

INDEPENDENT AUDITOR'S REPORT

To,

The Members of IO System Limited**Report on the the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of IO System Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2022 and the statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 March 31, 2022, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standard are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Material Uncertainty Related to Going Concern

1. We draw attention to Note. No. 24 of the Ind AS financial statements which indicates that the Net worth of the company has been fully eroded as its carry over losses are Rs. 2,12,533.58 thousand as against its paid-up capital of Rs. 1,69,000/-. During the year company has suffered net cash losses of Rs. 8,321.43 thousand as against net cash losses of Rs. 7335.92 thousand in immediately preceding year, and, as of that date, the company’s current liabilities exceeded its total assets by Rs. 2935.85 thousand. As stated in said note, these events or conditions along with other matters as set forth in Note 24, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Information – Board of Directors’ Report

- A. The Company’s Board of Directors is responsible for the preparation and presentation of its Board Report which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.



- B. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

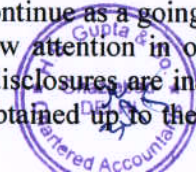
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's reports that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Company has adequate internal Financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure '1' 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, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representation received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequate internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company does not have any pending litigations which would impact its financial position *except some cases as separately mentioned in Annexure A.*



- ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) there has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
- iv) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v) The company has neither declared nor paid any dividend during the year.
- h) With respect to other matters to be included in the Auditors' Report under Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors except sitting fees during the year under audit.

For H S GUPTA & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 000326C

(CA H. S. GUPTA)

PARTNER

Membership No. 012834

UDIN: 22012834AIWEZO6701



Place: Noida

Date : 30.05.2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IO SYSTEM LIMITED

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

To the members of IO System Limited

We have audited the internal financial controls over financial reporting of IO System Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

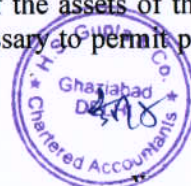
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H S GUPTA & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 000326C


(CA H. S. GUPTA)

PARTNER

Membership No. 012834

UDIN: 22012834AIWEZO6701



Place: Noida

Date : 30.05.2022

RE: IO System Limited ('the Company')

ANNEXURE "1" REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

The comments are in seriatim of the order

- (i) (a)(A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property Plant & Equipment.
(B) The company does not have intangible assets; hence the clause is not applicable
- (b) As per the information given by the management, the physical verification of Property Plant & Equipment was carried out at the end of the financial year. No discrepancy on such verification noticed by the management and reported to us.
- (c) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the clause c) and d) are not applicable.;
- (e) No proceedings have been initiated or are pending against the company as at 31.03.2022 for holding any benami property under the Benami Transaction (Prohibition) Act 1988 (as amended in 2016) and rules made there under.
- (ii) (a) The company is carrying non-moving inventories valuing Rs. 2.25 lacs which have been physically verified at the year-end by the management. A provision of Rs. 2.25 lacs had been made for diminution in value/obsolesce. No material discrepancies were noticed on such physical verification and reported to us.
- (b) During the year under consideration, the company has not been sanctioned any working capital facility from banks or financial institutions; as such the clause is not applicable.
- (iii) During the year under consideration, the company has not made any investment, provided any guarantee or security or granted any loans and advances and as such the sub clauses (a) (b) (c) (d) (e) (f) are not applicable.
- (iv) In absence of any loan, investment, guarantees and security to any person or body corporate, the provisions of section 185 and 186 are not attracted for compliance.
- (v) The Company has not accepted any deposits from the public and as such the clause is not applicable.
- (vi) To the best of our knowledge and as per information and explanations given to us by the management, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues such as goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable was in arrears as at March 31, 2022, for a period of more than six months from the date they became payable;
(b) Details of dues of Sales Tax, Income Tax, Custom Duty, Excise Duty which have not been deposited as on 31st March, 2022 on account of disputes are attached as Annexure 'A'
- (viii) During the year under consideration, the company has neither surrendered any non-recorded transaction nor disclosed as income in tax assessment under the Income Tax Act.



- (ix) (a) According to the information and explanation given to us and based on our examination of records, the company has not defaulted in repayment of loans or other borrowing but has defaulted in payment of interest thereon to the lender as per details given below:

(Rs. In '000)

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan from financial institution	Avon Mercantile Ltd	2482.06	Interest	48	Paid on 19.05.2022
Term Loan from financial institution	Avon Mercantile Ltd	1063.19	Interest	88	Paid on 28.06.2021
Term Loan from financial institution	Smart Bharat Pvt Ltd	1677.09	Interest	88	Paid on 28.06.2021

- (b) According to the information and explanations given to us and based on our examination of records, the company has not been declared willful defaulter by any bank or financial institution or other lender government or any government authority;
- (c) Term loans were applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the company;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company;
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company;
- (x) (a) As per the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence; there are no comments in this regard.
- (b) During the year under consideration, the company has not made any preferential allotment or private placement or convertible debenture and as such the clause is not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed and reported during the year.
- (b) No report Under sub section (12) of section 143 of the Companies Act has been filed by the auditors under rule 13 of Companies (Audit and Auditor's) Rule-2014 and as such the clause is not applicable.
- (c) During the year under consideration, no whistle-blower complaint has been received and as such the question of its consideration by the auditors does not arise
- (xii) The company is not a Nidi Company and as such the sub clauses (a) (b) (c) are not applicable;
- (xiii) The transactions with related parties are in compliance with sections 177 and 188 on the Companies Act 2013 and full disclosure has been made in financial statement;

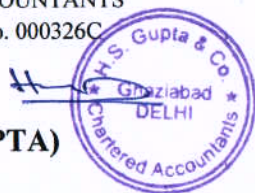


- (xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of business.
(b) We have considered, the internal audit report for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company;
- (xvi) (a) As per the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company hence reporting under this clause is not applicable.;
(b) As per the information and explanations given to us, the company has not conducted any Non-Banking Finance activities, hence reporting under this clause is not applicable;
(c) As per the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under this clause is not applicable;
(d) As per the information and explanations given to us, the Group has a Core Investment Company (CIC) as part of the Group, which is exempted from registration requirement.
- (xvii) During the year under consideration, the company has incurred cash losses of Rs. 8321.43 thousand as against Rs.2935.85 thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due; and
- (xx) Section 135 of the Companies Act 2013 is not applicable to company. Accordingly, reporting under paragraph 3(xx)(a) and (xx)(b) of the Order is not applicable.

For H S GUPTA & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 000326C



(CA H. S. GUPTA)

PARTNER

Membership No. 012834

UDIN: 22012834AIWEZO6701

Place: Noida

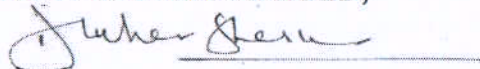
Date : 30.05.2022

IO SYSTEM LIMITED

List of disputed cases of Sales Tax/Income Tax/ Custom Duty/Excise Duty, authority with whom pending and the amount involved is detailed as under:-

S.No.	Name of Statute	Assessment Year	Nature of Dues	Amount	Forum Where dispue is pending
1	U.P.Sales Tax	1997-98	Sales Tax	1,16,536	JT Commissioner of Trade Tax Noida
2	U.P.(Central/Local)	1998-99	Sales Tax	45,254	JT Commissioner of Trade Tax Noida
3	Delhi Sales Tax	2000-01	Sales Tax	71,789	Asstt. Comm. IX, Delhi Sales Tax
4	Delhi Sales Tax	2001-02	Sales Tax	25,72,528	Addl. Comm. II, Delhi Sales Tax
5	Delhi Sales Tax	2003-04	Sales Tax	18,65,674	Addl. Comm. II, Delhi Sales Tax
6	Delhi Sales Tax	2004-05	Sales Tax	2,30,073	STO Delhi sales Tax
7	T.N. Sales Tax	2000-01	Sales Tax	1,84,849	CT III, T. N.S.Tax Appeal Asstt. Comm.
8	T.N. Sales Tax	2002-03	Sales Tax	1,40,111	CT III, T. N.S.Tax Appeal Asstt. Comm.
9	West Bengal Sales Tax	1999-2000	Sales Tax	2,88,098	Asstt. Comm. South circle, Directorate of Commercial, West Bengal
10	West Bengal Sales Tax	2000-01	Sales Tax	90,650	Asstt. Comm. South circle, Directorate of Commercial, West Bengal
11	West Bengal Sales Tax	2002-03	Sales Tax	10,11,106	Asstt. Comm. South circle, Directorate of Commercial, West Bengal
12	Central Excise Act	1999-01	Interest and penalty	69,969	CEGAT New Delhi
13	Central Excise Act	2002-03	Interest and penalty	19,427	CEGAT New Delhi
14	Central Excise Act	valuation case	Excise Duty	15,09,876	CEGAT New Delhi

For IO SYSTEM LIMITED,



DINKAR SHARMA
Company Secretary
M.No.F7383

IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.1-2, Sector-25A,

Noida, Uttar Pradesh- 201301

CIN: L65921UP1987PLC008764

Balance Sheet as at March 31, 2022

Particulars	Notes	Figures as at 31-Mar-22 Rs.'000	Figures as at 31-Mar-21 Rs.'000
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	21.69	33.18
(b) Financial assets			
Other financial assets	3	-	-
(c) Other non-current assets	4	1,587.15	1,587.15
		1,608.84	1,620.33
Current assets			
(a) Inventories	5	-	-
(b) Financial Assets			
(i) Trade receivables	6	-	-
(ii) Cash and cash equivalents	7	191.75	120.47
(c) Current tax assets (Net)	8	2.74	2.74
(d) Other current assets	9	14.01	28.06
		208.50	151.27
Total Assets		1,817.34	1,771.60
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	10	1,69,000.00	1,69,000.00
(b) Other equity	SOCE-B	(2,12,533.58)	(2,04,200.67)
		(43,533.58)	(35,200.67)
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	-	33,215.00
(b) Provisions	12	576.57	565.41
		576.57	33,780.41
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	41,630.00	-
(ii) Other financial liabilities	14	2,811.74	2,929.03
(b) Other current liabilities	15	332.61	262.83
		44,774.35	3,191.86
TOTAL		1,817.34	1,771.60

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For H S GUPTA & CO.

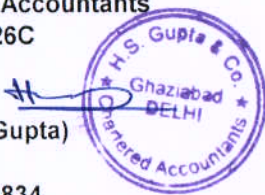
Chartered Accountants

FRN 000326C

(CA H. S. Gupta)

Partner

M. No. 012834



For and on behalf of the Board of Directors

(Signature)
(Arun Seth)

Director

DIN: 00007895

(Signature)
(S.K. Upadhyay)

Director

DIN: 07871728

(Signature)
(Kamalapati Kashyap)

Director

DIN: 02359002

(Signature)
(R. K. Bhatnagar)

CFO

PAN : ARIPB5404E

(Signature)
(Dinkar Sharma)

Company Secretary

M.N. F7383

(Signature)
(Ranjaj Kumar Singh)

CEO

PAN : BZNP59054B

Place: Noida

Date: 30.05.2022

IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.I-2, Sector-25A,
Noida, Uttar Pradesh- 201301

CIN: L65921UP1987PLC008764

Statement of Profit & Loss for the year ended 31 March 2022

Particulars	Notes	Figures for the year ended 31-Mar-22 Rs.'000	Figures for the year ended 31-Mar-21 Rs.'000
Income			
Other income	16	0.70	1.76
Total (I)		0.70	1.76
Expenses			
Employee benefits expenses	17	3,522.96	3,275.61
Finance costs	18	3,769.22	2,962.47
Depreciation and amortization expenses	2	11.49	11.58
Other expenses	19	1,029.94	1,099.60
Total (II)		8,333.61	7,349.26
Profit before exceptional items and tax (III=I-II)		(8,332.91)	(7,347.50)
Exceptional items (IV)		-	-
Profit / (loss) before tax (V=III-IV)		(8,332.91)	(7,347.50)
Tax Expenses			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
Profit / (Loss) for the year (VI)		(8,332.91)	(7,347.50)
Other comprehensive income (VII)		-	-
Total comprehensive income (VIII=VI-VII)		(8,332.91)	(7,347.50)
Earnings per equity share [nominal value of share Rs. 10 (31 March 2021: Rs. 10)]	20		
1) Basic (In Rs.)		(0.49)	(0.43)
2) Diluted (In Rs.)		(0.49)	(0.43)

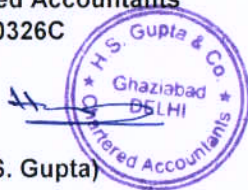
Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial

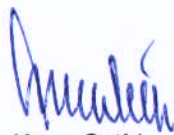
As per our attached report of even date

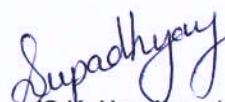
For H S GUPTA & CO.
Chartered Accountants
FRN 000326C

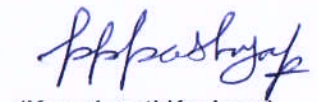



(CA H. S. Gupta)
Partner
M. No. 012834


For and on behalf of the Board of Directors



(Arun Seth)
Director
DIN: 00007895


(S.K. Upadhyay)
Director
DIN: 07871728


(Kamalapati Kashyap)
Director
DIN: 02359002


(R. K. Bhatnagar)
CFO
PAN : ARIPB5404E


(Dinkar Sharma)
Company Secretary
M.N. F7383


(Pankaj Kumar Singh)
CEO
PAN : BZNPS9054B

Place: Noida
Date: 30.05.2022



IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.I-2, Sector-25A,
Noida, Uttar Pradesh- 201301
CIN: L65921UP1987PLC008764

Statement of Cash Flow for the year ended March 31, 2022

Particulars	31-Mar-22 Rs.'000	31-Mar-21 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(8,332.91)	(7,347.50)
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortization	11.49	11.58
Interest expense	3,769.22	2,962.47
	(4,552.20)	(4,373.45)
Changes in assets and liabilities		
Increase / (decrease) in provisions	11.16	60.78
Increase/ (decrease) in other financial liabilities & other liabilities	(47.52)	2,259.05
Decrease / (increase) in other financial assets & other assets	14.05	(16.67)
Cash generated from / (used in) operations	(4,574.50)	(2,070.29)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities	A (4,574.50)	(2,070.29)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on property, plant & equipment net of sale proceeds, including CWIP and capital advances	-	(12.00)
Net cash flow from/ (used in) investing activities	B -	(12.00)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	8,415.00	5,100.00
Interest paid	(3,769.22)	(2,962.47)
Net cash flow from/ (used in) in financing activities	C 4,645.78	2,137.53
Net increase/(decrease) in cash and cash equivalents (A+B+C)	71.28	55.24
Cash and cash equivalents at the beginning of the year	120.47	65.23
Cash and cash equivalents at the end of the year	191.75	120.47
Components of cash and cash equivalents		
Cash on hand		
With banks- on current account	191.75	120.47
Total cash and cash equivalents	191.75	120.47

Notes :

1. Amendment to IND AS 7

The Amendment Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The impact is as follows :

Particulars	Balance as on 01/04/2021	Cash Flow Changes	Non Cash Changes	Balance as on 31/03/2022
Non Current Borrowings	33,215.00	8,415.00	-	41,630.00

2. Negative figures have been shown in brackets.

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For H S GUPTA & CO.

Chartered Accountants

Firm Registration No. 000326G

(CA H. S. Gupta)

Partner

Membership No. 012834



For and on behalf of the Board of Directors

(Arun Seth)
Director
DIN: 00007895

(S.R. Upadhyay)
Director
DIN: 07871728

(Kamalapati Kashyap)
Director
DIN: 02359002

(R. K. Bhatnagar)
CFO
PAN : ARIPB5404E

(Dinkar Sharma)
Company Secretary
M.N. F7383

(Ranjay Kumar Singh)
CEO
PAN : BZNPS9054B

Place: Noida

Date: 30.05.2022

Handwritten mark

Statement of Changes in Equity for the year ended 31 March, 2022

Equity Share Capital		(Rs. in '000)	
1) Current reporting period		Balance at the end of the current reporting period	
Particulars	Balance at the beginning of current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	1,69,000.00	-	1,69,000.00
2) Previous reporting period		Balance at the end of the previous reporting period	
	1,69,000.00	-	1,69,000.00

Other Equity		(Rs. in '000)	
1) Current reporting period		Balance at the end of the previous reporting period	
Particulars	Balance at the beginning of current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1	Balance at the beginning of the current reporting period	-	-
2	Changes in accounting policy or prior period errors	-	-
3	Restated balance at the beginning of the current reporting period	-	-
4	Total Comprehensive Income for the current year	(2,04,200.67)	(2,04,200.67)
5	Dividends	(8,332.91)	(8,332.91)
6	Transfer to retained earnings	-	-
7	Any other change (to be specified)	-	-
8	Balance at the end of the current reporting period	(12,533.58)	(12,533.58)

2) Previous reporting period		(Rs. in '000)	
Particulars	Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
1	Balance at the beginning of the previous reporting period	-	-
2	Changes in accounting policy or prior period errors	-	-
3	Restated balance at the beginning of the previous reporting period	-	-
4	Total Comprehensive Income for the previous year	(1,96,853.17)	(1,96,853.17)
5	Dividends	(7,347.50)	(7,347.50)
6	Transfer to retained earnings	-	-
7	Any other change (to be specified)	-	-
8	Balance at the end of the previous reporting period	(2,04,200.67)	(2,04,200.67)

As per our attached report of even date

For H S GUPTA & CO.
 Chartered Accountants
 FRN 000326C



(CA H. S. Gupta)
 Partner
 M. No. 012834

Place: Noida
 Date: 30.05.2022

For and on behalf of the Board of Directors

(Arun Seth)
 Director
 DIN: 00007895

(S.K. Upadhyay)
 Director
 DIN: 07871728

(Kamalapati Kashyap)
 Director
 DIN: 02359002

(R. K. Bhatnagar)
 CFO
 PAN: ARIPB5404E

(Binkar Sharma)
 Company Secretary
 M.N. F7363
 PAN: BENPS056B

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IO SYSTEM LIMITED
Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.1-2, Sector-25A,
Noida, Uttar Pradesh- 201301
CIN: L65921UP1987PLC008764

Notes to Financial Statements as at March 31, 2022

Corporate Information

IO System limited had entered into a joint venture(JV) agreement with the General Binding Corporation (GBC), USA on 19th June, 1988 for manufacturing and selling office Automation products. The JV was terminated with mutual consent between the parties on 31st March, 2002 and now more than 74% capital of the company is held by Smart Bharat Pvt Ltd (Formerly known as Smart Entertainment Pvt. Ltd.) except little shareholding with the public. The manufacturing activities had been discontinued since Feb., 2006 due to continued losses in the company. The company has also not done very well in its trading business as result of which, there have been no business activities in the company during the past ten years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the company has adopted Indian Accounting Standards ('referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year figures in the financial statements have been restated in compliance to Ind AS.

ii Basis of preparation of financial statements

The financial statements are prepared in accordance with Division II of the Schedule III of the Companies Act, 2013 i.e. "General Instructions for preparation of financial statements of a company required to comply with Ind AS" as notified vide notification number G.S.R. 404(E) dated 06.04.2016 and Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policy below.

iii Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

iv Revenue recognition

Income is recognised and accounted for on accrual basis unless otherwise stated.

v Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

vi Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA / DTL) are recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is virtual certainty of sufficient future profits against which such DTA can be realised.

vii Financial instruments

Initial recognition and measurement

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

Subsequent measurement

Financial assets:

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently recognised at amortised cost.

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IO SYSTEM LIMITED
Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.1-2, Sector-25A,
Noida, Uttar Pradesh- 201301
CIN: L65921UP1987PLC008764
Notes to Financial Statements as at March 31, 2022

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

viii Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ix Provisions & contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. The contingent liabilities, if any, are disclosed in the financial statements.

x Events occurring after the reporting period

Adjustments to assets and liabilities are made for events occurring after the reporting period to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the reporting date.

xi Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the periods presented.

xii Cash flow statement

Cash flows are reported using indirect method, whereby profits for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xiii Other income

Other income is comprised primarily of interest income, dividend income and income from liabilities no longer payable. Interest income is recognized using effective interest method. Dividend income is recognised when the right to receive payment is established.

xiv Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

xv Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

xvi Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than land) and impairment loss, if any. Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives.

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IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.I-2, Sector-25A, Noida, Uttar Pradesh- 201301

CIN: L65921UP1987PLC008764

Notes to financial statements as at March 31, 2022

Property Plant and equipment

Note-2

Amount (in Rs.'000)

Gross Block	Plant & Machinery	Office Equipments	Computers	Total
As on 01.04.20	1,287.31	24.00	1,509.66	2,820.97
Additions	-	12.00	-	12.00
Deletion	-	-	-	-
As on 31.03.21	1,287.31	36.00	1,509.66	2,832.97
Additions	-	-	-	-
Deletion	-	-	-	-
As on 31.03.22	1,287.31	36.00	1,509.66	2,832.97
Accumulated depreciation as on 01.04.20	1,287.31	18.34	1,482.56	2,788.21
Charge for the year	-	3.82	7.76	11.58
As on 31.03.21	1,287.31	22.16	1,490.32	2,799.79
Charge for the year	-	3.74	7.75	11.49
As on 31.03.22	1,287.31	25.90	1,498.06	2,811.28
Carrying value as on 31.03.21	-	13.84	19.34	33.18
Carrying value as on 31.03.22	-	10.10	11.60	21.69

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IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.1-2, Sector-25A, Noida, Uttar Pradesh- 201301

CIN: L65921UP1987PLC008764

Notes to Financial Statements as at March 31, 2022

Particulars	Figures as at 31/03/2022 Amount (in Rs.'000)	Figures as at 31/03/2021 Amount (in Rs.'000)
3. Other financial assets		
Security deposit	-	595.90
Earnest Money Deposit	-	1,300.69
Other Deposits	-	107.36
Insurance claim recoverable	-	29.98
		<u>2,033.91</u>
Less: Provision for doubtful advances	-	(2,033.91)
	<u>-</u>	<u>-</u>
4. Other non-current assets		
Bal. with Govt. authorities	1,679.76	1,679.76
Advance to suppliers	463.60	463.60
Taxes recoverable	513.59	513.59
	<u>2,656.95</u>	<u>2,656.95</u>
Less: Provision for doubtful recovery	(1,069.80)	(1,069.80)
	<u>1,587.15</u>	<u>1,587.15</u>
5. Inventories		
Service components and spares	-	50.00
Finished and trading goods	-	175.00
	-	225.00
Less: Provision for obsolescence in value*	-	(225.00)
	<u>-</u>	<u>-</u>
*The above inventory carried in the financials does not have commercial sale value and therefor, a provision of Rs. 2,25,000/- had been made for obsolescence/diminution in value.		
6. Trade Receivables		
Unsecured, Considered doubtful	11,976.42	11,976.42
Less: Provision for doubtful debts	(11,976.42)	(11,976.42)
	<u>-</u>	<u>-</u>
7. Cash and cash equivalents		
Balances with banks:		
- On current accounts	191.75	120.47
	<u>191.75</u>	<u>120.47</u>
8. Current tax assets		
TDS Recoverable	2.74	2.74
	<u>2.74</u>	<u>2.74</u>
9. Other current assets		
Prepaid Expenses	14.01	28.06
	<u>14.01</u>	<u>28.06</u>
10. Share Capital		
Authorized shares		
2,00,00,000 (2,00,00,000) Equity shares of Rs. 10/- each	2,00,000.00	2,00,000.00
5,00,000 (5,00,000) Preference shares of Rs. 100/- each	50,000.00	50,000.00
	<u>2,50,000.00</u>	<u>2,50,000.00</u>
Issued, subscribed and fully paid-up shares		
1,69,00,000 (1,69,00,000) Equity Shares of Rs. 10/- each	1,69,000.00	1,69,000.00
Total	<u>1,69,000.00</u>	<u>1,69,000.00</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount Rs.'000	No. of Shares	Amount Rs.'000
At the beginning of the year	1,69,00,000	1,69,000.00	1,69,00,000	1,69,000.00
Issued during the year – Bonus issue	-	-	-	-
Issued during the year – ESOP	-	-	-	-
Outstanding at the end of the year	<u>1,69,00,000</u>	<u>1,69,000.00</u>	<u>1,69,00,000</u>	<u>1,69,000.00</u>

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IO SYSTEM LIMITED

Regd. Address: Upper Basement, Smart Bharat Mall, Plot No.I-2, Sector-25A, Noida, Uttar Pradesh- 201301

CIN: L65921UP1987PLC008764

Notes to Financial Statements as at March 31, 2022

Particulars	Figures as at	Figures as at
	31/03/2022	31/03/2021
	Amount (in Rs.'000)	Amount (in Rs.'000)

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of equity shares issued by the company, shares held by its holding company are as below:

Smart Bharat Pvt Ltd. (Formerly known as Smart Entertainment Pvt Ltd.) the holding company

1,26,45,400 (1,26,45,400) Equity Shares of Rs. 10/- each fully paid	1,26,454.00	1,26,454.00
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(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

NIL

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Smart Bharat Pvt Ltd. (Formerly known as Smart Entertainment Pvt Ltd.) the holding company	1,26,45,400	74.82%	1,26,45,400	74.82%
Shiv Mittal	9,17,480	5.43%	9,17,480	5.43%

(e) Details of Shareholding by promoters in the company

(i) Disclosure of shareholding of promoters as at 31st March, 2022 is as follows:

Promoters name	As at 31st March, 2022		As at 31st March, 2021		% Change
	No. of shares	% of total shares	No. of shares	% of total shares	
Smat Bharat Pvt Ltd (Formerly known as Smart Entertainment Private Limited)	1,26,45,400	75%	1,26,45,400	75%	0.00%
VEENA MODI	100	0%	100	0%	0.00%
O P DANI	100	0%	100	0%	0.00%
R L AHUJA	100	0%	100	0%	0.00%
A K MITTAL	100	0%	100	0%	0.00%
S K JAIN	100	0%	100	0%	0.00%
S K SETHI	100	0%	100	0%	0.00%
S K SURANA	100	0%	100	0%	0.00%
HARKARWAL SINGH	1,000	0%	1,000	0%	0.00%
MADAN GUPTA	1,000	0%	1,000	0%	0.00%
R S DESIKAN	11,000	0%	11,000	0%	0.00%
BHAGCHAND P JAIN	500	0%	500	0%	0.00%
BHAGCHAND PARTIRAJ JAIN	200	0%	200	0%	0.00%
OM PRAKASH KARIWALA	200	0%	200	0%	0.00%
SURESH KUMAR JAIN	15,000	0%	15,000	0%	0.00%
Total	1,26,75,000	1	1,26,75,000	1	

(ii) Disclosure of shareholding of promoters as at 31st March, 2021 is as follows:

Promoters name	As at 31st March, 2021		As at 31st March, 2020		% Change
	No. of shares	% of total shares	No. of shares	% of total shares	
Smat Bharat Pvt Ltd (Formerly known as Smart Entertainment Private Limited)	1,26,45,400	74.82%	1,26,45,400	74.82%	0.00%
VEENA MODI	100	0.00%	100	0.00%	0.00%
O P DANI	100	0.00%	100	0.00%	0.00%
R L AHUJA	100	0.00%	100	0.00%	0.00%
A K MITTAL	100	0.00%	100	0.00%	0.00%
S K JAIN	100	0.00%	100	0.00%	0.00%
S K SETHI	100	0.00%	100	0.00%	0.00%
S K SURANA	100	0.00%	100	0.00%	0.00%
HARKARWAL SINGH	1,000	0.01%	1,000	0.01%	0.00%
MADAN GUPTA	1,000	0.01%	1,000	0.01%	0.00%
R S DESIKAN	11,000	0.07%	11,000	0.07%	0.00%
BHAGCHAND P JAIN	500	0.00%	500	0.00%	0.00%
BHAGCHAND PARTIRAJ JAIN	200	0.00%	200	0.00%	0.00%
OM PRAKASH KARIWALA	200	0.00%	200	0.00%	0.00%
SURESH KUMAR JAIN	15,000	0.09%	15,000	0.09%	0.00%
Total	1,26,75,000	75.00%	1,26,75,000	75.00%	

(f) The above information (from (a) to (e)) is as per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest. The above shareholding represents both legal and beneficial ownerships of shares.

IO SYSTEM LIMITED

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Notes to Financial Statements for the year ended March 31, 2022

Particulars	Figures for the year ended 31.03.2022 Rs.'000	Figures for the year ended 31.03.2021 Rs.'000
16. Other Income		
Interest Income	0.70	1.76
	<u>0.70</u>	<u>1.76</u>
17. Employee benefits expense		
Salaries, wages, bonus & others	3,136.26	2,891.53
Contribution to provident fund	188.46	171.58
Leave encashment	124.29	136.03
Mediclaime Insurance	61.44	50.28
Staff Welfare Expenses	12.51	26.19
	<u>3,522.96</u>	<u>3,275.61</u>
18. Finance costs		
Interest on loan	3,769.22	2,962.47
	<u>3,769.22</u>	<u>2,962.47</u>
19. Other expenses		
Travelling and conveyance	137.62	194.07
Legal and professional fees	162.20	195.59
Printing & stationery	14.33	23.00
Filing fee	1.31	3.66
Communication cost	30.96	30.30
Director's sitting fee	70.80	70.80
Listing fees	407.10	407.10
Custodian Fee	53.10	53.10
Bank charges	1.30	1.21
Miscellaneous expenses	43.67	17.81
Payment to auditors (Refer details below)	55.00	55.00
Advertisement Expenses	52.56	47.97
	<u>1,029.94</u>	<u>1,099.60</u>
Payment to auditors:		
Audit fee	40.00	40.00
In other capacity:		
Other services	15.00	15.00
	<u>55.00</u>	<u>55.00</u>
20. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit/ (loss) after tax	(8,332.91)	(7,347.50)
Weighted average number of equity shares	1,69,00,000	1,69,00,000
Basic and diluted earning per share in Rs.	<u>(0.49)</u>	<u>(0.43)</u>

Unaudited

IO SYSTEM LIMITED

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Notes to Financial Statements as at March 31, 2022

21. Financial instruments by category

The carrying value and fair value of financials instruments by categories as of March 31, 2022 are as follows:-

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss				Financial assets/liabilities at fair value through OCI		Total carrying value
		Designated upon initial recognition		Mandatory	Designated upon initial recognition		Mandatory	
		Designated upon initial recognition	Mandatory		Designated upon initial recognition	Mandatory		
Assets								
Cash & cash equivalents	191.75	-	-	-	-	-	191.75	
Total	191.75	-	-	-	-	-	191.75	
Liabilities								
Borrowings	41,630.00	-	-	-	-	-	41,630.00	
Others financial liabilities	2,811.74	-	-	-	-	-	2,811.74	
Total	44,441.74	-	-	-	-	-	44,441.74	

The carrying value and fair value of financials instruments by categories as of March 31, 2021 are as follows:-

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value
		Designated upon initial recognition		Equity instruments desingated upon initial recognition		
		Designated upon initial recognition	Mandatory	Equity instruments desingated upon initial recognition	Mandatory	
Assets						
Cash & cash equivalents	120.47	-	-	-	-	120.47
Total	120.47	-	-	-	-	120.47
Liabilities						
Borrowings	33,215.00	-	-	-	-	33,215.00
Others financial liabilities	2,929.03	-	-	-	-	2,929.03
Total	36,144.03	-	-	-	-	36,144.03

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Notes to Financial Statements for the year ended March 31, 2022

22. Financial risk management objectives and policies

The companies activities expose it to a variety of financial risk: market risk, credit risk and liquidity risk. The company is focusing to foresee the unpredictability of financial market and seeing to minimize potential adverse effects on its financial performance.

Market risk

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

Company is mainly effected by Interest rate risk.

-Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the borrowing.

Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from loans alongwith interest thereon for the year ended 31st March, 2022 and 31st March, 2021 respectively.

Credit risk on cash and cash equivalents is limited as the company has current account with bank.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and investments in equity instruments.

The company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived

As of March 31, 2022, the Company had a working capital of Rs.thousand (-)44,565.85 including cash and cash equivalents of Rs.thousand 191.75.

As of March 31, 2021, the Company had a working capital of Rs.thousand (-)3,040.59 including cash and cash equivalents of Rs.thousand 120.47.

The table below provides detail regarding the contractual maturities of significant financial liabilities as of March 31, 2022

Particulars	Amount (in Rs.'000)		
	Less than 1 years	1-3 years	Total
Borrowings	41,630.00	-	41,630.00
Other financial liabilities	2,811.74	-	2,811.74

The table below provides detail regarding the contractual maturities of significant financial liabilities as of March 31, 2021

Particulars	Amount (in Rs.'000)		
	Less than 1 years	1-3 years	Total
Borrowings	19,085.00	14,130.00	33,215.00
Other financial liabilities	2,929.03	-	2,929.03

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Notes to Financial Statements as at March 31, 2022

23. Financial Ratios

The major financial ratios of the Company are disclosed below along with the reasons for variance:

(Rs. in '000)

Ratio	Formula	As at 31 March 2022			As at 31 March 2021			% of Variance	Reason for Variance
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	Current Assets / Current Liabilities	208.50	44,774.35	0.005	151.27	3,191.86	0.0474	(90.17)	Due to current maturity of long term borrowings
Debt equity ratio	Total Debt / Shareholder's Equity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Debt -service coverage ratio	Earnings available for debt service / Debt Service	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any) / Avg. Shareholder's Equity	(8,332.91)	1,69,000.00	(0.05)	(7,347.50)	1,69,000.00	(0.04)	(13.41)	
Inventory turnover ratio	Cost of goods sold or sales / Avg. Inventory	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Return on Capital employed	Earning before interest and taxes / Capital Employed	(4,563.69)	1,69,000.00	(0.03)	(4,385.03)	1,69,000.00	(0.03)	(4.07)	
Return on investments (Calculated for Equity)	{MV(T1) – MV(T0) – Sum [C(t)]} / {MV(T0) + Sum [W(t) * C(t)]}	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Trade receivable turnover ratio	Net Credit Sales / Avg. Accounts Receivable	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Trade payable turnover ratio	Net Credit Purchases / Avg. Trade Payables	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
Net capital turnover ratio	Net Sales / Working Capital	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
N.P. Ratio	Net Profit / Net Sales	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

Debt -service coverage ratio

= depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Debt service = Interest & Lease Payments + Principal Repayments

Net Profit after tax means reported amount of *Profit / (loss) for the period* and it does not include items of other comprehensive income

Inventory turnover ratio

Average inventory (Opening + Closing balance / 2)

When the information opening and closing balances of inventory is not available then the ratio can be calculated by dividing COGS OR Sales by closing balance of Inventory.

Return on Capital employed.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Return on investments.

ROI = {MV(T1) – MV(T0) – Sum [C(t)]} / {MV(T0) + Sum [W(t) * C(t)]}

	For the year ended 31 March 2022	For the year ended 31 March 2021
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

Trade receivable turnover ratio

Net credit sales consist of gross credit sales minus sales return.

Trade receivables includes sundry debtors and bills receivables.

Average trade debtors = (Opening + Closing balance / 2)

Trade payable turnover ratio

Net credit purchases consist of gross credit purchases minus purchase return

Net capital turnover ratio

Net sales shall be calculated as total sales minus sales returns.

Working capital shall be calculated as current assets minus current liabilities

N.P. Ratio

Net profit shall be after tax.

Net sales shall be calculated as total sales minus sales returns.

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I O SYSTEM LIMITED

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Notes to Financial Statements as at March 31, 2022

24 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise the shareholder value.

As on the date of Balance Sheet, the company has accumulated losses of Rs.thousand (2,12,533.58/-). As a result of this, the entire paid up capital of the company of Rs.thousand 1,69,000/- has been fully eroded, adversely affecting the 'going concern' concept of the Ind AS. Smart Bharat Private Limited, the holding company has confirmed its intention in writing to provide financial assistance as and when any obligation either arises or falls due on the subsidiary. In view of the assurance from the holding company, the adverse affect on going concern concept has been duly taken care of and as such the financials have been prepared on going concern basis.

- 25** The company being listed on stock exchange, therefore, has complied with all the notified applicable Accounting Standards read with General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- 26** Previous year figures have been regrouped/re-classified wherever considered to make comparable with the current year figures.
- 27** All notes annexed to and form integral part of the Balance Sheet and Statement of Profit & Loss Account.
- 28** In the view of limited number of employees, provision of employee benefit has not been calculated on the basis of actuarial valuation and provided for on accrual basis.
- 29** There is no prior period item, which is considered material for the purpose of disclosure in accordance with the Ind AS-8 on "Accounting Policies, changes in accounting estimates and errors."

30 Related Party Disclosures

a) Name of Related Party

- i) Ultimate Holding Company Smart Global Corporate Holding Pvt Ltd
- ii) Holding Company Smart Bharat Pvt Ltd. (Formerly known as Smart Entertainment Pvt Ltd)

Other related party with whom transaction has taken place

- iii) Key Management Personnel
- Mr. Rakesh Kumar Bhatnagar (CFO)
Mr. Dinkar Sharma (Company Secretary)
Mr. Siddheshwar Kumar Upadhyay (Director w.e.f. 28.09.2019)
Ms. Seema Salwan (Director w.e.f. 14.08.2019)
Mr. Pankaj Kumar Singh (CEO)

b) Related Party Transactions

As per attached Annexure-1

As per our attached report of even date.

For H S GUPTA & CO.

Chartered Accountants

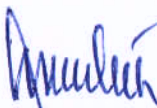
Firm Registration No. 000326C

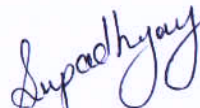
(CA H. S. Gupta)
Partner


Membership No. 012834




For and on behalf of the Board of Directors



(Arun Seth)
Director
DIN: 00007895


(S.K. Upadhyay)
Director
DIN: 07871728


(Kamalapati Kashyap)
Director
DIN: 02359002


(R. K. Bhatnagar)
CFO
PAN : ARIPB5404E


(Dinkar Sharma)
Company Secretary
M.N. F7383


(Pankaj Kumar Singh)
CEO
PAN : BZNP59054B

Place: Noida
Date: 30.05.2022



30 (b) Related Party Transactions:

Annexure-1

Amount (in Rs.'000)

Transactions during the year	Smart Bharat Pvt Ltd. (Holding Company)	Mr. Dinkar Sharma (KMP)	Mr. R.K. Bhatnagar (KMP)	Mr. S. K. Upadhyay (Director)	Ms. Seema Salwan (Director)	Mr. Pankaj Kumar Singh (KMP)
Loan Repaid	19,085.00	-	-	-	-	-
	-	-	-	-	-	-
Interest Expense	1,011.37	-	-	-	-	-
	(1,813.08)	-	-	-	-	-
Remuneration	-	1,304.61	804.31	-	-	336.72
	-	(1,304.61)	(608.73)	-	-	(336.72)
Reimbursement of Expenses	61.28	392.89	418.04	-	-	-
	(250.91)	(393.60)	(330.95)	-	-	-
Director sitting fees	-	-	-	30.00	30.00	-
	-	-	-	(30.00)	(30.00)	-

Previous year figures are shown in brackets.

Balance outstanding	31/03/2022	31/03/2021
Smart Bharat Pvt Ltd - Loan (Holding Company)	-	19,085.00
Smart Bharat Pvt Ltd - Interest (Holding Company)	-	1,677.09

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