

**IZMO LIMITED**  
**(Formerly known as Logix Microsystems Limited)**

**FORM B**  
**Format of covering letter of the annual audit report to be filed with the stock exchanges**

| SL. NO. | Particulars                                                                                                                               |                                                                    |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 1.      | Name of the Company:                                                                                                                      | IZMO Limited                                                       |
| 2.      | Annual financial statements for the year ended                                                                                            | 31 <sup>st</sup> March 2015                                        |
| 3.      | Type of Audit qualification                                                                                                               | Qualified                                                          |
| 4.      | Frequency of qualification                                                                                                                | Repetitive                                                         |
| 5.      | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: | Refer Annexure I                                                   |
| 6.      | Additional comments from the board/audit committee chair:                                                                                 | Nil                                                                |
| 7.      | To be signed by-                                                                                                                          |                                                                    |
|         | CEO/Managing Director                                                                                                                     | Sd/-<br>(Sanjay Soni)                                              |
|         | Auditor of the company                                                                                                                    | Sd/-<br>(R Vijayanand)<br>(Chartered Accountant)<br>(M.No. 202118) |

## Annexure 1

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:

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                          |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                                                                                                                               | The Management took note of the same and has made arrangement to repay the same.                                                                                         |

|  |                                                                                                                                                                                                                                                                                          |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | repayment of term loans<br>installments amounting to Rs.<br>260.02 Lakh (Principal amount of<br>Rs. 194.62 Lakh and Interst of Rs.<br>65.40 Lakh) payable from<br>September 2012 to March 2015<br>and Rs. 11.19 Crore towards other<br>credit facilities payable from<br>September 2011. |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|