624.11
-from Domestic	(134.82)	(95.61)
Income from Exceptional Items/Other Income	187.75	234.14
TOTAL	773.45	762.64
Less: (1) Interest	188.81	185.45
(2) Other Unallocated Expenses	0.00	0.00
(3) Depreciation/Amortization	580.76	550.56
Profit Before Taxation	3.89	27.59

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.

24.22 Defined Benefit Plans

- Gratuity
- Leave Encashment

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

a) Change in defined benefit obligation

(Amount in Lakhs.)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Projected Benefit Obligation at the beginning of the year	37.51	33.35	19.80	17.00
Current Service Cost	7.93	7.37	3.28	2.34
Interest Cost	3.05	2.47	1.40	1.22
Actuarial (gain)/loss on obligations	10.81	0.11	13.44	4.88
Benefits Paid	(7.31)	(5.79)	(8.56)	(5.64)
Projected Benefit obligation at the end of the year	51.99	37.51	29.36	19.80

b) The fair value of the plan assets is NIL since employee benefits plans are wholly unfunded as on March 31,2015

c) Amount recognized in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of the obligation as at the end of the year	51.99	37.51	29.36	19.79
Fair Value of plan assets as at the end of the period	-	-	-	-
Funded status	51.99	37.51	29.36	19.79
Unrecognized actuarial (gains)/losses	-	-	-	-
Net Liability recognized in the Balance Sheet	51.99	37.51	29.36	19.79

d) Net periodic gratuity cost

(Amount in Lakhs.)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	7.93	7.37	3.28	2.34
Interest Cost	3.05	2.47	1.40	1.22
Expected return on plan assets	-	-	-	-
Net actuarial (gains)/loss recognized	10.81	0.11	13.44	4.88
Expenses recognized in the statement of Profit and Loss	21.79	9.95	18.12	8.44

e) Principal actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rates	8.00%	9.00%	8.00%	9.00%
Future salary increases	7.00%	7.00%	7.00%	7.00%

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

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

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

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

24.23 Transfer Pricing

The company derives a significant portion of its revenue (Rs.1656.90 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 2015, particularly on their amount of tax expense and that of the provision for taxation.

24.24 The Company has filed appeals before Appellate Tribunal against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2009-10 & AY 2010-11, and cases are pending for disposal, as on Balance sheet date.

24.25 The Company has booked two forward contracts for a total amount of US \$ 5,00,000/- with HDFC Bank Ltd, during the year.

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

24.27 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

As per my Report of even date
for R.Vijayanand
Chartered Accountant

Bangalore
30th May, 2015

R.Vijayanand
Proprietor
Membership No.202118

Auditor's Report on the consolidated financial statement

Independent Auditor's Report on the consolidated financial statement of IZMO Limited for the year ended March 31, 2015 To the members of IZMO Limited

I have examined the accompanying consolidated financial statements of IZMO Limited ('the Company') and its subsidiaries, which comprises the consolidated balance sheet as at 31st March 2015, the consolidated statement of profit and loss and consolidated cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information

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

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statement give the information required by the Act, in the manner s required and give true and fair view in conformity with the accounting principle generally accepted in India, of the consolidated state of affairs of the group, its associates and jointly controlled entities as at 31 March, 2015, and their consolidated profit/loss and consolidated cash flow for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of the subsidiaries. Financial statements of the subsidiaries are as furnished and certified by the management reflecting total net worth of Rs 172.16crores as at 31st March, 2015 and total revenue from operations of Rs. 33.48crores for the year ended are unaudited and have been certified by the management.

R. Vijayanand
Chartered Accountant
Membership No. 202118
Dated: 30th May, 2015

Consolidated Balance Sheet

As at 31st March, 2015

	Note No.	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	120,986,730	120,986,730
Reserves and Surplus	2	1,600,575,255	1,650,869,280
		1,721,561,985	1,771,856,010
Non-Current Liabilities			
Long Term Borrowings	3	-	4,282,776
Other Long Term Liabilities	4	15,093,031	13,298,550
Long Term Provisions	4A	7,143,364	5,236,940
		22,236,395	22,818,266
Current Liabilities			
Short Term Borrowings	5	252,175,467	121,466,746
Trade Payables	6	27,844,500	30,904,362
Other Current Liabilities	7	145,083,849	132,444,014
Short Term Provisions	8	1,071,714	639,429
		426,175,530	285,454,551
TOTAL		2,169,973,910	2,080,128,827
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		56,629,083	53,352,930
Intangible Assets		1,617,177,369	1,692,730,747
Non-Current Investments	10	12,040,500	10,137,101
Deferred Tax Assets (Net)		6,957,539	2,626,572
Long Term Loans & Advances	11	113,964,971	18,787,263
		1,806,769,462	1,777,634,613
Current Assets			
Current Investments	12	172,114,782	-
Inventories	13	138,199	391,433
Trade Receivables	14	30,118,096	32,210,152
Cash and Bank Balances	15	44,409,832	227,481,410
Short Term Loans & Advances	16	116,423,539	42,411,219
		363,204,448	302,494,214
TOTAL		2,169,973,910	2,080,128,827

Notes to Accounts & Significant Accounting policies

1 to 24

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

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Consolidated Statement of Profit and Loss

For the year ended 31st March, 2015

	Note No.	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
INCOME			
Revenue from Operations	17	334,774,367	290,745,971
Other Income	18	80,978,552	330,835,608
TOTAL REVENUE		415,752,919	621,581,578
EXPENDITURE			
Direct Cost of Operation	19	11,985,000	17,692,137
(Increase)/Decrease in Stocks/Work-in-Progress	20	253,234	(96,074)
Employee Benefit Expenses	21	180,528,729	216,209,673
Financial Costs	22	23,622,740	19,569,083
Depreciation/Amortisation Expenses	09	132,030,793	258,241,654
Other Expenses	23	107,976,798	101,999,623
TOTAL EXPENSES		456,397,294	613,616,095
Profit Before Tax & Exceptional item		(40,644,375)	7,965,483
Exceptional Items			
MAT Credit adjustment		-	(970,595)
Profit Before Tax		(40,644,375)	6,994,888
Tax Expenses			
Current Tax		(2,070,743)	(1,376,073)
Less: MAT Credit Adjustment		-	-
Deferred Tax		4,330,967	584,602
		2,260,224	(791,471)
Net Profit for the Year		(38,384,151)	6,203,417

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

Basic	3.17	0.51
Diluted	3.17	0.51

Notes to Accounts & Significant Accounting Policies

1 to 24

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

for and on behalf of the Board

As per my Report of even date

Sanjay Soni
Managing Director

Shashi Soni
Chairperson

Kiran Soni
Chief Financial Officer

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Consolidated Cash Flow Statement

For the year ended 31st March, 2015

	March 31, 2015 Rs.	March 31, 2014 Rs.
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Taxation	(40,644,375)	7,965,483
Adjustments for:		
Depreciation	132,030,793	258,241,654
MAT credit adjustment	-	(970,595)
Interest Expense	23,622,740	19,569,083
Interest Income	(990,702)	(95,141)
Rental Income	(10,774,690)	(10,471,981)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	595,228	-
Profit on Sale of Assets	(170,800)	-
Operating Profit Before Working Capital Changes	103,668,195	274,238,503
Movements in Working Capital :		
(Increase)/Decrease in Trade Receivables	2,092,056	41,069,060
(Increase)/Decrease in Current Investment	(172,114,782)	-
(Increase)/Decrease in Inventories	253,234	(96,074)
(Increase)/Decrease in short term Loans and Advance	(74,012,320)	(2,345,788)
Increase/(Decrease) in Current Liabilities and Provisions	138,650,233	(18,435,616)
Cash Generated from Operations	(1,463,384)	294,430,085
Direct Taxes paid (Net of Refunds)	-	(1,376,073)
Net cash from Operating Activities	(1,463,384)	293,054,012
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(59,849,141)	(200,588,060)
Proceeds from Sale of Fixed Assets	266,375	134,406,401
Rental deposit for buildings received	1,794,481	(1,170,000)
(Profit)/ Loss on short term investments, includes dividend income(net of related expenses)	(595,228)	-
Additional Investment during the year	(13,813,273)	11,909,874
Long term loans & Advances	(95,177,707)	(675,058)
Long term Provisions	1,906,424	603,460
Rental Income	10,774,690	10,471,981
Interest Received	990,702	95,141
Net cash used in Investing Activities	(153,702,678)	(44,946,262)
C. Cash Flows from Financing Activities		
Long Term Borrowings (Term loan & others)	(4,282,776)	(9,052,857)
Proceeds from issue of share capital (net of expenses)	-	-
Interest paid	(23,622,740)	(19,569,083)
Net Cash used in Financing Activities	(27,905,516)	(28,621,940)
Net increase in Cash and Cash Equivalents (A + B + C)	(183,071,578)	219,485,811
Cash and Cash Equivalents at the Beginning of the Year	227,481,410	7,995,599
Cash and Cash Equivalents at the End of the Year	44,409,832	227,481,410
Components of Cash and Cash Equivalents	March 31, 2015	March 31, 2014
Balances with Scheduled Banks		
- In Current Account	32,802,277	225,590,586
- In Deposit Account linked to Current Account	9,701,609	-
- In EEFC Account	-	-
Cash on Hand	72,966	57,470
Earmarked balance with banks (Unpaid dividend)	1,782,979	1,783,354
Deposit with Bank	50,000	50,000
TOTAL	44,409,832	227,481,410

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

R.Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

Notes on Consolidated Financial Statement

For the year ended 31st March, 2015

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

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
Note 1: SHARE CAPITAL		
Authorised Capital		
13,200,000 Equity Shares of Rs.10/- each, fully paid (Previous Year :13,200,000 Equity Shares of Rs.10/- each fully paid)	132,000,000	132,000,000
Issued, Subscribed and Paid Up Capital		
12,098,673 Equity Shares of Rs.10/- each fully paid (Previous Year :12,098,673 Equity Shares of Rs.10/- each fully paid)	120,986,730	120,986,730

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

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
Sanjay Vedprakash Soni	2,378,440	19.66	1,554,262	12.85
Vijay Kumar D. Gupta	919,416	7.60	632,274	5.22
Ashish Dhawan	-	-	766,044	6.33
FID Funds (Mauritius) Limited	-	-	1,082,636	8.95
Mukul S Doshi	-	-	1,004,998	8.31

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

	As at March 31, 2015 No. of Shares	As at March 31, 2014 No. of Shares
Equity Shares at the beginning of the year	-	12,098,673
Add: Shares issued during the year	-	-
Less: shares cancelled on buy back of Equity Shares	-	-
Equity shares at the end of the year	12,098,673	12,098,673

	As at March 31, 2015 No. of Shares	As at March 31, 2014 Rs.
Note 2: RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	1,447,293,217	1,447,293,217
Additions during the year:	-	11,909,874
	1,447,293,217	1,459,203,091
General Reserve		
As per last Balance Sheet	6,339,532	6,339,532
Add: Transfer from Statement of Profit & Loss	-	-
Closing Balance	6,339,532	6,339,532
Surplus		
As per last Balance Sheet	185,326,656	179,123,239
Add: Net Profit after Tax for the year	(38,384,151)	6,203,417
	146,942,505	185,326,656
TOTAL	1,600,575,255	1,650,869,280

Notes on Consolidated Financial Statement

For the Year ended 31st March, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 3: LONG TERM BORROWINGS		
From Banks-Secured:		
Term Loan:		
Term Loan from State Bank of Mysore (including Interest accrued)	-	4,282,776
TOTAL	-	4,282,776

Note : SBM Term Loan has been sold to Edelweiss ARC

Note 4: OTHER LONG TERM LIABILITIES		
Rental Deposit refundable	12,586,031	10,791,550
Liability towards Investment in Subsidiary	2,507,000	2,507,000
TOTAL	15,093,031	13,298,550

Note 4A: LONG TERM PROVISIONS		
Long Term Provisions for Gratuity	4,526,837	3,446,480
Long Term Provisions for Compensatory Absences	2,616,527	1,790,460
TOTAL	7,143,364	5,236,940

Note 5: SHORT TERM BORROWINGS		
From Banks-Secured:		
a. Working Capital Facilities from State Bank of Mysore (Secured against first charge on inventories & receivables, immovable property, second charge on moveable assets and personal guarantee by Promoter Directors)		
i) Open Cash Credit	9,546,064	9,546,064
ii) Packing Credit	111,920,682	111,920,682
b. Working Capital Facilities from Barclays Bank	121,499,999	-
From Others - Unsecured:		
Car Loans from HDFC	1,034,139	-
Geeta Monitors Pvt. Ltd.	8,174,583	-
TOTAL	252,175,467	121,466,746

Note : SBM Term Loan has been sold to Edelweiss ARC

Notes on Consolidated Financial Statement

For the Year ended 31st March, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 6: TRADE PAYABLES		
Sundry Creditors	27,844,500	30,904,362
TOTAL	27,844,500	30,904,362
Note 7: OTHER CURRENT LIABILITIES		
Current maturities of long term debt	23,276,688	19,461,912
Unclaimed Dividend	1,782,978	1,783,353
Share Warrant Application Money pending allotment (Refer Note No. 24.8)	330,000	330,000
Statutory dues	3,103,692	18,431,547
Deferred Income	68,757,055	2,809,171
Other payables	47,833,436	89,628,032
TOTAL	145,083,849	132,444,014
Note 8: SHORT TERM PROVISIONS		
Provision for Taxation	80,106	145,249
Short term Provision for Gratuity	672,110	304,760
Short term Provision for Compensated absences	319,498	189,420
TOTAL	1,071,714	639,429

Note: 9. FIXED ASSETS

(Amount in Rs.)

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost on 01.04.2014	Additions	Deletions/ Transfer	Cost on 31.03.2015	Up to 31.03.2014	Deletions/ Transfer	For the Year	Up to 31.03.2015	WDV on 31.03.2015	WDV on 31.03.2014
Tangible Assets											
1	Land	4,674,279	-	-	4,674,279	-	-	-	-	4,674,279	4,674,279
2	Buildings	61,484,949	-	-	61,484,949	30,196,783	-	2,227,872	32,424,655	29,060,296	31,288,166
3	Computers	33,861,823	9,445,947	-	43,307,770	32,921,260	-	2,722,769	35,644,029	7,663,741	940,563
4	Plant and Machinery	7,051,808	-	-	7,051,808	6,318,500	-	521,219	6,839,719	212,089	733,308
5	Office Equipments	68,348,973	2,206,647	-	70,555,620	61,201,796	-	3,825,846	65,027,642	5,527,978	7,147,177
6	Diesel Generators	1,919,067	-	-	1,919,067	1,355,375	-	115,646	1,471,021	448,046	563,692
7	Electrical Installations	4,639,947	117,305	-	4,757,252	3,542,575	-	332,378	3,874,953	882,299	1,097,372
8	Furniture & Fittings	8,450,585	1,274,182	-	9,724,767	7,917,086	-	264,258	8,181,344	1,543,423	533,499
9	Interiors	16,601,602	363,293	-	16,964,895	12,095,398	-	1,336,046	13,431,444	3,533,451	4,506,204
10	Vehicles	15,023,294	2,526,565	2,100,682	15,449,177	13,154,624	2,005,107	1,216,178	12,365,695	3,083,482	1,868,670
11	Canteen Structure	301,039	-	-	301,039	301,039	-	-	301,039	-	-
	Total (A)	222,357,367	15,933,939	2,100,682	236,190,623	169,004,437	2,005,107	12,562,212	179,561,541	56,629,083	53,352,930
Intangibles Assets											
12	Software	70,221,635	1,754,012	-	71,975,647	69,816,579	-	385,623	70,202,202	1,773,444	405,056
13	Technical Know-how	2,078,651,890	42,161,190	-	2,120,813,080	548,618,813	-	61,409,657	610,028,470	1,510,784,610	1,530,033,077
14	Intellectual Property	217,427,487	-	-	217,427,487	57,254,861	-	55,553,312	112,808,173	104,619,314	160,172,626
15	Misc. Expenditure	30,701,226	-	-	30,701,226	28,581,237	-	2,119,989	30,701,226	-	2,119,989
	Total (B)	2,397,002,238	43,915,202	-	2,440,917,440	704,271,490	-	119,468,581	823,740,071	1,617,177,369	1,692,730,748
	Total (A+B)	2,619,359,605	59,849,141	2,100,682	2,677,108,063	873,275,927	2,005,107	132,030,793	1,003,301,613	1,673,806,452	1,746,083,677
	Previous Year	2,553,177,945	200,588,060	134,406,401	2,619,359,605	615,034,274	-	258,241,654	873,275,927	1,746,083,677	1,938,143,670

Notes on Consolidated Financial Statement

For the Year ended 31st March, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 10: NON-CURRENT INVESTMENTS		
Other than Trade, Unquoted		
Investment in Equity Instruments of Subsidiaries(atCost)		
Investments in Get Logix	-	8,096,601
Investment others		
i) Investment in Equity Shares of Carazoo Online Solutions Pvt. Ltd. (48,810 Equity Shares of face value Rs.10 each fully paid) (Previous Year:48,810 Equity Shares of face value Rs.10 each fully paid)	2,040,500	2,040,500
ii) Investment in Equity Shares of Cobot Systems Pvt Ltd	10,000,000	-
TOTAL	12,040,500	10,137,101
Note 11: LONG TERM LOANS & ADVANCES		
Unsecured, Considered Good		
Deposits	10,226,311	14,431,030
Unsecured Loan to Carazoo	10,518,438	4,356,233
Unsecured Loan to Oasis Venture Global Ltd	93,220,222	-
TOTAL	113,964,971	18,787,263
Note 12: CURRENT INVESTMENTS		
Trade Investments, Quoted: Valued at Lower of Cost or Market Value		
Investment in Mutual Funds	172,114,782	-
TOTAL	172,114,782	-
Note 13: INVENTORIES		
Stock in Trade	138,199	391,433
Software work-in-Progress	-	-
TOTAL	138,199	391,433
Note 14: TRADE RECEIVABLES		
Debts outstanding for a period exceeding 6 months		
Unsecured, Considered Good	22,763,001	21,691,871
Unsecured, Considered Doubtful	-	-
Other Debts (Unsecured, Considered Good)	7,355,096	10,518,281
Less: Provision for Doubtful Debts	30,118,097	32,210,152
	-	-
TOTAL	30,118,097	32,210,152

Notes on Consolidated Financial Statement
For the Year ended 31st March, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 15: CASH AND BANK BALANCES		
a. Cash & Cash equivalents		
i) Balances with Scheduled Banks		
Current Account	32,802,277	225,590,586
Fixed Deposit Account	9,701,609	-
ii) Cash on Hand	72,966	57,470
b. Earmarked balance with banks (Unpaid dividend)	1,782,979	1,783,354
c. Deposit with Banks (The above deposit are held as Margin money against Bank Guarantee's availed)	50,000	50,000
TOTAL	44,409,832	227,481,410
Note 16: SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good:		
Loans and advances to related parties (Refer Note No.24.9)	15,519,975	18,711,707
Employee Loans & Advances	848,333	54,942
MAT Credit Entitlement	-	1,771,857
Income-tax Paid at Source	5,712,753	4,875,490
Income Tax refund receivable	3,171,869	1,331,709
Work-in-progress-software development	9,012,324	-
Other Short term Loans & Advances	82,158,284	15,665,514
TOTAL	116,423,539	42,411,219
Note 17: REVENUE FROM OPERATION		
Software Sales & Services		
-Domestic	18,615,450	17,985,470
-Exports	316,158,917	272,760,500
TOTAL	334,774,367	290,745,971
Note 18: OTHER INCOME		
Interest Income [TDS: Rs. 97,722/- (Previous Year: Rs.9,515)]	990,702	95,141
Income from Investments	114,782	-
Other Non-operating income		
-Rental Income	10,774,690	10,471,981
-Service charges received (Carazoo)	4,447,926	5,760,957
-Profit on Sale of Fixed Assets	170,800	-
-Exchange Gain (Net)	62,204,019	39,547,711
-Reimbursement of expenses	1,455,040	1,591,096
-Profit on sale of business	-	345,947,025
-Miscellaneous Income	820,594	6,517,118
TOTAL	80,978,552	330,835,608
Note 19: DIRECT COST OF OPERATION		
Cost of Purchase for Resale	11,982,661	17,687,938
Customs duty	2,339	4,199
TOTAL	11,985,000	17,692,137

Notes on Consolidated Financial Statement

For the Year ended 31st March, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 20: (INCREASE)/DECREASE IN WORK-IN-PROGRESS		
Opening Stock		
Stock in Trade	391,433	295,359
Software Work in Progress	-	-
TOTAL (A)	391,433	295,359
Closing Stock		
Stock in Trade	138,199	391,433
Software Work in Progress	-	-
TOTAL (B)	138,199	391,433
(Increase)/ decrease in Work-in-Progress	253,234	(96,074)
Note 21: EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	173,261,680	211,641,914
Contribution to Provident and Other Funds	4,317,433	2,536,648
Staff Welfare Expenses	2,949,616	2,031,111
TOTAL	180,528,729	216,209,673
Note 22: FINANCIAL COSTS		
Interest Expense	23,622,740	19,569,083
TOTAL	23,622,740	19,569,083
Note 23: OTHER EXPENSES		
Directors Sitting Fees	260,000	-
Books & Periodicals	4,009	3,910
Corporate Expenses	330,586	196,509
Electricity, Generator & Water Charges	3,555,080	5,699,012
Insurance	1,833,610	894,067
Membership & Subscription	119,444	1,468,253
Miscellaneous Expenses	1,917,592	2,360,317
Office Expenses	1,419,686	2,112,096
Postage & Telecommunication	3,940,566	11,136,914
Professional, Legal & Consultancy Charges	20,609,889	6,051,905
Photoshoot & Development Expenses	4,137,726	-
Printing & Stationery	428,307	173,288
Rent	15,007,236	23,822,383
Rates & Taxes	2,043,261	2,018,028
Repairs & Maintenance	2,664,417	7,531,742
Recruitment expenses	-	1,854
Security Charges	1,160,225	665,728
STPI - Service Charges	296,000	581,000
Traveling & Conveyance	10,996,899	9,994,113
Vehicle Maintenance	1,432,893	1,113,739
Exchange Rate Difference	-	12,103,703
Bank Charges	288,907	1,469,845
Bad Debts written off	3,588	-
Advertisement Expenses	397,086	611,212
Business Promotion	1,639,546	4,014,330
Exhibition & Seminar Expenses	-	12,000
Entertainment Expenses	141,108	111,407
Commission on Sales	19,721,380	7,703,858
Bad Debts	1,521,904	148,410
Loss on sale of Investment	710,010	-
Provision against Investments	11,395,844	-
TOTAL	107,976,798	101,999,623

Notes on Consolidated Financial Statement For the Year ended 31st March, 2015

24 NOTES ON ACCOUNTS

24.1 Significant Accounting Policies

a Basis of Preparation

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

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

b Revenue Recognition

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

c Inventory Valuation

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

d Fixed Assets

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

e Depreciation

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

f Investments

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

g Foreign Currency Transactions

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

h Borrowing Costs

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

i Taxation

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

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

j Retirement/Employee Benefits

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

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

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

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

k Miscellaneous Expenditure

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

l Earnings per Share

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

m Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probable requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources

is remote, no provision or disclosure is made.

24.2 The consolidated Financial Statement represents the consolidated of Accounts of Izmo Limited (formerly Logix Microsystems Limited) with its subsidiaries as detailed below:

Name	Country	Ownership / Control
Midrange Software Pte. Ltd.	Singapore	100%
Izmo Inc.,	USA	100%
Izmo Europe BVBA	Belgium	100%

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 31.03.2015. Accounting for investments in subsidiaries is under the equity method.

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

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

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

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

(Amount in Rs.)

Particulars	Current Year	Previous Year
Money for which the company is contingently liable:		
-Performance Guarantees	50,000	50,000

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

(Amount in Rs.)

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

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

24.5 Remuneration to Directors:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary & allowances	6,002,712	5,775,912
Contribution to Provident Fund	193,332	420,132
Total	6,196,044	6,196,044

a) The above amount do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available.

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

c) Managerial remuneration (relating to FY 2010-11 to 2012-13), in excess of the approval by the central government, as informed by the management, the same is being repaid by the Managing director in over a period of two years and will be repaid before March, 2017.

24.6 The Company's Singapore subsidiary, Midrange Software Pte Ltd has made provision of SGD 2,70,000 (Previous year: SGD 270,000), in their books towards director's remuneration payable in respect of services rendered by Mr. Sanjay Soni. As per the understanding the same would be paid to M/s. Izmo Limited (formerly Logix Microsystems Ltd), the holding Company in accordance with applicable provisions of the Companies Act, 2013.

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

Particulars	After extraordinary items		Before extraordinary items	
	2014 - 2015	2013 - 2014	2014 - 2015	2013 - 2014
Basic				
Net Profit after tax attributable to Equity share holders (Rs) A	(38,384,151)	6,203,417	(38,384,151)	6,203,417
Weighted average number of shares outstanding B	12,098,673	12,098,673	12,098,673	12,098,673
Basic EPS (Rs) A/B	(3.17)	0.51	(3.17)	0.51
Diluted				
Net Profit after tax attributable to Equity share holders (Rs) A	(38,384,151)	6,203,417	(38,384,151)	6,203,417
Weighted average number of shares outstanding B	12,098,673	12,098,673	12,098,673	12,098,673
Add : Weighted average no of potential equity shares on account of ESOP C	-	-	-	-
Weighted average number of shares outstanding for diluted EPS D=B+C	12,098,673	12,098,673	12,098,673	12,098,673
Diluted EPS (Rs) A/D	(3.17)	0.51	(3.17)	0.51
Face value per share (Rs)	10	10	10	10

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

24.9 Consolidated Related Party disclosure

a. Key Management Personnel

Mr. Sanjay Soni

Mr. Tej Soni

b. Enterprises in which Key Management personnel/their relatives have a significant influence

Aries Gases Private Limited

Deep Heritage

Deep Oxygen Private Limited

Deep Investment Advisory Bangalore Private Limited

D'gipro Design Automation & Marketing Private Limited

Si2 Microsystems Private Limited

(Amount in Lakhs)

Nature of Transactions	Key Management Personnel		Enterprise in which key Management Personnel their relative have a significant influence	
	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services/Rentals				
Deep Heritage	-	-	-	0.15
Si2 Microsystems Pvt. Ltd.	-	-	18.62	34.59
D'gipro Design Automation and Marketing Pvt. Ltd.	-	-	-	-
Remuneration	61.96	61.96	-	-
Software Sales & Service Exports				
Si2 Microsystems Pvt. Ltd.	-	-	-	-
D'gipro Design Automation and Marketing Pvt. Ltd.	-	-	-	-
Rental Income				
Si2 Microsystems Pvt. Ltd.	-	-	51.50	51.50
D'gipro Design Automation and Marketing Pvt. Ltd.	-	-	20.40	20.40
Receivables				
Si2 Microsystems Pvt. Ltd.	-	-	-	-
D'gipro Design Automation and Marketing Pvt. Ltd.	-	-	155.20	160.36
Payables				
Si2 Microsystems Pvt. Ltd.	-	-	86.43	101.12
D'gipro Design Automation and Marketing Pvt. Ltd.	-	-	-	-

24.10 Income from Investments comprises of:

(Amount in Rs)

Particulars	Current Year	Previous Year
Dividend	-	-
Income from Mutual fund (Debt fund)	114,782	-
Profit / (Loss) on sale of investments	(710,010)	-
Total	(595,228)	-

24.11 The inter company (between holding and subsidiaries and intra-subsidary) balances as at 31.03.2015 are subject to reconciliation.

24.12 Defined Benefit Plans
 a. Gratuity
 b. Leave Encashment

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

(a) Change in defined benefit obligation

(Amount in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Projected Benefit Obligation at the beginning of the year	37.51	33.35	19.80	17.00
Current Service Cost	7.93	7.37	3.28	2.34
Interest Cost	3.05	2.47	1.40	1.22
Actuarial (gain)/loss on obligations	10.81	0.11	13.44	4.88
Benefits Paid	(7.31)	(5.79)	(8.56)	(5.64)
Projected Benefit obligation at the end of the year	51.99	37.51	29.36	19.80

(b) The fair value of the plan assets is NIL since employee benefits plans are wholly unfunded as on March 31, 2015.

(c) Amount recognised in Balance Sheet

(Amount in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of the obligation as at the end of the year	51.99	37.51	29.36	19.79
Fair Value of plan assets as at the end of the period	-	-	-	-
Funded status	51.99	37.51	29.36	19.79
Unrecognized actuarial (gains)/losses	-	-	-	-
Net Liability recognized in the Balance Sheet	51.99	37.51	29.36	19.79

(d) Net periodic gratuity cost

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	7.93	7.37	3.28	2.34
Interest Cost	3.05	2.47	1.40	1.22
Expected return on plan assets	-	-	-	-
Net actuarial (gains)/loss recognized	10.81	0.11	13.44	4.88
Expenses recognized in the statement of Profit and Loss	21.79	9.95	18.12	8.44

(e) Principal actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rates	8.00%	9.00%	8.00%	9.00%
Future salary increases	7.00%	7.00%	7.00%	7.00%

- (f) The discount rate is based on the market yield available on Government bonds at the accounting date with a term that matches the liabilities
- (g) The estimates of future salary increase considered in the actuarial valuation taken into account factors like inflation, seniority, promotion and other relevant factors.
- (h) the employees are assumed to retire at the age of 60 years
- (i) The mortality rates considered are as per the published rates in the IALM (2006-08) mortality tables.

24.13 Transfer Pricing

The company derives a significant portion of its revenue (Rs.1656.90lakhs) from services, rendered to its subsidiary M/s. Izmo Inc., USA. The revenue in this regard is recognized on the basis of a services agreement with the subsidiary:-
The Company has carried out a Transfer pricing study during the previous year based on which the Company's management is of the opinion that these international transactions are at arm's length and believes that the transfer pricing legislation will not have any impact on the Financial statements for the year ended March 2015, particularly on their amount of tax expense and that of the provision for taxation.

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

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

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

R. Vijayanand
Chartered Accountant
Membership No.202118

Place: Bangalore
30th May, 2015

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 2014-15

Part "A" : Subsidiaries

S No.	Particulars	Europe Subsidiary	US Subsidiary	Singapore Subsidiary
1	Sl.No.	1	2	3
2	Name of the Subsidiary	Izmo Europe BVBA	Izmo Inc.,	Midrange Software Pte Ltd
3	Reporting period	Apr'14 to Mar'15	Apr'14 to Mar'15	Apr'14 to Mar'15
4	a) Reporting Currency	Euros	USD	SGD
	b) Exchange rate as on 31.03.2015	67.51	62.59	45.43
5	Share Capital	110,141,675	1,527,501,830	55,123,998
6	Reserves & Surplus	(103,030,400)	179,943,534	(20,843,380)
7	Total Assets	37,354,543	1,922,471,611	142,788,355
8	Total Liabilities	30,243,268	215,026,247	179,072,356
9	Investments	-	-	70,564,619
10	Turnover	69,923,025	225,630,671	20,605,221
11	Profit before Taxation	10,062,927	116,543,780	(1,949,979)
12	Provision for Taxation	-	-	-
13	Profit after Taxation	10,062,927	116,543,780	(1,949,979)
14	Proposed Dividend	-	-	-
15	% of Shareholding	100%	100%	100%

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

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Part "B" : Associates

S No.	Particulars	Associate Company- India
	Name of the Associates	Carazoo Online Solutions Pvt. Ltd
1	Latest audited Balance sheet Date	31st March 2015
2	<u>Shares of Associate held by the company on the year end</u>	
	No.	48810
	Amount of Investment in Associate (Amt. in. Rs.)	2040500
	Extent of Holding %	49%
3	Description of how there is significant influence	Holding more than 20% of share capital of the Company
4	Reason why the associate is not consolidated	Because it is not a Subsidiary
5	Networth attributable to shareholding as per latest audited Balance sheet	(19,039,599)
6	Profit / Loss for the year	(13,411,462)
	i. Considered in Consolidation	NIL
	ii. Not Considered in Consolidation	(13,411,462)

Note :1. Name of the Associate which is yet to commence operations : NIL
2. Name of the Associate which have been liquidated or sold during the year : NIL

IZMO Limited

(Formerly known as LOGIX MICROSYSTEMS LIMITED)

Registered Office: 177/2C, Billekahalli Industrial Area, Bannerghatta Road, Bangalore-560076

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

CIN: L72200KA1995PLC018734 Email ID: Info@izmold.com

ATTENDANCE SLIP

Regd. Folio No.

*Demat A/c No.

No. of Shares Held:

DP. ID No.

NAME AND ADDRESS OF THE SHAREHOLDERS:

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company held on Tuesday, September 29, 2015 at 9.30 A.M. at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001.

Signature of member/Proxy :

Notes : -

Please fill this Attendance Slip & hand over at the reception.

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

* Those who hold shares in demat form must quote their Demat A/c No. and Depository Participant (DP) ID. No.

NO GIFTS WILL BE DISTRIBUTED AT THE AGM

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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 Billekahalli Industrial Area, Bannerghatta Road, Bangalore - 560076.

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

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

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail Id:

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual general meeting/~~Extraordinary general meeting~~ of the company, to be held on the 29th day of September at 9:30 A.M. at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Votes	
		For	Against
Ordinary Business:			
1.	Adoption of Audited Annual Accounts for the year ended March 31, 2015 and the Auditors and Directors Reports thereon.		
2.	Re-appointment of Mrs. Shashi Soni, who retires by rotation.		
3.	Ratification of appointment of Mr.R.Vijayanand, Chartered Accounts (Membership Number 202118) who was appointed in previous Annual General Meeting.		

Signed this..... day of September 2015

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 and e-mail id 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 proxy, provision for appointing up to three proxies is made available in the form attached to this notice;
4. Fill in the name, address and e-mail id of the proxy;
5. A specimen signature of the person appointed as proxy needs to be obtained 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 Re. 1/- (Rupee One) revenue stamp as per the Indian Stamp Act, 1899. Unstamped or inadequately stamped proxy form(s) upon which the stamps have not been cancelled shall be considered as invalid.
9. The proxy-holder shall prove his identity at the time of attending the meeting.
10. Proxy form 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.”



Thank you for creating our web practice!

Thank you for creating our "web practice" with an elegant, informative, and highly functional Eye Hospital website that helps patients find us effortlessly. All we had to do to go online was to make one phone call to izmoWeb. Everything was taken care of in one smart, economically-priced package.

Within a few weeks of going live with our website www.nelivigieyehospital.com, we were able to get top ranking in Google and other search engines for popular keywords related to ophthalmology. As a result, any patient in our area searching for eye related information is able to effortlessly find us online.

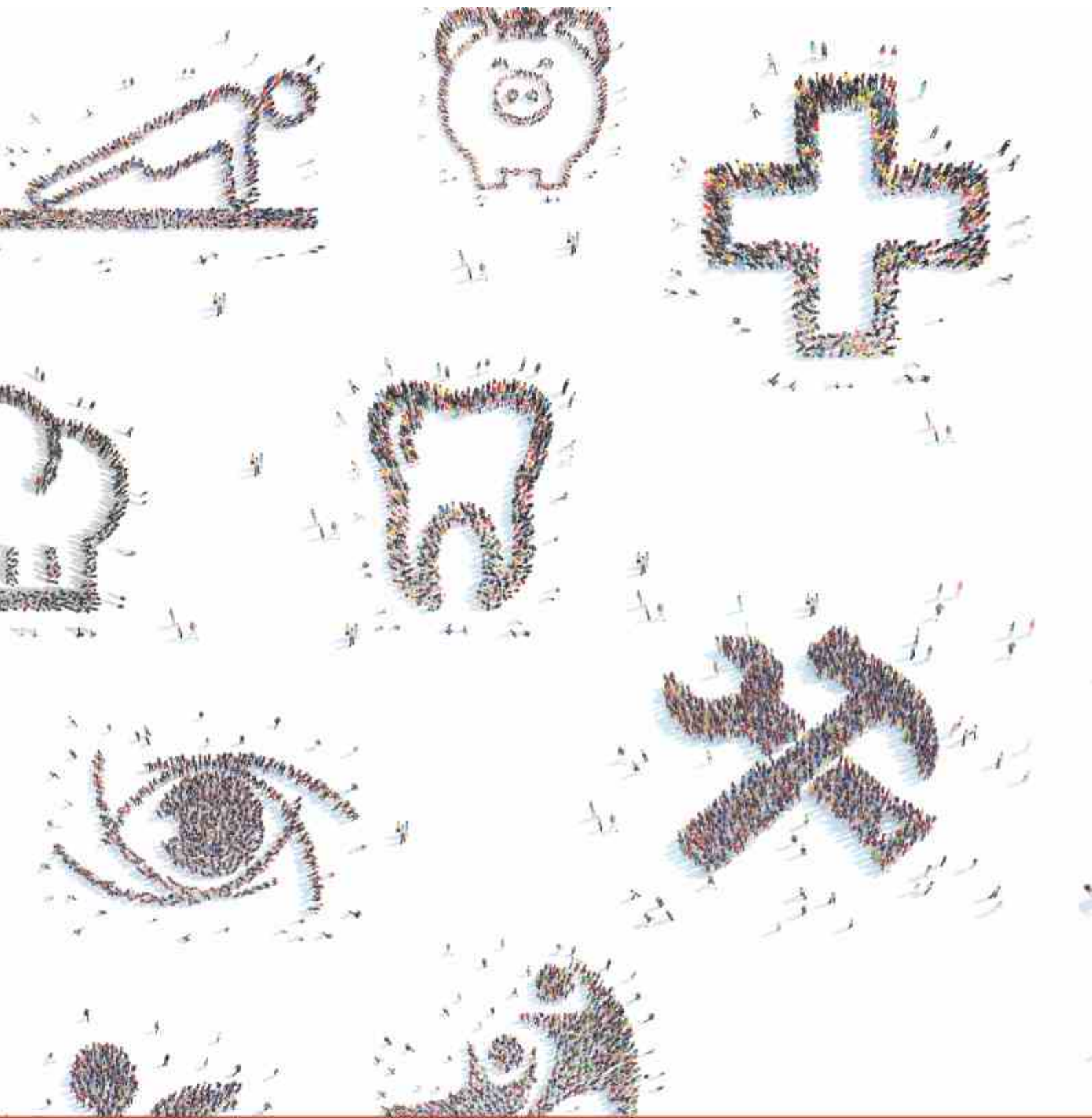
Once they reach our website, the detailed,

authentic and well-presented information on eye related issues help them to gain a quick understanding about their own condition. Our website also ensures that whenever patients need to consult an expert doctor, we are just one click away.

Thank you again, izmoWeb, for making us successful online.



Dr. Sirish Nelivigi
Nelivigi Eye Hospital



izmo ltd.

(Formerly Logix Microsystems Limited)

P.O. Box 7620, 177/2C, Billekahalli Industrial Area, Bannerghatta Road,
Bangalore-560 076, India | Tel: +91 80 67125400 Fax: +91 80 67125408

www.izmoltd.com / www.izmocars.com / www.carazoosolutions.com / www.izmoWeb.in