

IO SYSTEM LIMITED

03/09/2021

The General Manager,
Corporate Relationship Department,
BSE Limited,
1st Floor, P J Towers,
Dalal Street, Fort,
Mumbai-400 001.

Sub. : Filing of Annual Report pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015.

Scrip Code: 523752

Dear Sir,

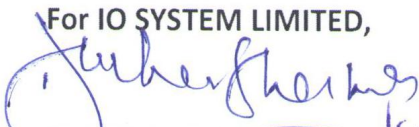
Please find attached herewith a copy of the notice and Annual Report as issued to the members of the Company for the purpose of forthcoming Annual General Meeting of the Company scheduled to be held on Sunday, the 26th September, 2021 at 11.00. a.m. through Video Conferencing (VC) / Other Audio Visual means (OAVM).

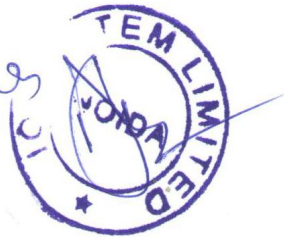
Please take the same on records.

Thanking you,

Yours faithfully,

For IO SYSTEM LIMITED,


(DINKAR SHARMA)
Company Secretary
M.No. F7383



IO SYSTEM LIMITED

33rd

**ANNUAL
REPORT** | **2020-21**

Registered Office

Global Knowledge Park,
Plot No. 19A & 19B, Sector-
125, NOIDA-201 301 (U.P).
CIN : L65921UP1987PLC008764
E-mail : iosystemltd@gmail.com

Auditors

M/s H S Gupta & Co.,
Chartered Accountants,
R-13/27, Raj Nagar,
Ghaziabad-201002 (U.P).

Registrar & Share Transfer Agent

MAS Services Limited
T-34, 2nd Floor, Okhal Industrial
Area, Phase-II, New Delhi-110 020.
Phone : 011-26387282/83

Internal Auditors

Krishan Kumar & Co.,
Chartered Accountants, L-
1st, Street No.17,
House No. 920, Sangam Vihar,
Near Naveen Public School,
Delhi-110080.

Secretarial Auditors

Divyanshu Sahni & Associates,
Company Secretaries,
512-B, 5th Floor,
Kirti Shikhar Building,
District Centre, Janakpuri,
New Delhi-110058.

Bankers

Indusind Bank Ltd.

DIRECTORS & KMP'S

S.No.	NAME	DESIGNATION
1	Mr. Arun Seth	Director (Chairman)
2	Mr. Kamalapati Kashyap	Director
3	Ms. Vidya Chhabra	Director
4	Ms. Seema Salwan	Independent Director
5	Mr. Siddheshwar Kumar Upadhyay	Independent Director
6	Mr. Rakesh Kumar Bhatnagar	Chief Financial Officer
7	Mr. Pankaj Kumar Singh	Chief Executive Officer
8	Mr. Dinkar Sharma	Company Secretary & Compliance Officer

Contents

Notice	01
Directors' Report	10
Report on Corporate Governance	22
Management Discussion & Analysis	29
Certificate of Compliance with Corporate Governance	30
Secretarial Audit Report	32
Independent Auditors' Report	36
Balance Sheet	45
Statement of Profit & Loss	45
Statement of Cash Flow	46
Notes to Financial Statements	47

IO SYSTEM LIMITED

Regd.Office: Global Knowledge Park, Plot No.19A & 19B,
Sector-125, NOIDA-201 301 (U.P).
E-Mail:- iosystemltd@gmail.com
Website: www.iosystem.in
CIN: . L65921UP1987PLC008764

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting (“AGM”) of the members of IO System Limited will be held on Sunday, 26th September, 2021 at 11.00 am to transact the following business through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Vidya Chhabra (DIN:03386692), who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board,
For IO SYSTEM LIMITED,

Dated : 13th August, 2021
Place : NOIDA

ARUN SETH
DIRECTOR
DIN : 00007895

NOTES :

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 (collectively “MCA Circulars”) and SEBI circular dated May 12, 2020, and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2020/11 dated January 15, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (“VC”) or other audio visual means (“OAVM”). Hence, in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 33rd Annual General Meeting (“AGM”) of the Company is being held through VC / OAVM and members can attend and participate in the ensuing EGM/AGM through VC/OAVM. The deemed venue for the 33rd AGM shall be at the Registered Office of the at Global Knowledge Park, Plot No.19A & 19B, Sector-125, NOIDA-201301.
2. An Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is not annexed as there is no item of Special Business set out in the notice convening the AGM.
3. The Company has enabled the Members to participate at the 33rd AGM through the VC facility provided by Mas Services Limited, Registrar and Share Transfer Agents. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by “MCA”, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Hence, the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this notice.
5. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the AGM to email the said resolution to the Scrutinizer at caamitjain2006@gmail.com with a copy marked to company at iosystemltd@gmail.com at least 48 hours before the meeting.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the "Act").
7. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the AGM is appended hereto and forms part of this Notice.
8. a) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the September 20, 2021 to Sunday, the September 26, 2021 (both days inclusive).

b) The remote e-voting period commences on Thursday, September 23, 2021 (09:00 am) and ends on Saturday, September 25, 2021 (05:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2021, may cast their vote by remote e-voting. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 19, 2021.

c) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. The Members seeking to inspect such documents can send an email to iosystemltd@gmail.com.
9. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM on Sunday, the 26th September, 2021.
10. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited, ("RTA")**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case shares are held in demat form, the members who wish to provide / change/ correct bank account details should send the same immediately to their concerned Depository Participant ("DP") and not to the Company. Members are also requested to give the Bank details (MICR Code, IFSC) to their DP. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of deceased joint holder or change in the Bank account details.

The shareholders holding the shares in physical form are requested to dematerialize their shares at the earliest.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Form can be downloaded from the website of "RTA" of the Company, i.e., www.masserv.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form and to the RTA, in case the shares are held in physical form.
12. Any member requiring further information on the Accounts at the meeting is requested to e-mail their queries in writing to CFO, at iosystemltd@gmail.com, at least one week before the meeting.
13. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
14. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during normal business hours on any working day except Saturday / Sunday, upto the date of meeting.
15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company / RTA.
16. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.

17. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
18. In case of joint holder attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2021 including notice of 33rd AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case you have not registered your email id with depository or RTA you may registered your email id in following manner :

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

20. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.
21. In line with the MCA Circulars, Members may also note that the Notice of the 33rd AGM and the Annual Report 2020-21 will also be available on the Company's website, www.iosystem.in and website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com and also on the website of NSDL <https://www.evoting.nsdl.com>. In case of any queries regarding the Annual Report, the Members may write to iosystemltd@gmail.com to receive an email response.
22. **Voting through electronic means:** In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Amit Jain, Chartered Accountant, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL, and RTA and will also be displayed on the Company's and NSDL website, www.iosystem.in & evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Thursday, the 23rd September, 2021 at 9:00 A.M. and ends on Saturday, the 25th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 19th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th September, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to caamitjain2006@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to iosystemltd@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to iosystemltd@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (iosystemltd@gmail.com). The same will be replied by the company suitably.

Dated : 13th August, 2021
Place : NOIDA

By Order of the Board,
For IO SYSTEM LIMITED,

ARUN SETH
DIRECTOR
DIN : 00007895

Details of Director seeking appointment/re-appointment at the 33rd Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings]

Name of the Director	Ms. Vidya Chhabra
DIN	03386692
Date of Birth/Age	25/06/1974, (47 years)
Nationality	Indian
Brief Resume of the Director and nature of his Expertise in specific functional area	MA, MBA (HR) having more than 18 years of experience in the field of HR & Administration.
Relationship with Directors and Key Managerial Personnel	No Relation
Board Membership of other companies	1. MODIPUR SOLAR LAMPS PRIVATE LIMITED 2. PARADISE MARKCON PRIVATE LIMITED 3. OASIS CINEPLEX PRIVATE LIMITED 4. JOLLY TRADING AND MERCHANDISE PRIVATE LIMITED 5. MUDALIAR & SONS HOTELS PRIVATE LIMITED 6. BRILLIANT INFOCOM PRIVATE LIMITED 7. SMART GLOBAL CORPORATE HOLDING PRIVATE LIMITED 8. PREFERENCE HOLDING PRIVATE LIMITED 9. SMART BHARAT PRIVATE LIMITED 10. MBM LIMITED 11. STEREA INFRATECH LIMITED 12. LICENSINTORG & CO. (INDIA) PRIVATE LIMITED 13. SPICE SOLAR TECHNOLOGY PRIVATE LIMITED 14. COOL MOTION PRIVATE LIMITED 15. ACE AIRWAYS PRIVATE LIMITED 16. MODIPUR DEVICES PRIVATE LIMITED 17. MODIKEM PRIVATE LIMITED 18. SMART STUDIOS PRIVATE LIMITED
Membership of Committee of the Board (other than IO System Ltd.)	NIL
No. of shares held	NIL
No. of Board meetings attended	4
Terms and conditions of re-appointment	Proposed to be re-appointed as Non-executive Non-independent Director, liable to retire by rotation.
Remuneration last drawn (including sitting fee, if any).	NIL
Remuneration sought to be paid	NIL
Date of first appointment on the Board	21 st July, 2019

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the 33rd Annual Report together with the Statement of Accounts for the year ended 31st March, 2021.

Financial Performance

The summarized results of the Company are given in the table below :

PARTICULARS	(Amount in Rs.' 000)	
	31.03.2021	31.03.2020
Total Income (Other Income)	1.76	50,166.76
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	(7,347.50)	39,682.74
Finance Charges	2,962.47	5,365.06
Depreciation	11.58	3.62
Net Profit/(Loss) After Tax	(7,347.50)	39,682.74
Profit/(Loss) brought forward from previous year	(1,96,853.17)	(2365,35,908)
Profit/(Loss) carried to Balance Sheet	(2,04,200.67)	(1,96,853.17)

Summary of Operations

During the year under review, the Company did not carry on any business activity and only earnings for the Company was through other income which stood at Rs.(in'000) 1.76 as compared to that of Rs.(in'000) 50,166.76 during the previous year. The Company incurred a loss of Rs. (in'000) 7,347.50 during the year though during the previous year it earned a profit of Rs.(in'000) 39,682.74. The profit during the previous year was due to the other income which Company earned because loan payable by the Company was written back.

COVID-19 Pandemic

The Novel Coronavirus disease (COVID-19) was declared a global pandemic by the World Health Organization in March 2020. The Government of India took various actions to contain the COVID-19 pandemic, such as closing of borders and lockdown restrictions, which resulted in significant disruption to people and businesses all over the country. It was followed by restricted ease of operations and localized restrictions in various parts of the country.

In response to COVID-19 pandemic situation, the Company quickly instituted measures to trace all employees and be assured of their safety, health and well-being. Keeping in view the safety of our employees and in line with the guidelines issued by the Government, the offices were closed and the employees were shifted to an entirely new 'work-from-home' model.

Your Company, which is already in losses since last many years, is taking all necessary measures in terms of mitigating the impact of the challenges being faced due to the pandemic and accrued losses and is working hard to come out of the red and start doing some business at the earliest.

Transfer to Reserves

The Company has not transferred any amount to General Reserve in the current year.

Business Review/State of the company's affairs

During the year under review, the Company did not carry any business activity. The Company has been incurring losses for the past many years and is yet to overcome the same. The Company has stopped its commercial production owing to huge losses over the past many years.

Dividend

In view of the losses incurred during the year as well as in the previous years, your Directors do not recommend any dividend.

Subsidiary Company

The Company does not have any subsidiary. However, the Company continues to be the subsidiary of Smart Bharat Private Limited (erstwhile Smart Entertainment Pvt. Ltd.) with Smart Global Corporate Holdings Private Limited as the Ultimate Holding Company.

Directors' Responsibility Statement

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, the Directors of your Company, to the best of their knowledge and ability, confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed alongwith explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit / loss of the Company for that period;
- that proper and sufficient care has been taken 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;
- that the annual accounts have been prepared on a going concern basis;
- that internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Capital/ Finance

During the year under review, there was no enhancement or reduction in capital of the Company. As on 31st March, 2021, the capital break-up of the Company is as under :

- Authorized Capital:** Rs. 25,00,00,000/-, divided into 2,00,00,000 Equity Shares of Rs.10/- each and 5,00,000 Preference Shares of Rs.100/- each.
- Issued, subscribed and fully paid up share capital:** Rs. 16,90,00,000/-, divided into 1,69,00,000 Equity shares of Rs.10/- each.

Directors and Key Managerial Personnel

Composition : The Board comprises 5 (Five) Directors of which Two are non-executive Independent Directors and the others are non-executive non-independent Directors.

Appointment/ resignation of Board of Directors and/or Key Managerial Personnel : There is no change in the Directorship and the Key Managerial Personnel of the Company since the last Annual General meeting. Ms. Vidya Chhabra (DIN : 03386692), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Declaration by Independent Directors : Pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has received declaration from both the Independent Directors of the Company confirming their compliance with the criteria of independence and their independence from the management. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board both the Independent Directors of the Company, possess requisite qualifications, experience and expertise and hold highest standards of integrity.

Number of Meetings of the Board

Four meetings of the Board were held during the year Financial Year 2020-21 on 30/06/2020, 02/09/2020, 11/11/2020 and 12/02/2021. All the Directors attending the meeting actively participated in the deliberations at these meetings. The intervening gap between any two meetings was with the period prescribed under the Companies Act, 2013 and the SEBI (LODR), 2015. More details of the Board meetings have been provided in the Report on Corporate Governance.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule IV of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI"). The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, held on 12th February, 2021, performance of non-independent directors and the performance of Board as a whole was evaluated. The same was discussed in the board meeting that followed the meeting of the independent Directors.

Policy on Directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

Internal Financial Control Systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis which forms part of this report.

Statutory Auditors

M/s H S Gupta & Co., (Firm Registration No. 000326C), Chartered Accountants, the Statutory Auditors of the Company were appointed at the 29th Annual General Meeting of the Company held on 29th September, 2017 to hold office for a period of five years, i.e., upto the conclusion of 34th Annual General meeting of the Company, subject to ratification by the members of the Company at every Annual General Meeting. However, Vide notification dated May 7, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 33rd Annual General Meeting.

Internal Auditors

The Company had appointed M/s Krishan Kumar & Co., Chartered Accountants, Delhi, as Internal Auditors of the Company for the financial year 2020-21.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Divyanshu Sahni & Associates, Company Secretaries, New Delhi, to conduct the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report forms part of this report.

Auditors' Report and Secretarial Auditors' Report - Explanation and Comments

The reports of Statutory auditors and that of the Secretarial Auditors are self-explanatory and do not require further comments.

Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

Material Change

There is/are no material change(s) or commitment(s) after the closure of the financial year.

Corporate Governance

As per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section on Corporate Governance together with a certificate from the practicing Company Secretary confirming compliance is set out in the Annexure forming part of this report. A compliance Certificate on Corporate Governance as per Chapter IV of SEBI (LODR) Regulations, 2015, issued by M/s Divyanshu Sahni & Associates, Company Secretaries, forms part of this Report.

Certificate of Non-disqualification of Directors

A Certificate of non-disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (LODR) 2015 obtained from M/s Divyanshu Sahni & Associates, Company Secretaries, forms a part of this report

Risk Management

The Board of the Company has formed a risk management policy. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Transactions with related parties

All transactions entered into with Related parties as defined under Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the Financial Year were in the ordinary course of business and on arms' length basis and do not attract provisions of Section 188 of the Companies Act, 2013. However, since Company, from time to time, takes loan from its Holding Company, viz., Smart Bharat Pvt. Ltd., (erstwhile Smart Entertainment Pvt. Ltd.) the approval of shareholders was obtained through Special Resolution at the Annual General Meeting of the Company, held on 30th September, 2016, to approve for such transactions upto a limit of Rs.50 Crores. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure I in Form AOC-2 and the same forms part of this report.

Corporate Social Responsibility (CSR) Policy

The provisions regarding formation / constitution of CSR Committee prescribed under Section 135 of the Companies Act, 2013 are presently not applicable to the Company.

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure II in the prescribed Form MGT- 9, which forms part of this report.

Particulars of Employees

a) Details as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 :

- No employee was paid remuneration in excess of Rs.8.50 Lacs per month (if employed for a part of the year) or Rs.1.02 Crores per annum (if employed throughout the year) during 2020-21 and hence there is no disclosure requirement as per Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.
- No employee of the Company, if employed throughout the financial year or part thereof, was in receipt of remuneration during the financial year 2020-21 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

b) Details as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

S.No.	Particulars	Remarks
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company during the Financial year.	Not comparable as at present there is no director of the Company, who is drawing any remuneration from the Company, except the sitting fee paid to Independent Directors.
2.	The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Executive Officer, Company Secretary or Manager, if any, in the financial year.	NIL
3.	The percentage increase in median remuneration of the employees in the financial year.	There are no other employees in the Company except KMP's mentioned above.
4.	The number of permanent employees on rolls of the Company.	3
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	Since, there are no employees other than the KMPs of the Company, such comparison is not possible and there has been no increase in their salaries.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.
7.	The explanation on the relationship between average increase in remuneration and company performance	Not comparable as the Company did not carry any business activity during the year.
8.	Comparison of the remuneration of the key managerial personnel against the performance of the Company:	Not comparable as the Company did not carry any business activity during the year. However, the increase in salaries was made considering the inflation and other indices prevalent.

Vigil Mechanism

The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website i.e. www.iosystem.in and no person is denied access to the Audit Committee.

Cost Records

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

Dematerialization

The equity shares of the Company are being compulsorily traded in dematerialized form. As on 31st March 2021, 16321600 shares of the Company have been dematerialized representing 96.5% of the total equity Share Capital of the Company.

Secretarial Standards

The Directors state that applicable secretarial standards, i.e. SS- 1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Other Disclosure requirements

- The corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.
- The extract of the Annual Return of the Company is annexed herewith and forms an integral part of this Report.
- Details of the familiarization programme of the independent directors are available on the website of the Company.
- Policy on dealing with related party transactions is available on the website of the Company.

Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Conservation of energy, technology absorption, foreign exchange earnings and outgo**(a) Conservation of energy**

1.	Energy Conservation measures taken	Since there is no manufacturing activity in the Company, therefore, there is no scope for energy consumption and its conservation.
2.	Additional investments & proposals, if any, being implemented for reduction of consumption of energy.	
3.	Impact of above measures for reduction of energy consumption and consequent impact on production of goods.	
4.	Total energy consumption and energy consumption per unit of production.	

(b) Technology Absorption

1	Specific areas in which R&D is carried out	NIL
2	Benefits derived as a result	N/a
3	Future plan of action	Not required as of now
4	Expenditure on R&D	NL

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place Sexual Harassment Policy and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All the employees (permanent, contractual, temporary, trainees) are covered under this Policy. This policy provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints.

During the year, the Company has complied with the provisions of Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013 and has formed necessary committees. During the year under review, the number of complaint(s) received were Nil.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement.

Appreciation

Your Company expresses its appreciation for the continued co-operation of the Statutory Authorities, Banks and employees of the Company. Your Company also wishes to thank all its stakeholders for their contribution and support throughout the year and look forward to their continued support in future.

**On behalf of the board of directors,
For IO System Limited,**

**Place : NOIDA
Dated : 13th August, 2021**

**Kamalapati Kashyap
Director
DIN:02359002**

**Arun Seth
Director
DIN:00007895**

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. Details of contracts or arrangements or transactions not at arm's length basis: IO System Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.
2. Details of material contracts or arrangement or transactions at arm's length basis: IO System Limited has not entered into any contract or arrangement or transaction with its related parties during financial year 2020-21.
3. Details of other transactions with related parties have been mentioned separately in the Auditors' Report. The details of transactions with related parties are mentioned herebelow :

a.	Name of the related party and nature of relationship	Smart Bharat Pvt. Ltd. (erstwhile Smart Entertainment Pvt. Ltd. (Holding Company)	Mr. Rakesh Kumar Bhatnagar (Chief Financial Officer)	Mr. Dinkar Sharma (Company Secretary & Compl. officer)	Mr. Pankaj Kumar Singh (Chief Executive Officer)
b.	Nature of contracts / arrangements / transactions	Loan obtained	Appointment & Remuneration as CFO	Appointment & Remuneration as Company Secretary	Appointment & Remuneration as CEO
c.	Duration of contracts/ arrangements/ transactions	3 years	N.a	N.a	N.a
d.	Salient terms of the contracts / arrangements or transactions including the value, if any :	Loan @10% interest upto an aggregate amount of Rs. 50 Crores.	Appointment as CFO	Appointment as Company Secretary.	Appointment as CEO
e.	Date(s) of approval by the Board, if any.	Shareholders approval by way of Special Resolution dated 30/09/16. Board approval - whenever required.	01/03/2015	11/09/2009	01/06/2018
f.	Amount paid as advances, if any.	N/a	N/a	N/a	N/a

- Apart from this only sitting fee has been paid to the Independent Directors.

On behalf of the board of directors,
For IO System Limited,

Place : NOIDA
Dated : 13th August, 2021

Kamalapati Kashyap
Director
DIN:02359002

Arun Seth
Director
DIN:00007895

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2021

[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 :

CIN	L65921UP1987PLC008764
Registration Date	May 25, 1987
Name of the Company	IO System Limited
Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
Address of the Registered office and contact Details	Global Knowledge Park, Plot No. 19A & 19B, Sector-125, NOIDA-201 301 (U.P) Tel. : 0120-3355131 Fax : 0120-3355131 Email : iosystemltd@gmail.com Website : http://www.iosystem.in
Whether listed Company	Yes. (Listed at Bombay Stock Exchange)
Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020 Tel. : 011-26387282-83 ; Fax : 011-26387284 Email : info@masserv.com ; Website : http://www.masserv.com

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:-

S. No.	Name and Description of main Products/Services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Office Automation equipments	28170	N.A (since the turnover during year was NIL as the Company did not carry any business during the year).

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Smart Bharat Private Limited	U67120UP1992PTC013974	Holding	74.825	2(46)

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 held at the end of the year				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	29600	29600	0.175	0	29600	29600	0.175	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	12645400	0	12645400	74.825	12645400	0	12645400	74.825	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	12645400	29600	1267500	75	12645400	29600	12675000	75	0
(2) Foreign									

IO SYSTEM LIMITED

(a) NRIs –Individuals	0	0	0	0	0	0	0	0	0
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	12645400	29600	12675000	75	12645400	29600	12675000	75	NIL
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks / FI	0	0	0	0	0	0	0	0	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2.Non-Institutions	0	0	0	0	0	0	0	0	0
(a) Bodies Corp.									
(i) Indian	1432931	21600	1454531	8.606	1456189	16500	1472689	8.72	0.114
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	389862	518100	907962	5.372	534428	518000	1052428	6.232	0.86
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	1815103	15200	1830303	10.83	1668213	200	1668413	9.86	(-) 0.97
(c) Others (specify)									
i) NR/OCB	10900	14100	25000	0.15	15900	14100	30000	0.18	0.03
ii) Clg. Member	7204	0	7204	0.042	1470	0	1470	0.008	(-) 0.034
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B) (1)+(B)(2)	3656000	569000	4225000	25	3676200	548800	4225000	25	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16304100	595900	16900000	100	16321500	579700	16900000	100	NIL

Shareholding of Promoters :

S. No.	Shareholder's Name	Shareholding at the beginning Of			Shareholding at the end of the year			% Change In share Holding During the year
		No. of Shares	the year % of total Shares	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total Shares	
1.	Veena Modi	100	0.001	0	100	0.001	0	0
2.	O P Dani	100	0.001	0	100	0.001	0	0
3.	R L Ahuja	100	0.001	0	100	0.001	0	0
4.	A K Mittal	100	0.001	0	100	0.001	0	0
5.	S K Jain	100	0.001	0	100	0.001	0	0
6.	S K Sethi	100	0.001	0	100	0.001	0	0
7.	S K Surana	100	0.001	0	100	0.001	0	0
8.	Harkarwal Singh	1000	0.006	0	1000	0.006	0	0
9.	Madan Gupta	1000	0.006	0	1000	0.006	0	0
10.	Suresh Kumar Jain	15000	0.089	0	15000	0.089	0	0
11.	R S Desikan	11000	0.065	0	11000	0.065	0	0
12.	Bhagchand P Jain	500	0.003	0	500	0.003	0	0
13.	Bhagchand Partiraj Jain	200	0.001	0	200	0.001	0	0
14.	Om Prakash Kariwala	200	0.001	0	200	0.001	0	0
15.	Smart Bharat Pvt. Ltd.	12645400	74.825	0	12645400	74.825	0	0

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)** : There has been no change in the Promoters' shareholding during the year 2019-20.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	Name of the Shareholder	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	Shiv Mittal				
	At the beginning of the year on 01.04.2020	917482	5.429		
	At the end of the year on 31.03.2021	917482	5.429	917482	5.429
2	Infotrade Resources India Pvt. Ltd.				
	At the beginning of the year on 01.04.2020	548590	3.246		
	At the end of the year on 31.03.2021	548590	3.246	548590	3.246
3	Kanchan Mittal				
	At the beginning of the year on 01.04.2020	200000	1.183		
	At the end of the year on 31.03.2021	200000	1.183	200000	1.183
4	Bipin Jeram Bhanushali				
	At the beginning of the year on 01.04.2020	99500	0.588	99500	0.588
	Sold during the year	94171	0.557	5329	0.031
	At the end of the year on 31.03.2021	5329	0.031	5329	0.031
5	Centillion Capital Private Limited				
	At the beginning of the year on 01.04.2020	97549	0.577		
	At the end of the year on 31.03.2021	97549	0.577	97549	0.577
6	K A Gandhi (HUF)				
	At the beginning of the year on 01.04.2020	55000	0.325		
	At the end of the year on 31.03.2021	55000	0.325	55000	0.325
7	Vasantbhai Talakchand Shah				
	At the beginning of the year on 01.04.2020	105424	0.623		
	Sold during the year	105424	0.623	0	0
	At the end of the year on 31.03.2021	0	0	0	0
8	Harishbhai H Buddhdev				
	At the beginning of the year on 01.04.2020	50000	0.295		
	At the end of the year on 31.03.2021	50000	0.295	50000	0.295
9	IPSAA Childcare Private Limited				
	At the beginning of the year on 01.04.2020	400000	0		
	At the end of the year on 31.03.2021	400000	0.295	400000	0.295
10	Step up Infra Private Limited				
	At the beginning of the year on 01.04.2020	0	0		
	At the end of the year on 31.03.2021	400000	2.367	400000	0.295
11	Laxmipat Dudheria				
	At the beginning of the year on 01.04.2020				
	Purchased during the year	100000			
	At the end of the year on 31.03.2021	100000	0.59	100000	0.59
12	Amit Chaudhary				
	At the beginning of the year on 01.04.2020	48000	0.284		
	At the end of the year on 31.03.2021	48000	0.284	48000	0.284

Shareholding of Directors and Key Managerial Personnel (KMP) :

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.	Kamalapati Kashyap, Director	100	0.00	100	0.00
None of the other Directors or KMP's hold any shares in the Company.					

INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	-	28,115,000	-	28,115,000
ii) Interest due but not paid	-	663,399	-	663,399
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	28,778,399	-	28,778,399
Change in Indebtedness during the financial year				
• Additions (Principal+Interest)	-	7,840,287	-	7,840,287
• Reduction (Principal + Interest)	-	663,399	-	663,399
Net Change	-	7,176,888	-	7,176,888
Indebtedness at the end of the financial year				
i) Principal Amount	-	33,215,000	-	33,215,000
ii) Interest due but not paid	-	2,740,287	-	2,740,287
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	35,955,287	-	35,955,287

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other directors:

S . No.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Directors		
	• Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (1)		
	2. Other Non-Executive Directors the Financial Year 2020-21, except for sitting		
	• Fee for attending board / committee meetings fee		
	• Commission		
	• Others, please specify		
	Total (2)		
	Total (B)=(1+2) Rs. 60,000/- on account of sitting fee to independent Directors.		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

The Company has not paid any remuneration to any of the Director(s) of the Company during the year except for sitting fee of Rs.30,000/- each for the two Independent Directors on the Board for Board and Committee Meetings held during the year, totaling to Rs.60,000/-.

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

S. No.	Particulars of Remuneration	CS	CFO	CEO	TOTAL
		Dinkar Sharma	Rakesh Kumar Bhatnagar	Pankaj Kumar Singh	
For the period 01.04.2020 to 31.03.2021					
1	Gross salary				
	(a) Salary as per section 17(1) of the Income-tax Act, 1961	13,04,613	6,08,729	3,36,720	22,50,062
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400	0	64,800
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	- as % of profit				
	- others, specify...				
5	Others (please specify) (Reimbursements)	369600	3,11,954		6,81,554
	Total	17,06,613	9,53,083	3,36,720	29,96,416

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

(As required under the Companies Act, 2013 and
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance signifies the rules, practices, systems and processes by which a company is directed, controlled and monitored. It involves balancing the interests of various stakeholders of the company, which *inter-alia* include the shareholders, management, regulators, employees etc. and other business associates. The Company believes in good Corporate Governance practice and aims to keep the spirit of good corporate governance. It believes in the values of transparency, professionalism and accountability and recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders, stakeholders and with every individual, who comes in contact with the Company.

2. BOARD OF DIRECTORS

- i. As on March 31, 2021, the Company had 5 directors, of which 2 are independent and 3 non-independent including one non-executive Chairman.
- ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2021 have been made by the directors. None of the directors are related to each other.
- iii. All the Independent directors are non-executive directors. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria of independent directorship Section 149 of the Act.
- iv. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of the Director	Category	No. of Board meetings during the Financial Year 2020-21		Whether attended last AGM held on 27/09/2020	No. of Directorships in Other Public Companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Arun Seth	Non-Executive Non-Independent	4	4	Yes	0	2	0	0
Seema Salwan	Non-Executive Independent	4	4	Yes	0	2	2	0
Siddheshwar Kumar Upadhyay	Non-Executive Independent	4	4	Yes	0	1	0	2
Kamalapati Kashyap	Non-Executive Non-Independent	4	4	Yes	0	2	0	0
Vidya Chhabra	Non-Executive Non-Independent	4	4	Yes	0	2	0	0

Board Meetings

The Board has formal schedule of matters reserved for its consideration, discussion and decision. The agenda is circulated in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition, the Board is also kept informed of major events/items and approvals have been taken wherever necessary for making investments, ensuring adequate availability of financial resources and periodically consider the report on compliance of applicable laws and gives appropriate directions. The Board also reviews the Board Meeting minutes and financial statements and also takes on record the Committee meeting minutes.

The Board of Directors met four (4) times during the financial year ended 31st March, 2021 – on 30.06.2020, 02.09.2020, 11.11.2020 and 12.02.2021. The maximum gap between any two meetings was with the period prescribed under the Companies Act, 2013 and the SEBI (LODR), 2015.

Details of Board members as on 31st March, 2021 and Attendance at Board & Annual General Meeting held on 27th September, 2020 has been given in the table above.

The details of dates of Board meetings and attendance thereat has been given in the table below :

S.No.	Date of the meeting	No. of Directors attended the meeting
1	30.06.2020	5
	02.09.2020	5
2	11.11.2020	5
3	12.02.2021	5

Board Procedure

The Directors are elected based on their qualifications and experience in varied fields as well as company's business needs. The Nomination and Remuneration Committee, recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, an invitation to join the Board of the Company is sent and a directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentation is also made to the new Director regarding the business and other details of the Company. During the year a separate meeting of the independent directors was held on 12th February, 2021, to review, *inter-alia*, the performance of non-independent directors and the board as a whole.

Details of Director seeking appointment / re-appointment

Ms. Vidya Chhabra (DIN : 03386692, Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment. There has been no other change in the Directorship of the Company during the year 2020-21.

Prohibition of Insider Trading

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Senior Managerial Personnel and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company has revised Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015. The trading window is closed at the beginning of every quarter for all the designated persons to avoid insider trading and remain closed until after 48 hours after the Board meeting for consideration of results for that quarter.

3. BOARD COMMITTEES :

A. AUDIT COMMITTEE

Overall purpose/ objective : The role of Audit Committee in brief is to review *inter-alia*, the financial statements, internal controls, accounting policies and internal audit reports.

Composition : The Company has already in place an Audit Committee with a non-executive independent Director as its Chairman and 2 members of which one is a non-executive independent Director and the other one is a non-independent Director. All the members of the Committee have excellent financial & accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 27th September, 2020.

Terms of Reference : The terms of reference of the audit committee covers all matters specified under Regulation 18 and Part – C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and under section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports, action taken reports and assessment of the efficacy of the internal control systems/ financial reporting systems as well as reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with reference to legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, and statutory auditor for the company.

Meetings : The Committee met four times during the financial year ended 31st March, 2020 on 30.06.2020, 02.09.2020, 11.11.2020 and 12.02.2021 and the time gap between the two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), 2015.

S. No.	Name of the Member	Chairman/ Member	No. of Meetings held during FY 2020-21	No. of Meetings Attended
1.	Mr. Siddheshwar Kumar Upadhyay	Chairman	4	4
2.	Mr. Seema Salwan	Member	4	4
3.	Mr. Arun Seth	Member	4	4

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company had a Stakeholders Relationship Committee in place, which looks into the redressal of the investors' complaints like non receipt of annual reports, dividend payments, change or deletion of name, issue of duplicate share certificates, dematerialization, rematerialisation, transfer, transmission, transposition, sub-division, consolidation and other allied transactions. The Committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges or through Securities and Exchange Board of India.

Composition & Meetings.

- a) The Committee met 4 (Four) times, during the financial year ended 31st March, 2021 on 30/06/2020,02/09/2020, 11/11/2020 and 12/02/2021. The Stakeholders Relationship Committee consists of 2 independent Directors and 1 Non-Executive Non-independent Director.
- b) The composition of Stakeholders Relationship Committee and particulars of meeting(s) attended by the members of the Committee are given below :

Name	Chairman / Member	No. of Meetings Held	No. of Meetings Attended
Siddheshwar Kumar Upadyay	Chairman	4	4
Arun Seth	Member	4	4
Seema Salwan	Member	4	4

Mr. Dinkar Sharma, Company Secretary, is the compliance officer of the Company.

Details of number of complaints received during the year are given below and Status of Investor Complaints as on March 31, 2021 are as under :

Complaints as on April 1, 2020	0
Received during the year	0
Resolved during the year	0
Pending as on 31st March, 2021	0

A. NOMINATION AND REMUNERATION COMMITTEE :

- i. The Company had a nomination committee and remuneration committee of directors.
- ii. The Committee met 4 (Four) times, during the financial year ended 31st March, 2021 on 30/06/2020,02/09/2020, 11/11/2020 and 12/02/2021.
- iii. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below :

Name	Chairman / Member	No. of Meetings Held	No. of Meetings Attended
Siddheshwar Kumar Upadyay	Chairman	4	4
Arun Seth	Member	4	4
Seema Salwan	Member	4	4

- iv. The Company does not have any stock option scheme.

v. Remuneration Policy :

The Board through the Nomination and Remuneration Committee adopted Remuneration policy pursuant to Section 178 of the Companies Act, 2013. This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company. None of the Directors is paid any remuneration. However, the Non-Executive Independent Directors are entitled for sitting fees for every Board / Committee meeting attended by them. As regard payment of sitting fees to Non –Executive Directors, the same is within the limits prescribed in the provisions of Sections 197 of the Companies Act, 2013. The details of sitting fee paid to Directors during the financial year 2020-21 is as under :

Name of the Director	Category	Sitting Fee Paid (Rs.)	Any other
Seema Salwan	Non-executive Independent	30,000	NIL
Siddheshwar Kumar Upadhyay	Non-executive Independent	30,000	NIL

vi. Details of Equity Shares held by the Directors as on 31st March, 2021:

Name of the Director	No. of shares held
Arun Seth	NIL
Kamalapati Kashyap	100 Shares
Vidya Chhabra	NIL
Seema Salwan	NIL
Siddheshwar Kumar Upadhyay	NIL

vii. Meeting of Independent Directors : The Independent Directors of the Company had met during the year on 12th February, 2021 to review the performance of non-independent Directors and the Board as a whole and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

D. RISK MANAGEMENT COMMITTEE :

The Board at its meeting held on 30th May, 2014 has constituted the Risk Management Committee. Since the Company is not required to formulate a Risk Management Committee, the same stood dissolved w.e.f 30/05/2016. However, the Company has in place Risk Management Policy.

4. General body Meetings

The location, date and time of General Meetings held during the last 3 years are given below:

ANNUAL GENERAL MEETING (AGM):

Financial Year	Date	Time	Venue
2019-20	27/09/2020	10.30 a.m.	Audio-Visual Means [Global Knowledge Park, Plot No.19A & 19B, Sector-125, NOIDA-201 01 (U.P)].
2018-19	30/09/2019	11.00 a.m.	C-10, Sector-65, NOIDA-201 301 (U.P).
2017-18	28/09/2018	11.00 a.m.	C-10, Sector-65, NOIDA-201 301 (U.P).

Extraordinary General Meeting : No Extra-ordinary General Meeting was held during the year 2020-21.

The details of special resolutions passed in the previous 3 AGMs and details of voting			
S. No.	Date of AGM	Item of Special Resolution	
1	29.09.2018	No Special Resolution was passed.	
2	30.09.2019	No Special Resolution was passed.	
3	27.09.2020	No Special Resolution was passed.	

Details of Voting Pattern : All resolutions were passed with requisite majority.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and the details of voting pattern : During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

5. Disclosures :

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large except for the ones mentioned in Form AOC-2 annexed in this report.
2. There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchanges, SEBI or other statutory authority of any matter related to the capital market, during the year ended 31st March, 2021.
3. Vigil Mechanism (Whistle Blower Policy) : The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website i.e., www.iosystem.in and no person is denied access to the Audit Committee.
4. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.
5. Application of non-mandatory requirements: The Company has fulfilled the following non-mandatory requirements:
 - a. The internal auditor has access for the direct reporting to the Audit Committee.
 - b. The statutory financial statements of the Company are unqualified.
6. The company has no subsidiary company. However, the Company continues to be the subsidiary of Smart Bharat Private Limited.
7. Related Party Transactions : All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.iosystem.in
8. Commodity Risk or Foreign Exchange Risk : The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.

9. CEO and CFO certification

As per Regulation 17(8) and Part – B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from CEO and CFO has been obtained and forms part of the report.

10. Means of communication:

- a. The quarterly results were published during the year under review in leading national and regional newspapers appropriately.
- b. The quarterly results are displayed on www.iosystem.in and also on websites of Bombay Stock Exchange.
- c. The official news releases of the Company are displayed on the websites of Bombay Stock Exchange.
- d. The Management Discussion and Analysis Report is forming part of annual report.

11. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report.

12. General Shareholder Information

A separate section has been annexed to the Annual Report, furnishing various details viz., AGM venue, distribution of shareholding pattern, means of communication etc., for the general information of the shareholders.

SHAREHOLDER'S INFORMATION

Registered Office	Global Knowledge Park, Plot No.19A & 19B, Sector-125, NOIDA-201 301.
Corporate Identification Number (CIN)	L65921 UP19 87PLC 008764

Annual General Meeting

Day	Sunday
Date & Time	26 th September, 2021 at 11:00 AM
Venue	Through Audio-Visual Means.
Financial Year	01.04.2020 - 31.03.2021
Book Closure Period	Monday, 20.09.2021 to Sunday,26.09.2021 (both days inclusive).
Listing on stock exchanges and stock code	BSE Limited.
Stock Code	523752
ISIN No.	INE502D01011

Stock Market Data : The monthly high and low quotations and volume of shares traded on BSE for the period from April' 2020 to March' 2021 were as follows:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
May-20	1.55	1.55	1.55	1.55	5	1	7
Jun-20	1.55	1.55	1.55	1.55	100	1	155
Jul-20	1.63	2.92	1.62	2.92	118859	119	294981
Aug-20	2.78	3.37	2.65	3.30	21671	47	64888
Sep-20	3.14	3.29	2.96	2.99	397	13	1273
Oct-20	2.99	3.40	2.99	3.02	3766	20	12258
Nov-20	2.87	2.87	2.03	2.03	828	14	2023
Dec-20	1.93	2.56	1.75	2.04	39695	157	85946
Jan-21	2.00	2.23	1.76	2.00	55933	150	110509
Feb-21	1.90	2.26	1.61	1.93	139653	160	259026
Mar-21	1.93	2.20	1.51	2.20	224747	175	404187

Registrar and Share Transfer Agents :

In due compliance with SEBI Norms, the Company has entrusted the share transfer work, both physical as well as electronic transfers to the share transfer agents mentioned herebelow :

M/s Mas Services Limited,

T-34, 2nd Floor, Okhla Industrial Area, Ph. II, New Delhi-110 020.

Share Transfer and Investors Service System :

A committee constituted for this purpose approves transfers in the physical form on fortnightly basis. The Board has also authorized its directors and executives to approve the transfer/transmission. As per the directions of SEBI, the company immediately on transfer of shares sends letters to the investors, through its RTA, in the prescribed format, informing them about the simultaneous transfer and dematerialization option available for the shares transferred in their names. The committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges. There are no Pending Complaints as on 31.03.2021.

Shareholding Pattern/ Distribution of Holdings as on 31.03.2021 :

a) Shareholding Pattern

Category	No. of shares	% of Holding
Promoters	12675000	75.00
Indian Public	4225000	25.00
Grand Total	16900000	100

b) Distribution Schedule :

Category	No. of holders	% on total	No. of shares	% on total
1-5000	3219	91.216	434216	2.569
5001-10000	120	3.400	101772	0.602
10001-20000	71	2.012	119817	0.709
20001-30000	20	0.567	52510	0.311
30001-40000	15	0.425	52290	0.309
40001-50000	19	0.538	92207	0.546
50001-100000	33	0.935	247136	1.462
100001 and above	32	0.907	15800052	93.491
TOTAL	3529	100	16900000	100

TOTAL SHARE HOLDERS IN NSDL	264	TOTAL SHARES IN NSDL	13190155
TOTAL SHARE HOLDERS IN CDSL	337	TOTAL SHARES IN CDSL	3131445
TOTAL SHARE HOLDERS IN PHY	2938	TOTAL SHARES IN PHY	578400
TOTAL SHARE HOLDERS	3539	TOTAL SHARE HOLDERS	16900000
10 HOLDERS ARE COMMON IN DEMAT & PHYSICAL			

Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 96.57 % of the Company's equity share capital are dematerialised as on March 31, 2020.

Particulars	Number of shares	% of total capital issued
Shares held in dematerialised form with NSDL	13190155	78.05%
Shares held in dematerialised form with CDSL	3131445	18.53%
Shares held in physical form	578400	3.42%
TOTAL	16900000	100%

The Company's equity shares are traded Bombay Stock Exchange, in dematerialised form. Under the depository system, the international securities identification number (ISIN) allotted to the Company's shares is INE502D01011.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: NIL

Equity shares in the suspense account: NIL.

Address for Correspondence : IO SYSTEM LTD.

Global Knowledge Park, Plot No. 19A & 19B, Sector-125, NOIDA-201 301 (U.P) ;

Tel. : 0120-3355131; Fax : 0120-3355131

Email : iosystemltd@gmail.com ;

Website <http://www.iosystem.in>

**On behalf of the board of directors,
For IO System Limited,**

**Place : NOIDA
Dated : 13th August, 2021**

**Kamalapati Kashyap
Director
DIN:02359002**

**Arun Seth
Director
DIN:00007895**

MANAGEMENT DISCUSSION ANALYSIS

Industry Structure and recent Developments : Office Automation - IO System Limited was a renowned player in the field of standard office automation equipment. However, due to continuously increasing stiff market competition over the years and various other reasons beyond control, the margins in the business reduced continuously and your Company incurred huge losses. The Company is yet to overcome its huge incurred losses and is at present not carrying any business activity.

Outlook / Projections for 2021-22 : The Company is open to consider proposals to start business activities in the coming years. The actual implementation might take some time and depends upon number of factors like availability of finance for effective implementation of such proposals for revival of the Company.

Opportunities for the Company :The Company being into office automation industry, it is expected that it will come across some good opportunities in future and your Directors are optimistic that the Company be able to make up and avail all the opportunities that come its way.

Risks and Concerns : The risk and concern may be classified as external and internal to the Company. The external factors impacting the office automation industry is overall economic scenario prevailing world wide and tough competition in the segment. Internally, plans are being explored to start business activity at the earliest possible. However, the major concern for the Company is availability of capital.

Once, the business is revived, the important risk factors that could make a difference to the company's operations include economic conditions affecting demand/ supply and price conditions in the domestic as well as overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and incidental factors. The Company had a risk management policy and audit committee of the Company monitors the working of the Company within the parameters established.

Internal control Systems and their adequacy : During the year under review, the Company has an internal control system in place and was periodically reviewed to judge its effectiveness.

Financial performance with respect to Operational Performance : Financial performance has been given separately in the Directors' Report.

Forward Looking Statements : This Annual Report contains forward looking statements which may be identified by words like will, believes, plans, expects, intends, or other similar words. All statements that address expectations or projections about future, including but not limited to statements about the Company's strategy for growth and market position are forward looking statements. The company cannot guarantee that the statements or assumptions are accurate or will be realised. The Company's actual performance and results could differ materially from those expressed in the statement.

**On behalf of the board of directors,
For IO System Limited,**

**Place : NOIDA
Dated : 13th August, 2021**

**Kamalapati Kashyap
Director
DIN:02359002**

**Arun Seth
Director
DIN:00007895**



**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3rd Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058
Email: info@finlegalforte.com Mob; +91-9871027426
Website: www.finlegalforte.com, www.csdivyanshu.com

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

To,

**The Members
IO SYSTEM LIMITED
GLOBAL KNOWLEDGE PARK, 19-A & 19-B, SECTOR-125, NOIDA
Gautam Buddha Nagar UP 201301 IN**

We have examined the compliance of conditions of Corporate Governance by IO system Limited ("the Company") for the year ended March 31, 2021 as stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C,D and E of schedule V of the Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated under the Listing Regulations.

We 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.

For Divyanshu Sahni & Associates,

**Date: August 13, 2021
Place: Delhi**

**(Divyanshu Sahni)
Company Secretary in Practice
COP. No. – 18449
M. No.–42200
UDIN: A042200C000779728**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH COMPANY'S CODE OF CONDUCT**

To,

The Members of IO SYSTEM Limited

This is to inform that the Company has laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31st March, 2021.

Place : NOIDA
Dated : 13th August, 2021

Kamalapati Kashyap
Director
DIN:02359002

Arun Seth
Director
DIN:00007895

=====

**CEO & CFO CERTIFICATION (In terms of Regulation 17 of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015.**

We, Pankaj Kumar, CEO, and R K Bhatnagar, CFO, to the best of our knowledge and belief, certify to the Board that:

- a) We have reviewed Balance Sheet as at 31st March, 2021 and the Profit and Loss Account and all its Schedules and Notes to the Accounts as well as Cash Flow Statement for the year ended 31st March, 2021;
- b) Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- c) Based on our knowledge and information, these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- d) 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;
- e) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company;
- f) We have disclosed based on our most recent evaluation, wherever applicable, to the Company's Auditor's and the Audit Committee of the Company's Board of Director's:
 - i) All deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies;
 - ii) All significant changes in internal control during the year covered by this report;
 - iii) All significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iv) Instances of significant fraud of which we are aware that involves management having a significant role in the Company's internal control system.

We further declare that all Board members have affirmed compliances with the code of conduct for the year under review.

For IO SYSTEM LIMITED,

Dated : 13th August, 2021

Place : NOIDA

Pankaj Kumar Singh
Chief Exec. Officer
PAN : BZNPS9054B

R K Bhatnagar
Chief Fin. Officer
PAN : ARIPB5404E



**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3rd Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058
Email: info@finlegalforte.com Mob; +91-9871027426
Website: www.finlegalforte.com, www.csdivyanshu.com

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
IO System Limited
Global Knowledge Park, 19-A & 19-B,
Sector-125, Noida, Gautam Buddha Nagar
UP 201301

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IO system Limited (hereinafter called 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 audit period covering the financial year ended on 31st March, 2021 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 IO system Limited for the financial year ended on 31st March, 2021 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not Applicable to the company during the audit period).
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;/securities and exchange board of India (share based employee benefits) regulations,2014(Not applicable to the company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the company during the Audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;(Not applicable to the Company during the audit period) and
 - (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.

The management represent that there are no laws specifically applicable to the company which requires reporting.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock exchanges in India including Agreement entered in pursuance to securities and exchange board of India (Listing obligations and disclosure requirements) regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: New Delhi
Date: 13/08/2021

Signature: Sd/-
Name of Company Secretary in practice / Firm:
Divyanshu Sahni & Associates
ACS NO: A42200
C P No.: 18449
UDIN : A042200C000835841

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

To,
The Members,
IO SYSTEM LIMITED,
GLOBAL KNOWLEDGE PARK,
19-A & 19-B, SECTOR-125,
NOIDA
GAUTAM BUDDHA NAGAR UP 201301 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Date: 13/08/2021

Signature:

Sd/-
Divyanshu Sahni
Practising Company Secretary
M.NO: A42200
COP No.: 18449
UDIN : A042200C000835841

**DIVYANSHU SAHNI & ASSOCIATES
COMPANY SECRETARIES**

Office: -314, 3rd Floor, Kirti Shikhar Building, District Centre, Janak Puri, New Delhi -110058

Email: info@finlegalforte.com Mob: +91-9871027426Website: www.finlegalforte.com, www.csdivyanshu.com**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS***(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**The Members of
IO SYSTEM LIMITED
GLOBAL KNOWLEDGE PARK, 19-A & 19-B, SECTOR-125, NOIDA
Gautam Buddha Nagar UP 201301 IN**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IO system Limited having CIN L65921UP1987PLC008764 and having registered office at Global knowledge park,19-A & 19-B,sector-125,Noida Gautam buddha Nagar UP 201301 (hereinafter referred to as 'the Company'), produced before us for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director*	DIN	Designation	Date of Appointment	Date of Cessation
1.	Arun Seth	00007895	Non-executive Non- independent	30/09/2002	-
2.	Kamalapati Kashyap	02359002	Non-executive Non- independent	21/07/2019	-
3.	Vidya Chhabra	03386692	Non-executive Non- independent	21/07/2019	-
4.	Seema salwan	06944301	Non-executive Independent	14/08/2019	-
5.	Siddheshwar Kumar Upadhyay	07871728	Non-executive Independent	28/09/2019	-

There is no change in the Directorship and the Key Managerial Personnel of the Company since the last Annual General meeting. Ms. Vidya Chhabra (DIN: 03386692), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi**Date: August 13, 2021**Sd/-
Divyanshu Sahni
Divyanshu Sahni & Associates
Company Secretary
M. No. A42200
CP No.:18449
UDIN: A042200C00083582

H S GUPTA & CO.
Chartered Accountants

R - 13/27, Raj Nagar
Ghaziabad - 201002,
Phone – 0120-2820367
Mob: 9811420234

INDEPENDENT AUDITOR'S REPORT

To,

The Members of IO System Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the financial statements of IO System Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the statement of Profit and Loss, statement of changes in equity and Statement of cash flow for the year 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, 2021, 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.

Emphasis of Matter

1. We draw attention to Note No. 22 of the financial statements, which describes that the net worth of the company has been fully eroded as its carry over losses are Rs. 20.43 crores as against its paid up capital of Rs 16.90 crores. During the year the company has suffered net cash losses of Rs. 0.73 crores as against net cash profits of Rs. 3.97 crores in immediately preceding year, however in view of support of financial assistance from holding company, financials have been prepared on going concern basis.

Our opinion is not modified in respect to 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 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 report 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, 2016 ("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 including other comprehensive income, 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 read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representation received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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.

For H S GUPTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000326C

(CA H. S. GUPTA)
PARTNER
Membership No. 012834
UDIN: 21012834AAAAAK9259

Place: Noida
Date : 30.06.2021

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) The Company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.
(b) As per the information given by the management, the physical verification of fixed assets 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 sub clause is not applicable.

(ii) 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.

(iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a), b) and c).

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable hence there are no comments in this regard.

(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 for the products/ services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding at the period end, 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, 2021 on account of disputes are attached as Annexure 'A'.

(viii) The Company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.

(ix) As per the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, there are no comments in this regard.

(x) 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.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

(xii) The clause is not applicable as the company is not a 'Nidhi Company'.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) As per the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and as such there are no comments in this regard.

(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 him.

(xvi) 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.

For H S GUPTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000326C

(CA H. S. GUPTA)
PARTNER
Membership No. 012834
UDIN: 21012834AAAAAK9259

Place: Noida
Date : 30.06.2021

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, 2021 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, 2021, 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: 21012834AAAAAK9259

Place: Noida
Date : 30.06.2021

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 dispute is pending
1	U.P.Sales Tax	1997-98	Sales Tax	1,16,536	JT Commissioner of Trade TaxNoida
2	U.P.(Central/Local)	1998-99	Sales Tax	45,254	JT Commissioner of Trade TaxNoida
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

Balance Sheet as at March 31, 2021

Particulars	Notes	Figures as at 31-Mar-21 Rs.'000	Figures as at 31-Mar-20 Rs.'000
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	33.18	32.76
(b) Financial assets			
Other financial assets	3	-	-
(c) Other non-current assets	4	1,587.15	1,587.15
		1,620.33	1,619.91
Current assets			
(a) Inventories	5	-	-
(b) Financial Assets			
(i) Trade receivables	6	-	-
(ii) Cash and cash equivalents	7	120.47	65.23
(c) Current tax assets (Net)	8	2.74	2.74
(d) Other current assets	9	28.06	11.39
		151.27	79.36
Total Assets		1,771.60	1,699.27
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	10	1690,00,000	169,000.00
(b) Other equity	SOCE-B	(2,04,200.67)	(1,96,853.17)
		(35,200.67)	(27,853.17)
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	33,215.00	28,115.00
(b) Provisions	12	565.41	504.63
		33,780.41	28,619.63
Current liabilities			
(a) Financial liabilities			
Other financial liabilities	13	2,929.03	821.20
(b) Other current liabilities	14	262.83	111.61
		3,191.86	932.80
TOTAL		1,771.60	1,699.27

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

(Arun Seth)

Director

DIN: 00007895

(Kamalapati Kashyap)

Director

DIN: 02359002

Place: Noida

Date: 30.06.2021

(Rakesh Kumar Bhatnagar)

CFO

PAN : ARIPB5404E

(Dinkar Sharma)

Company Secretary

M.N. F7383

Statement of Profit & Loss for the year ended 31st March, 2021

Particulars	Notes	Figures for the year ended	Figures for the year ended
		31-Mar-21 Rs.'000	31-Mar-20 Rs.'000
Income			
Other income	15	1.76	50,166.76
Total (I)		1.76	50,166.76
Expenses			
Employee benefits expenses	16	3,275.61	3,567.26
Finance costs	17	2,962.47	5,365.06
Depreciation and amortization expenses	2	11.58	3.62
Other expenses	18	1,099.60	1,548.08
Total (II)		7,349.26	10,484.01
Profit before exceptional items and tax (III=I-II)		(7,347.50)	39,682.74
Exceptional items (IV)		-	-
Profit / (loss) before tax (V=III-IV)		(7,347.50)	39,682.74
Tax Expenses			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
Profit / (Loss) for the year (VI)		(7,347.50)	39,682.74
Other comprehensive income (VII)		-	-
Total comprehensive income (VIII=VI-VII)		(7,347.50)	39,682.74
Earnings per equity share [nominal value of share Rs. 10 (31 March 2020: Rs. 10)]	19		
1) Basic		(0.43)	2.35
2) Diluted		(0.43)	2.35

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

For and on behalf of the Board of Directors

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

(Arun Seth)
Director
DIN: 00007895

(Kamalapati Kashyap)
Director
DIN: 02359002

Place: Noida
Date: 30.06.2021

(Rakesh Kumar Bhatnagar)
CFO
PAN : ARIPB5404E

(Dinkar Sharma)
Company Secretary
M.N. F7383

IO SYSTEM LIMITED

Statement of Cash Flow for the year ended March 31, 2021

Particulars	31-Mar-21 Rs.'000	31-Mar-20 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(7,347.50)	39,682.74
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortization	11.58	3.62
Interest expense	2,963.47	5,365.06
Sundry balances written back	-	(46,000.00)
	(4,373.45)	(948.58)
Changes in assets and liabilities		
Increase / (decrease) in provisions	60.78	104.46
Increase/ (decrease) in other financial liabilities & other liabilities	2,259.05	(4,824.22)
Decrease / (increase) in other financial assets & other assets	(16.67)	1.77
Cash generated from / (used in) operations	(2,070.29)	(5,666.56)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities A	(2,070.29)	(5,666.56)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on property, plant & equipment net of sale proceeds, including CWIP and capital advances	(12.00)	(24.50)
Net cash flow from/ (used in) investing activities B	(12.00)	(24.50)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	5,100.00	10,880.00
Interest paid	(2,962.47)	(5,365.06)
Net cash flow from/ (used in) in financing activities C	2,137.53	5,514.94
Net increase/(decrease) in cash and cash equivalents (A+B+C)	55.24	(176.12)
Cash and cash equivalents at the beginning of the year	65.23	241.35
Cash and cash equivalents at the end of the year	120.47	65.23
Components of cash and cash equivalents		
Cash on hand with banks on Current Account	120.47	65.23
Total cash and cash equivalents (Note 7)	120.47	65.23

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 01/04/2020	Cash Flow Changes	Non Cash Changes	Balance as on 31/03/2021
Non Current Borrowings	28,115	5,100	-	33,215

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.

**For and on behalf of the Board of
Directors**

Chartered Accountants

Firm Registration No. 000326C

(CA H. S. Gupta)

Partner

Membership No. 012834

(Arun Seth)

Director

DIN:

00007895

(Rakesh Kumar

Bhatnagar)

CFO

PAN : ARIPB5404E

(Kamalapati Kashyap)

Director

DIN: 02359002

(Dinkar Sharma)

Company Secretary

M.N. F7383

Place: Noida

Date: 30.06.2021

Notes to Financial Statements as at March 31, 2021**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 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.

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.

IO SYSTEM LIMITED

Regd. Address: 19A & 19B, S Global Knowledge Park, Sector-125, Noida
CIN: L65921UP1987PLC008764

Statement of changes in equity (SOCE) as at 31-03-2021**SOCE A. Equity share capital**

	Amount(in Rs.'000)
Particulars	Equity share capital
Balance as of April 1, 2019	1,69,000.00
changes during the year	-
Balance as of March 31, 2020	1,69,000.00
changes during the year	-
Balance as of March 31, 2021	1,69,000.00

SOCE B. Other equity

Particulars	Retained earnings
Balance as of April 1, 2019	(2,36,535.91)
Profit/(Loss) for the year	39,682.74
Balance as of March 31, 2020	(1,96,853.17)
Profit/(Loss) for the year	(7,347.50)
Balance as of March 31, 2021	(2,04,200.67)

Notes to financial statements as at March 31, 2021

Property Plant and equipment

Note-2

Gross Block	Amount (in Rs.'000)			Total
	Plant & Machinery	Office Equipments	Computers	
As on 01.04.19	1,287.31	24.00	1,485.16	2,796.47
Additions	-	-	24.50	24.50
Deletion	-	-	-	-
As on 31.03.20	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
Accumulated depreciation as on 01.04.19	1,287.31	16.06	1,481.22	27,63,741
Charge for the year	-	2.28	1.34	20,846
As on 31.03.20	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
Carrying value as on 31.03.20	-	5.66	27.10	32.76
Carrying value as on 31.03.21	-	13.84	19.34	33.18

Notes to Financial Statements as at March 31, 2021

Particulars	Figures as at 31-03-2021	Figures as at 31-03-2020
3. Other financial assets		
Security deposit	595.90	595.90
Earnest Money Deposit	1,300.69	1,300.69
Other Deposits	107.36	107.36
Insurance claim recoverable	29.98	29.98
	2,033.91	2,033.91
Less: Provision for doubtful advances	(2,033.91)	(2,033.91)
	-	-
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
	2,656.95	2,656.95
Less: Provision for doubtful recovery	(1,069.80)	(1,069.80)
	1,587.15	1,587.15

5. Inventories

Service components and spares	50.00	50.00
Finished and trading goods	175.00	175.00
	<u>225.00</u>	<u>225.00</u>
Less: Provision for obsolescence in value*	<u>225.00</u>	<u>225.00</u>
	<u>-</u>	<u>-</u>

*The above inventory carried in the financials does not have commercial sale value and therefore, a provision of Rs. 225/- 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	120.47	65.23
	<u>120.47</u>	<u>65.23</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	28.06	11.39
	<u>28.06</u>	<u>11.39</u>

10. Share Capital
Authorized shares

2,00,00,000 (2,00,00,000) Equity shares of Rs. 10/- each	2,00,000.00	200,000.00
5,00,000 (5,00,000) Preference shares of Rs.100/- each	50,000.00	50,000.00
	<u>2500,00,000</u>	<u>2500,00,000</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>1690,00,000</u>	<u>1690,00,000</u>

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

Particulars	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
At the beginning of the year	169,00,000	1690,00,000	169,00,000	1690,00,000
Issued during the year – Bonus issue	-	-	-	-
Issued during the year – ESOP	-	-	-	-
Outstanding at the end of the year	<u>169,00,000</u>	<u>1690,00,000</u>	<u>169,00,000</u>	<u>1690,00,000</u>

(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) (1,26,45,400) Equity Shares of Rs. 10/- each fully paid	1264,54,000	1264,54,000
---	-------------	-------------

(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

NIL

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

Name of the shareholder	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	126,45,400	74.82%	126,45,400	74.82%
Shiv Mittal	9,17,480	5.43%	9,17,480	5.43%

(e) The above information (from (a) to (d)) 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.

11. Borrowings

Unsecured borrowings from Holding Company

Smart Bharat Pvt Ltd (Formerly known as Smart Entertainment Pvt Ltd.)	19,085.00	19,085.00
Avon Mercantile Ltd.	14,130.00	9,030.00
	33,215.00	28,115.00

12. Provisions

Provision for employee benefits*	565.41	504.63
* Refer note no 26	565.41	504.63

13. Other financial liabilities

Audit fee payable	37.00	36.00
Interest payable	2,740.29	664.40
Expenses payable	151.75	121.80
	2,929.03	821.20

14. Other current liabilities

TDS payable	232.19	80.97
PF payable	30.64	30.64
	262.83	111.61

Contingent liabilities & commitments

(1) Contingent Liabilities

a) Claims against the company not acknowledged as debts	NIL	NIL
b) Guarantees excluding financial guarantees	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL

(2) Commitments

a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL

15. Other Income

Interest Income	1.76	1.60
Loan no more payable written back	-	46,000.00
Interest no more payable written back	-	4,165.16
	1.76	50,166.76

16. Employee benefits expense

Salaries, wages, bonus & others	2,891.53	3,135.70
Contribution to provident Fund	171.58	188.46
Leave encashment	136.03	170.24
Mediclaim Insurance	50.28	62.43
Staff Welfare Expenses	26.19	10.42
	3,275.61	3,567.26

17. Finance costs

Interest on loan	2,962.47	5,365.06
	2,962.47	5,365.06

18. Other expenses

Travelling and conveyance	194.07	429.23
Legal and professional fees	195.59	236.89
Printing & stationery	23.00	226.36
Filing fee	3.66	11.73
Communication cost	30.30	28.94
Director's sitting fee	70.80	59.00
Listing fees	407.10	383.96
Custodian Fee	53.10	53.10
Bank charges	1.21	1.16
Miscellaneous expenses	17.81	16.33
Payment to auditors (Refer details below)	55.00	45.00
Advertisement Expenses	47.97	56.37
	1,099.60	1,548.08

Payment to auditors:

Audit fee	40.00	40.00
-----------	-------	-------

In other capacity:

Other services	15.00	5.00
----------------	-------	------

	55.00	45.00
--	--------------	--------------

19. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit/ (loss) after tax	(7,347.50)	39,682.74
Weighted average number of equity shares	169,00,000	169,00,000
Basic and diluted earning per share	(0.43)	2.35

20. Financial instruments by category

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

Amount (in Rs.'000)

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	
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

The carrying value and fair value of financials instruments by categories as of March 31, 2020 are as follows

Amount (in Rs.'000)

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	
Assets						
Cash & cash equivalents	65.23	-	-	-	-	2,41,348
Total	65.23	-	-	-	-	2,41,348
Liabilities						
Borrowings	28,115.00	-	-	-	-	28,115.00
Others financial liabilities	821.20	-	-	-	-	821.20
Total	28,936.20	-	-	-	-	28,936.20

21. 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, 2021 and 31st March, 2020 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, 2021, the Company had a working capital of Rs. thousand (-)3,040.59 including cash and cash equivalents of Rs. thousand 120.47.

As of March 31, 2020, the Company had a working capital of Rs. thousand (-)853.45 including cash and cash equivalents of Rs. thousand 65.23.

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

Particulars	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

The table below provides detail regarding the contractual maturities of significant financial liabilities as of March 31, 2020

Particulars	Less than 1 years	1-3 years	Total
Borrowings	19,085.00	9,030.00	28,115.00
Other financial liabilities	821.20	-	821.20

22 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 (2,04,200,67/-). 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.

- 23** 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.
- 24** Previous year figures have been regrouped/re-classified wherever considered to make comparable with the current year figures.
- 25** All notes annexed to and form integral part of the Balance Sheet and Statement of Profit & Loss Account.

- 26 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.
- 27 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."

28 Related Party Disclosures**a) Name of Related Party**

i) Ultimate Holding Company

Smart Global Corporate Holding Pvt Ltd

ii) Holding Company

Smart Bharat (p) Ltd.(Formerly known as Smart Entertainment (p) 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. R.C. Agarwal (Director upto 30.06.2019)

Mr. S.K.Gupta (Director upto 28.09.2019)

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 w.e.f. 01.06.2018)

As per attached Annexure-1

b) Related Party Transactions

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

(Kamalapati Kashyap)

Director

DIN: 02359002

(Rakesh Kumar Bhatnagar)

CFO

PAN : ARIPB5404E

(Dinkar Sharma)

Company Secretary

M.N. F7383

Place: Noida

Date: 30.06.2020

28(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. R.C. Agarwal (Director upto 30.06.2019)	Mr. S.K. Gupta (Director upto 28.09.2019)	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 (w.e.f. 01.06.2018) (KMP)
Loan taken	-	-	-	-	-	-	-	-
	(1,850.00)	-	-	-	-	-	-	-
Interest Expense	1,813.08	-	-	-	-	-	-	-
	(4,175.92)	-	-	-	-	-	-	-
Loan no more payable written back	-	-	-	-	-	-	-	-
	(46,000)	-	-	-	-	-	-	-
Interest no more payable written back	-	-	-	-	-	-	-	-
	(4,165.16)	-	-	-	-	-	-	-
Remuneration	-	1304.61	608.73	-	-	-	-	336.72
	-	(1,238.83)	(756.86)	-	-	-	-	(336.60)
Reimbursement of Expenses	250.91	393.60	330.95	-	-	-	-	-
	(337.02)	(369.60)	(387.00)	-	-	-	-	-
Director sitting fees	-	-	-	-	-	30.00	30.00	-
	-	-	-	(7.50)	(7.50)	(15.00)	(20.00)	-

Previous year figures are shown in brackets.

Balance O/s as at	31-03-2021	31-03-2020
Loan payable & interest thereon		
Smart Bharat Pvt Ltd - Loan (Holding Company)	19,085.00	19,085.00
Smart Bharat Pvt Ltd - Interest (Holding Company)	1,677.09	406.82

GREEN INITIATIVE APPEAL TO THE SHAREHOLDERS

The Shareholders holding shares in demat form are requested to register their e-mail id with their Depository. Shareholders holding shares in physical form are requested to send their consent to our Registrar and Transfer Agent, M/s Mas Services Limited in the following format.

Date: _____

Unit: IO System Limited

M/s. Mas Services Limited

T-34, IInd Floor, Okhla Industrial Area, Phase-II,

New Delhi - 110 020

Phone No: 011-26387281/82

Fax No: 011-26387284

E-mail id: info@masserv.com

Website: www.masserv.com

I / We _____ holding _____ shares of the Company in physical form intend to receive all communications including notices, annual reports, through my/our e-mail id given hereunder:

Folio No _____ E-mail id _____

Signature of the first holder

IO SYSTEM LIMITED

CIN : L65921UP1987PLC008764

Registered Office :

Global Knowledge Park,
Plot No. 19A & 19B,
Sector-125,
Noida-201 301.
U. P. - 201301