

ANNEXURE- H CORPORATE GOVERNANCE REPORT

Company's Corporate Governance Philosophy

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

A report, inter-alia, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended 31st March, 2019 is given below:

2. Board of Directors:

A. Size and Composition of Board:

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

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

As on 31st March, 2019, the Board comprises of five Directors, two of which is Executive Directors and three are independent non-executive Directors. The Company has executive chairperson from the Promoter Group.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding directorships/committee positions have been made by all the Directors.

B. Board Meetings:

The Board of Directors of the Company met 4(Four) times during the FY 2018-19 as detailed below:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	30th May, 2018	2	13th August, 2018
3	12th November, 2018	4	06th February, 2019

- C. The composition of the Board as on 31st March, 2019 along with attendance of Board/AGM during the year are given below:

Sl. No.	Name of the Director	Category	Date of Appointment	Attendance in Board Meetings during 2018-19	Attendance in last AGM as on 24 th September, 2018
1	Mrs. Shashi Soni	Chairperson Whole-Time Director Promoter	01.06.2001	1	Yes
2	Mr. Sanjay Soni	Managing Director Executive Director Promoter	01.04.1999	4	Yes

3	Mr. Perur Phaneendra	Non-Executive Independent Director	30.09.2014	4	Yes
4	Mr.Ramanujam Krishnamurthy	Non-Executive Independent Director	30.09.2014	4	Yes
5	Mr. Vijay Gupta	Non-Executive Independent Director	30.09.2014	1	No

Sl. No.	Name of Director	No of Board of Directors or committees, in which a director is a member or chairperson as on 31st March, 2019			
		Name of Company	Directorships	Committee	
				Member	Chairman
1	Mr. Sanjay Soni	Izmo Limited (Listed Company)	Managing Director	NIL	NIL
		D'gipro Design Automation And Marketing Private Limited	Director		
		SI2 Microsystems Private Limited	Director		
		Hughes Precision Manufacturing Private Limited	Director		
2	Mrs. Shashi Soni	Izmo Limited(Listed Company)	Whole Time Director	NIL	NIL
		Deep Heritage Private Limited	Director		
3	Mr. Perur Phaneendra	Izmo Limited(Listed Company)	Non-Executive Independent Director	3	3
4	Mr. Ramanujam Krishnamurthy	Izmo Limited(Listed Company)	Non-Executive Independent Director	3	NIL
		Pioneer Distilleries Limited (Listed Company)	Non-Executive Independent Director	2	1
5	Mr. Vijay Gupta	Izmo Limited(Listed Company)	Non-Executive Independent Director	3	NIL
		Aries Gases Private Limited	Director	NIL	NIL

D. Number of Board Meetings held and the date on which held: 4

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

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

G. During the year under review, the Independent Directors met on 06.02.2019 inter alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations, All the Independent Directors were present at the Meeting.

Web link of Familiarization programme imparted to Independent Directors: https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/1-6-2018/izmoltd_FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS%20_%202018_19.pdf

H. The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business (es) and sector(s) for it to function effectively and those actually available with the Board:

Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

Behavioural Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

Strategic thinking and decision making,

Financial Skills,

Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business

The Board of Directors confirms that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (LODR) 2015 regulations and are independent of the management.

3. Audit Committee

A. The Audit Committee is comprised of the following three independent Directors as per Regulation 18 of SEBI (LODR) 2015 and section 177 of the Companies Act, 2013. The composition of Audit committee is as below:

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

All the Members have relevant finance exposure:

B. The Audit Committee has met 4 times during the year under review on 30.05.2018, 13.08.2018, 12.11.2018 and 06.02.2019.

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

The Chairman of the Audit Committee was present at the 23rd Annual General Meeting held on 24th September, 2018.

C. Terms of Reference:

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

- To oversee the Company's financial reporting process and disclosure of its financial information;
- To recommend the appointment of Statutory Auditors and fixation of the audit fee;
- To review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries;
- Compliance with Accounting Standards;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter corporate loans and investments;
- To review the functioning of the Whistle Blower mechanism;
- To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- To review the Company's financial and risk management policies;
- Discuss with the Internal Auditors any significant findings for follow-up thereon;
- To review the quarterly, half yearly and annual financial statement before submission to the Board of Directors.
- Carrying out any such other functions as are mentioned in the terms of reference of the Audit Committee as per Regulation 18 of the Listing Regulations.

The Committee shall also meet the Management team and review the operations, new initiatives and performance of the business units. The Minutes of the Audit Committee would be circulated to the Board, discussed and taken note of.

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

4. Nomination and Remuneration Committee

A. Composition

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

The composition of Nomination and Remuneration Committee is as below:

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

B. Meetings: The Nomination and Remuneration Committee has met 1 time during the year under review on 06.02.2019

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

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

C. Terms of Reference

To review, assess and recommend the appointment and remuneration of executive Directors and senior employees of the Company from time to time, periodically review the remuneration package of the Directors/KMP and recommend suitable revision to the Board.

Role of the Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Carry out evaluation of every director's performance.
- Identifying the employees eligible for Stock options.
- Carrying out any other such functions as are mentioned in the terms of reference of the Nomination and remuneration committee as per Regulation 19 of the Listing Regulations.

Nomination and Remuneration Policy:

The Company's policy inter-alia, on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the Act is available on the website of Company at

https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/2018-19%20share/izmo_Nomination_and_Remuneration_Policy.pdf

D. The performance evaluations of independent directors have been done by the entire board of directors, provided that in this evaluation the directors who are subject to evaluation did not participate.

5. Remuneration of Directors:

- Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee within the limit as prescribed under the Companies Act, 2013.
- The Non-Executive Directors are paid sitting fees of Rs.40,000/- for each meeting of the Board & Audit Committees and Rs. 10,000 for other committee meetings.

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- C. Details of remuneration paid to Executive Directors, Non-Executive Directors and KMP are disclosed in MGT-9 (Annexure –A).
- D. Details of Shareholding pattern of Executive Directors and Non-Executive Directors are disclosed in MGT-9 (Annexure –A).
- E. None of the directors whether executive or not executive are granted with ESOP

6. Stakeholders' Relationship Committee

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

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

- B. Mr. Suraj Kumar Sahu company secretary has designated as compliance officer
- C. Number of Shareholder's Complaints received so far- Nil
- D. Number not solved to the satisfaction of shareholders- Nil
Number of pending complaints- Nil
- E. There were no pending complaints as on 31st March, 2019.

7. General Body Meeting

- A. Following are the details of the last three Annual General Meetings:

Year	Venue	Date	Time
2015-16	Bharatiya Vidya Bhavan Race Course Road	10.09.2016	9.30 AM
2016-17	Bharatiya Vidya Bhavan Race Course Road	20.09.2017	9.30 AM
2017-18	Bharatiya Vidya Bhavan Race Course Road	24.09.2018	9.30 AM

- B. Special resolutions passed in the previous 3 AGMs.

Financial Year	Resolutions Passed	Date of passing special resolution
2014-15	NIL	NA
2015-16	<ol style="list-style-type: none"> 1. Reappointment of Mr. Sanjay Soni as Managing director of the company. 2. Reappointment of Mrs. Shashi Soni as Chairperson and Whole time Director of the company. 3. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company. 4. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company's subsidiaries under the plan. 	10.09.2016
2016-17	<ol style="list-style-type: none"> 1. Amendment of Memorandum of Association 	20.09.2017
2017-18	<ol style="list-style-type: none"> 1. Continuance of directorship of Mr. Vijay Gupta (DIN-00929401), Independent director of the company 2. Issue of 10,00,000 convertible share warrants on preferential basis to promoters 3. Issue of Equity Shares upto INR 40 Crores to the Qualified Institutional Buyers. 	24.09.2018

C. Postal Ballot:

There was no Postal Ballot was conducted during the Financial Year 2018-19.

8. Means of Communication:

- A. The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such Financial Express/Vartha Bharati in terms of the Listing Regulations.
- B. the Company has uploaded the Investor's presentation in details on the Company's website namely www.izmold.com
- C. The investors can contact the Company on the email id company.secretary@izmold.com.
- D. The Company has, as per Green initiatives taken by Ministry of Corporate Affairs, invited the members to register their e mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the members along with explanatory statement(s) thereto, Balance Sheets, Board's Reports, Auditor's Reports etc., can be sent to them in electronic mode.

9. General Shareholders Information:

- A. Annual General Meeting:** The Annual General Meeting of the Company will be held on Wednesday, the 25th day of September 2019 at 9.30 A.M at Hotel Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001.

Dates of book closure: The Company's Register of Members and Share Transfer Books will remain closed from 19th September, 2019 to 25th September, 2019 (both days inclusive).

- B. Financial Year:** 1st April, 2018 to 31st March, 2019

- C. Dividend:** In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profit into the system and regret inability to recommend dividend for the financial year 2018-19

- D. Listing on Stock Exchanges:** The Company's Equity Shares are listed on the following stock exchanges:

BSE Limited, Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 (BSE)	The National Stock Exchange of India Ltd, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051 (NSE)
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Listing fees have been paid for the Financial Year 2019-2020.

E. Scrip Code at:

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

BSE Limited – **532341**

ISIN - **INE848A01014**

- F. Market Price Data: High/Low, Number of shares traded during each month in the F.Y-2018-19

Month	BSE					NSE				
	High INR	Low INR	Close INR	Total Traded Quantity	Sensex	High INR	Low INR	Close INR	Total Traded Quantity	Nifty
April 2018	119.7	96.3	111.35	9558	35160.36	119.80	96.60	110.90	51,56,781	10739.35
May 2018	115	97.25	98.65	9071	35322.38	114.10	96.65	99.15	31,57,040	10736.15
June 2018	101	69	76.75	5155	35423.48	101.05	68.70	76.80	23,67,235	10714.3
July 2018	96.5	65.1	90.55	6952	37606.58	96.20	65.20	91.50	32,19,276	11356.5
August 2018	94	74.5	79.75	6478	38645.07	93.80	74.50	79.80	21,09,503	11680.5
September 2018	87	65.6	71.85	4269	36227.14	87.50	65.30	71.75	16,71,225	10930.45
October 2018	79.85	65.3	70.65	3151	34442.05	80.00	65.00	70.20	10,24,239	10386.6

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November 2018	73.8	61	61.7	1357	36194.3	73.80	61.00	61.80	5,70,291	10876.75
December 2018	71	54	68.25	1572	36068.33	70.70	54.25	67.95	6,28,525	10862.55
January 2019	70.5	57.4	59.05	1768	36256.69	71.05	56.25	59.15	4,97,692	10830.95
February 2019	59.3	44.1	53.25	1139	35867.44	59.80	44.70	52.20	4,65,070	10792.5
March 2019	68	51.6	59.2	1270	38672.91	68.40	52.00	58.25	58.25	11623.9

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

G. A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as NIFTY during the year 2018-19 is as below:



H. Registrar and Share Transfer Agent and Address for correspondence:

M/s. Cameo Corporate Services Limited is acting as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Share Registrar and Transfer Agents at the address given below:-

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agents. Members may also write to the Compliance Officer at the Registered Office of the Company as stated below:

<p>M/s Cameo Corporate Services Limited "Subramanian Building", 5th Floor, 1, Club House Road, Chennai – 600 002 Tel: 044-28460390/95 Fax: 044-28460129 Email: investor@cameoindia.com</p>	<p>Mr. Suraj Kumar Sahu Company Secretary & Compliance Officer P.O. Box 7620, 177/2C, Bilekahalli Industrial Area Bannerghatta Road, Bangalore – 560 076 Tel : +91-80-6712 5400 to 5409 Fax : +91-80-6712 5425 Email: company.secretary@izmoltd.com</p>
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I. Share Transfer System:

To expedite the transfer in physical mode, authority has been delegated to Stakeholders Relationship Committee of the Board. The Committee considers requests for transfers, transmission of shares, issue of duplicate certificates, issue of certificates on split /consolidation / renewal etc. and the same are processed and delivered within 15 days of lodgment if the documents are complete in all respects. In compliance with the listing Guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him. Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained.

J. Distribution Schedule: As of 31st March, 2019 the distribution of the Company's shareholding was as follows:

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	5642	51.26	3871350	2.96
2	between 1001 and 5000	3378	30.69	10710090	8.2
3	between 5001 and 10000	971	8.82	8212090	6.28
4	between 10001 and 20000	485	4.41	7439140	5.69
5	between 20001 and 30000	151	1.37	3851210	2.95
6	between 30001 and 40000	96	0.87	3458720	2.65
7	between 40001 and 50000	84	0.76	3955540	3.03
8	between 50001 and 100000	96	0.87	7135520	5.46
9	> 100000	104	0.94	82038070	62.78
	Total	11007	100	130671730	100

* 169,500 Equity Shares have been issue by the Company during Quarter ended 31.03,2019 under ESOP Scheme and the same was pending for listing in both the stock exchanges as on 31st March, 2019.

K. Dematerialization of shares and liquidity:

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).The status of dematerialization of shares as on 31st March, 2019 is as under:

Particular	No. of Share	% of total capital issued
Held in dematerialized form in CDSL	63,89,042	48.89
Held in dematerialized form in NSDL	62,65,133	47.95
*Physical	4,12,998	3.16

* 169,500 Equity Shares have been issue by the Company during Quarter ended 31.03,2019 under ESOP Scheme and the same was pending for listing in both the stock exchanges as on 31st March, 2019 and the same number of shares is reflecting on physical share.

L. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:

As of 31st March 2019, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company except Employees Stock Option Scheme 2013. The details of which have been disclosed in the Directors' Report.

M. Commodity price risk or foreign exchange risk and hedging activities: The Company had managed the foreign exchange risk. The Company did not have any hedging activities during the financial year ended 31st March, 2018.**N. Address for correspondence:** Address for correspondence given under 9(H) above.**OTHER DISCLOSURES:**

- The disclosure with respect to materially significant related party transactions are given Note No. 39 of notes to Standalone financials statement.
- There was no any non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- Details of establishment of vigil mechanism, whistle blower policy, has already given in the Directors report and we affirm that no personnel has been denied access to the audit committee.

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- D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2018-19. The Board feels there is no requirement for non-mandatory requirements under Part E of Schedule II of the Listing Regulations.
- E. Web link where policy for determining 'material' subsidiaries and dealing with related party transactions is <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
- F. Web link where policy on dealing with related party transactions <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
- G. The Company does not have any exposure to commodity price risk. Further, the Company manages the foreign exchange risk as per the Board approved policy. The foreign exchange and hedging details form part of the Notes to Accounts.
- H. Mr. Pradeep b. Kulkarni (a company secretary in practice) has issued certificate that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority annexed with this report as **Annexure I**.
- I. There have been no instances where the Board has not accepted any recommendation of any of the Committees of the Board during the F.Y 2018-19.
- J. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

	Rs. in Lakhs
Payment to Statutory Auditors	FY 2018-19
Statutory Audit	3.00
Other Services including reimbursement of expenses	-
Total	3.00

- K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.

The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2018-19. The non-mandatory requirements under Part E of Schedule II of the Listing Regulations, which is not required for the time being to be complied.

We complied with the disclosure of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance.

Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management annexed with this report as **Annexure J**.

Compliance certificate from statutory Auditor regarding compliance of conditions of corporate governance is annexed with this report as **Annexure K**.