

22nd ANNUAL REPORT
2015-16



SOUTHERN INFOSYS LTD.

#402-A, Arunachal Building, 19 Barakhamba Road, New Delhi - 110001, INDIA
Phone : +91-11-23354236, 43045402, Email : southerninfosys@gmail.com
CIN : L67120DL1994PLC059994, Web.: www.southerninfosys.com

BOARD OF DIRECTORS

MRS. POONAM SHARMA	EXECUTIVE DIRECTOR (DIN- 03553479)
MR. RAKESH MOHAN SHARMA	DIRECTOR (DIN- 02459885)
MR. S.C. SEHGAL	INDEPENDENT DIRECTOR (DIN- 05120918)
MR. DHARMENDRA SINGH	INDEPENDENT DIRECTOR (DIN- 00158276)
MR. RAJIV MISHRA	INDEPENDENT DIRECTOR (DIN- 07051314)

AUDITORS

V Sahai Tripathi & Co.,
Firm Registration No. 000262N
Chartered Accountants
C- 593, LGF, Defence Colony,
New Delhi-110024

BANKERS

BANK OF BARODA
YES BANK

REGISTRAR & TRANSFER AGENT

ALANKIT ASSIGNMENTS LTD.,
Shop No. 4E/2, Jhandewalan,
Extension, Delhi 110055

REGISTERED OFFICE

402-A, ARUNACHAL BUILDING,
19, BARAKHAMBA ROAD,
NEW DELHI- 110001

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NOTICE

Notice is hereby given that the Twenty-Second (22nd) Annual General Meeting of the members of **SOUTHERN INFOSYS LIMITED** (CIN-L67120DL1994PLC059994) will be held on Friday, 30TH September, 2016 at 10.00 A.M. at Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi – 110001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2016, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Poonam Sharma (DIN – 03553479) who retires by rotation and being eligible, offers herself for- re-appointment.
3. To ratify the appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of, M/s. V Sahai Tripathi & Co., Chartered Accountants, (Firm Registration No. 000262N), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by Board of Directors.”

On behalf of the Board
For **Southern Infosys Limited**

Place: New Delhi
Delhi: 03.09.2016

(Vinod Kumar Chhabra)
Company Secretary

NOTES:-

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. SUCH PROXIES DULY COMPLETED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY. ATLEAT 48 HOURS BEOFRE THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights.

A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person of shareholder.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 28st of September, 2016 to Friday, the 30th of September, 2016 (both days inclusive).
3. Corporate members are requested to send duly certified copy of the Board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Member who have not registered their E-mails addresses so far are requested to register their E-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
5. This Notice is also being sent with Annual report alongwith attendance slip, proxy form and route map of the venue of the Meeting.
6. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will also be transacted through such voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 15.
7. Members / Proxies/ Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e., except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. Members holding share in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandate to the Company
11. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. **Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat account. Members holding shares in physical mode can submit their PAN to the Company.**
12. Members holding share in physical mode are advised to make nomination in respect of their shareholding in the Company. A downloadable version of the nomination form (SH-13) is available in 'Downloads' section under Investor Relation dropdown on the Company's website: www.southerninfosys.com. Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
13. Members who hold shares in physical mode in multiple folios in identical name or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
14. The Company has paid the Annual Listing Fees for the year 2016-2017 to the Calcutta Stock Exchange Limited on which the Company's Securities are presently listed. **The Company has also received in-principle approval from the Bombay Stock Exchange for listing of its securities.**
15. Information and instruction relating to e-voting are as under:

- i) The voting period begins on Thursday, the 29th September, 2016 (9.00 A.M.) and ends on the same day (5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, the 27th September, 2016 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
- ii) The shareholder should login on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders. " Tab.
- iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL : 8 digits beneficiary ID.
 - c. Members holding shares in Physical form should enter Folio Number registered with the Company
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) **If you are a first time user follow the steps given below:**

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for “Southern Infosys Limited” on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from

the App Store and the Windows Phone Store respectively Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) Mr. Vinod Kumar Chhabra, Company Secretary of the Company, shall be responsible for addressing all the grievances in relation to this 22th Annual General Meeting including e-voting, his mail ID is southerninfosys@gmail.com and may be contacted on phone no. 011-23354236.

(xxii) The results of voting shall be declared within two (2) days of the 22th Annual General Meeting convened for the purpose. The results of voting so declared along with the Scrutinizer’s Report shall be placed on the Company’s Website (www.southerninfosys.com) CDSL Website and shall also be communicated to the Stock Exchange.

On behalf of the Board
For **Southern Infosys Limited**

Place : New Delhi
Date : 03.09.2016

(Vinod Kumar Chhabra)
Company Secretary
M.No.: F1308

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 22nd Annual Report of your Company together with the Audited Financial Statements of the company for the financial year ended 31st March 2016.

FINANCIAL RESULTS**(Amount in Rs.)**

Particulars	2015-16	2014-15
Total Revenue	11,34,02,950	9,95,20,915
Profit before depreciation and taxes	2,26,011	98,714
Profit before taxes	2,26,011	98,714
Provision for taxes (Incl. Deferred Tax)	69,838	29,092
Profit for the year after taxes	1,56,173	69,622
Balance brought forward from previous year	14,02,026	13,32,404
Profit available for appropriation	1,56,173	69,622
Transfer to general reserve	1,56,173	69,622
Balance carried to balance sheet	15,58,199	14,02,026

During the year, under review, Your Company has achieved total revenue and net profit of Rs. 11,34,02,950 and Rs. 156,173 respectively as against total revenue and net profit of Rs. 9,95,20,915 and Rs. 69,622 respectively during the previous financial year ended 31st March, 2015.

DIVIDEND

In view of insufficiency of profits, the Board does not recommend any dividend for the financial year ended 31st March, 2016.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

SHARE CAPITAL

The paid up equity share capital outstanding as on 31st March, 2016 was Rs. 5,02,00,000. During the year, under review, there was no change in the share capital. Further, the Company has neither issued Share with Differential Voting Rights nor granted Stock Options nor any Sweat Equity.

LISTING OF COMPANY'S SHARES

Your directors are pleased to inform you that Company has received in-principle approval from Bombay Stock Exchange Limited (BSE) for listing of its shares in BSE. The Company is in the process of complying with the requirement of BSE and directors are hopeful of trading of Company's shares with BSE during the current fiscal.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a).Industry Structure and Development**

The software industry is growing rapidly and your company shall endeavour to use every possible opportunity in its favour. The company is exploring the opportunity in the e-commerce industry as well which is also showing quantum jumps. The Company expects to launch its unique informative cum e-commerce site shortly.

b).Segment wise/ Product wise Performance

The company has only one segment i.e. Software and Hardware.

c). Adequacy of Internal Controls

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded, and reported correctly.

d). Human Resources/Industrial Relations

Your Company acknowledges the commitment, competence and dedication of its employees at all level. The company is committed to nurture, enhance and retain best talent through investment in its people to upgrade their technical, domain and leadership capability. To retain leadership position, the company continuously innovates and customizes its Human Resource (HR) strategy to meet changing employee need.

e). Operating Performance, Future Outlook etc.

The company has booked profit after tax of Rs. 1,56,173 as compared Rs. 69,622.26 in the previous year. The increase in turnover during the year, under review, has encouraged for increase in sales and consequent profit during the current year. During the last quarter, the demand was good and it is expected to further grow and management has a positive outlook for the future.

f). Risk and Concern

The management periodically carries out risk assessment exercises. Risk factors are also discussed in Audit Committee Meetings. However, an economic slowdown can adversely affect the demand-supply equation in the industry. The rapid innovation in technology is always a threat for the industry. The Board is aware of this threat and takes steps continually to advance with the time.

FIXED DEPOSITS

The Company neither had any fixed deposits outstanding as at 31st March, 2016 nor fresh/renewal of deposits were accepted during the financial year 2015-16. There were no unclaimed deposits as at March 31, 2016.

DIRECTORS**a) Directors and Key managerial personnel**

In accordance with the provision of the Companies Act, 2013, and Article of Association of the Company, Mrs. Poonam Sharma, director of the Company, retire by rotation and being eligible, offers herself for re-appointment.

None of the Directors of the Company are disqualified u/s 164(2) of the Companies Act, 2013.

Shri Vinod Kr. Chhabra , holding dual membership of Institute of Chartered Accountants of India, and Institute of Company Secretaries of India, continues to be the company secretary of the Company. Further, Smt. Indu Atri, remains the Chief Financial Officer of the Company.

b) Declaration by Independent Directors

The Company has received declarations by all the Independent Directors that they continue to meet the criteria as provided u/s 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

c) Board Evaluation

Your Company believes that it is the effectiveness of the Board that contributes to the Company's performance. The criteria for Board evaluation contemplates evaluation of directors' performance based upon their performance as directors apart from their specific role as independent, non-executive and executive directors. Details on the committees of the Board are provided in the Corporate Governance Report attached to this annual report.

The criteria also specified that the Board would evaluate each committee's performance based on the mandate on which the committee has been constituted

and the contributions made by each member of the said committee in effective discharge of their responsibilities.

The Board of directors of your Company has made annual evaluation of its performance, its committees and directors for the financial year 2015-16.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies act, 2013 the Directors of your Company declare as under that:

- a) that in preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that Company has 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 at 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Accounts have been prepared on a going concern basis;
- e) that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively
- f) that system to ensure compliance with the provisions of all applicable law were in place and were adequate and operating effectively.

The Audit Committee constituted by the Board reviewed the internal controls and financial reporting issues with Statutory Auditors.

STATUTOY AUDIT & AUDITORS

The Statutory Auditors of the Company, M/s. V. Sahai Tripathi & Co., Chartered Accountants, (Firm Registration NO. 000262N), were appointed as statutory auditors of the Company by the members for the five years. Their appointment would be ratified at the ensuing Annual General Meeting.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31.03.2016 are self-explanatory and therefore, do not call for any further comments.

During the year, under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under Section 134(3) of this Act.

SECRETARIAL AUDITORS

The Board had re-appointed M/s Nitin Bhatia & Co., Company Secretaries, as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies act, 2013. The Report of the Secretarial Auditor is annexed as per "**Annexure –1**"

CORPORATE GOVERNANCE

Your Company has taken adequate step to ensure compliance with the provisions of Corporate Governance as prescribed under SEBI (Listing of Obligations and Disclosure requirements) Regulations 2015 with the Stock Exchanges.

A separate Report on corporate governance which forms part of the Report as "**Annexure-4**"

Disclosure under Companies Act, 2013

i) Extract of Annual Report

The details forming part of the Extracts of Annual Return is annexed as per "**Annexure-2**"

ii) Meetings

During the year, 13 meetings of the board of directors were held including the meeting of the Independent directors. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

iii) Composition of Audit Committee

The Board has constituted an Audit Committee, which comprises of Mr. S.C. Sehgal as the Chairman , Mr. Dharmendra Singh and Mr. R.M. Sharma as the

members. More details about the Committee are given in the Corporate Governance Report appended hereto.

iv) Related Party Transactions

During the year, under review, the Company has not entered into any contract/agreement with the Related Parties. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

(v) Particulars of Loans, Guarantee and Investments

During the period under review Company has not given any loan or provide security or has done any transaction covered by Section 186 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by any Regulator or Court, which would impact the going concern status of the Company and its future operations.

VIGIL MECHANISM

The Company has established a Vigil Mechanism policy in accordance with the provisions of the Companies Act, 2013 read with Rules there under and the Listing Agreement with the stock exchanges to deal with the instances of fraud and mismanagement. The details of the vigil mechanism are posted on the website of the Company.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There were no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2016 and the date of this report affecting financial position of the Company.

Risk Management Policy

Company has appropriate control mechanism and operating effectiveness of the internal Financial Control and Legal Compliance System. The Company has created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliances thereof which are periodically reviewed by the management, internal Auditors, statutory auditors and the Audit Committee.

INTERNAL POLICY ON APPOINTMENT AND REMUNERATION

The Company has internal Policy on Appointment and Remuneration for Directors, Key Management Personnel and Senior Management Personnel. The policy takes into account several factors like age, qualification, years of experience in the industry/functional area and business management, present emoluments and other qualitative factors such as leadership qualities, communication skills, and performance track record. The aim is to ensure that the Company attracts and retains competent people.

PARTICULARS OF EMPLOYEES

Provisions of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not attracted as none of the employees draw remuneration in excess of the limits set out in the said Rules.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as “Annexure-3”

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation of the continued support and co-operation received from Banks and Shareholders. Your Directors also wish to place on record their appreciation of the devoted services of the Company’s employees, who have diligently contributed to the Company’s progress.

For and on behalf of the Board

Place: New Delhi	(Poonam Sharma)	(R.M. Sharma)
Date: 03.09.2016	Director	Director
	DIN: 03553479	DIN: 2459885

ANNEXURE-1
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED 31.03.2016

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

To,
The Members,
Southern Infosys Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SOUTHERN INFOSYS 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 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 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 as the company did not have any transaction covered under Foreign Exchange Management Act, 1999.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - (Not applicable during the year);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - (Not applicable as the company has not issued any kind of debt securities);
 - (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; - (Not applicable during the year)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the year);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the year) and
- v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Other laws as may be applicable to the Company as per the representation made by the Company.
- We have been informed by the Company that there are no laws specifically applicable to the Company

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 Agreement entered into by the Company with CSE Ltd. (Calcutta Stock Exchange).

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. Adequate

notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

On inspection of the minutes as captured and recorded it was ascertained that majority decisions are 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.

We further report that during the audit period no major action having a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards etc. have taken the place.

For Nitin Bhatia & Co.
Company Secretaries

Date: 30.05.2016
Place: New Delhi

(Nitin Bhatia)
ACS No.: 34405
C.P. No.: 12902

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

ANNEXURE- A

To,
The Members,
Southern Infosys Limited

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. Wherever required, we have obtained the management's 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 law, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Nitin Bhatia & Co.
Company Secretaries

Date: 30.05.2016
Place: New Delhi

(Nitin Bhatia)
ACS No.: 34405
C.P. No.: 12902

ANNEXURE- 2**FormNo.MGT-9****Extract of annual return for the financial year ended on 31STMarch, 2016**

[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	L67120DL1994PLC059994
	Registration Date	04 TH JULY, 1994
	Name of the Company	SOUTHERN INFOSYS LIMITED
	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
	Address of the Registered office and contact details	402 - A, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110 001
	Whether listed company	Yes
	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110 055

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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/	% to total turnover of the company
1	SOFTWARE AND HARDWARE	62020	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	N.A.				

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

i. Category-wise ShareHolding

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. Promoter									
1) Indian									
a) Individual/ HUF	5150	1539320	1544470	30.77	5150	1539320	1544470	30.77	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	14000	2064800	2078800	41.41	14000	2064800	2078800	41.41	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	19150	3604120	3623270	72.18	19150	3604120	3623270	72.18	NIL
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	19150	3604120	3623270	72.18	19150	3604120	3623270	72.18	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	39000	-	39000	0.78	39000	-	39000	0.78	NIL
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

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i) Others (specify)									
Sub-total (B)(1)	39000	-	39000	0.78	39000	-	39000	0.78	NIL
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	9100	9100	0.18	-	9100	9100	0.18	NIL
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	49040	721300	770340	15.34	49040	721300	770340	15.34	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	333000	276630	609630	12.14	333000	276630	609630	12.14	NIL
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	382040	97930	1379970	27.48	382040	97930	1379970	27.48	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	421040	1007030	1428070	28.44	421040	1007030	1428070	28.44	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	440190	4579810	5020000	100	440190	4579810	5020000	100	NIL

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	RAKESH MOHAN SHARMA	3,78,950	7.55	-	3,78,950	7.55	-	NIL

2.	DEEPALI SHARMA	2,49,000	4.96	-	2,49,000	4.96	-	NIL
3.	POONAM SHARMA	1,25,010	2.49	-	1,25,010	2.49	-	NIL
4.	M.C. SHARMA	51,010	1.00	-	51,010	1.00	-	NIL
5.	SHIVANI SHARMA	2,47,500	4.93	-	2,47,500	4.93	-	NIL
6.	TARUN SHARMA	2,48,500	4.95	-	2,48,500	4.95	-	NIL
7	DISHA INVESTMENT CENTRE (P) LTD.	14,80,800	29.50	-	14,80,800	29.50	-	NIL
8.	SIDDHARTH SHARMA	2,44,500	4.87	-	2,44,500	4.87	-	NIL
9.	DISHA CAPITAL SERVICES LTD.	5,98,000	11.91	-	5,98,000	11.91	-	NIL
	Total	36,23,270	72.18	-	36,23,270	72.18%	-	NIL

iii.Change in Promoters' Shareholding (please specify, if there is no change)
NO CHANGE

Sr. no		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
	At the beginning of the year	No changes during the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes during the year			
	At the End of the year	No changes during the year			

iv.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		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
	For Each of the Top 10 Shareholders				
1	Shyam Sunder Talwar At the beginning of the year At the end of the year	243000	4.84	243000 243000	4.84 4.84
2	Gaurav Talwar At the beginning of the year At the end of the year	60000	1.20	60000 60000	1.20 1.20
3	Pradeep Sharma At the beginning of the year At the end of the year	59000	1.18	59000 59000	1.18 1.18
4	Renuka Sharma				

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	At the beginning of the year	55010	1.09	55010	1.09
	At the end of the year			55010	1.09
5	Rama Sharma				
	At the beginning of the year	51620	1.03	51620	1.03
	At the end of the year			51620	1.03
6	Federal Bank Ltd.				
	At the beginning of the year	39000	0.77	39000	0.77
	At the end of the year			39000	0.77
7	Arpita Sharma				
	At the beginning of the year	33500	0.67	33500	0.67
	At the end of the year			33500	0.67
8	Mithun Aggarwal				
	At the beginning of the year	30000	0.60	30000	0.60
	At the end of the year			30000	0.60
9	Rahul Sharma				
	At the beginning of the year	25000	0.50	25000	0.50
	At the end of the year			25000	0.50
10	Amar Sharma				
	At the beginning of the year	14000	0.28	14000	0.28
	At the end of the year			14000	0.28

v.Shareholding of Directors and Key Managerial Personnel:

Sl. No.		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
	For Each of the Directors and KMP				
1	Rakesh Mohan Sharma				
	At the beginning of the year	3,78,950	7.55	3,78,950	7.55
	At the end of the year	3,78,950	7.55	3,78,950	7.55
2	Poonam Sharma				
	At the beginning of the year	1,25,010	2.49	1,25,010	2.49
	At the end of the year	1,25,010	2.49	1,25,010	2.49
3	Vinod Kumar Chhabra				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year			NIL	-
4	Indu Atri				
	At the beginning of the year	NIL	-	NIL	-
	At the end of the year			NIL	-

V. 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>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Change in Indebtedness during the financial year	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
- Addition				
- Reduction				
Net Change	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
Indebtedness at the end of the financial year	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others, specify...					
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1 Lac per meetin g	Rs. 1 Lac per meeti ng	Rs. 1 Lac per meeti ng	Rs. 1 Lac per meetin g	Rs. 1 Lac per meeting

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	60,000 NIL NIL	60,000 NIL NIL	1,20,000 NIL NIL
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total	60,000	60,000	1,20,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[R D /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For Southern Infosys Limited

(Rakesh Mohan Sharma)
Director

(Vinod Kumar Chhabra)
Company Secretary

ANNEXURE-3**A. CONSERVATION OF ENERGY**

The Following measures were continued by the Company for conservation of energy

- i) Optimizing the lighting in the premises and reducing the power consumption through installation of LED lights.
- ii) Installation of energy saver in lighting circuit.
- iii) Continual exploration of various avenues to reduce and optimize energy.

B. RESEARCH AND DEVELOPMENT (R &D)

Company has not claimed/incurred any specific expenditure under this head. However, Company constantly endeavours through its highly skilled and committed workforce to develop products and services to be launched at an opportune time.

C. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

Company is not into any manufacturing activity and as such absorption of any particular technology or its adaptation is not applicable.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Inflow, if any	}	NIL
Foreign Outflow, if any		

ANNEXURE-4**REPORT ON CORPORATE GOVERNANCE**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified on September 2, 2015 and effective from December 1, 2015) replacing the earlier provisions as stipulated in Clause 49 of the Listing Agreement, the Company submits the Report on Corporate Governance followed by the Company.

1. THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Code of Conduct For Board Members And Senior Management

The company has adopted the Code of Conduct for the Directors and Senior Management of the company. The company has received confirmations from both the Directors and Senior Management regarding compliance of Code of Conduct for the year ended 31st March, 2016. The code is posted on website of the company i.e. www.southerninfosys.com.

Independent Directors of the company assist the company in implementing the best corporate governance practices as per Code of Conduct for Independent Directors (Schedule-IV of Companies Act, 2013).

2. BOARD OF DIRECTORS**a) Composition and category of Directors as on 31.03.2016**

The Board of Directors of the company comprises of five Directors with 1 (one) Executive Director, 1 (one) Promoter Director and 3 (three) Independent Non-Executive Directors. The Board consists of eminent persons with considerable professional expertise and experience in business industry, finance, audit, law, banking and public enterprises.

As required by the Companies Act, 2013 and Listing Regulations, none of the Directors:

- i) hold directorship in more than 10 public companies or
- ii) independent directorship in more than 7 listed companies or
- iii) holding whole time directorship along with holding independent directorship in more than 3 listed companies or

- iv) holding membership of the Board Committees in excess of 10 or Chairmanship of 5 committees of the Board.

Constitution of the Board and related information are given below:

Name of the Director	Category	No. of membership in other Board Committees	Attendance at the last AGM	No. of Directorships in other companies as on 31.03.2016
Rakesh Mohan Sharma	Non-Executive Promoter	2	YES	2
Poonam Sharma	Executive Promoter	NIL	YES	2
Subhash Chander Sehgal	Independent	3	YES	NIL
Dharmendra Singh	Independent	3	YES	NIL
Rajiv Mishra	Independent	NIL	YES	NIL

b) Board Meeting and attendance record of each director

Twelve Board Meetings were held during the financial year 2015-16 and the gap between the two meetings was not more than 120 days.

The details of meetings attended by the Directors are given below:

Date of Meeting	MR. R.M. SHARMA	MRS. POONAM SHARMA	MR. S.C. SEHGAL	MR. DHARMENDRA SINGH	MR. RAJIV MISHRA
20.04.2015	YES	YES	YES	YES	-
15.05.2015	YES	YES	YES	YES	YES
20.07.2015	YES	YES	YES	YES	YES
14.08.2015	YES	YES	YES	YES	YES
21.08.2015	YES	YES	YES	YES	YES
04.09.2015	YES	YES	YES	YES	YES
30.09.2015	YES	YES	YES	YES	YES
18.10.2015	YES	YES	YES	YES	YES
14.11.2015	YES	YES	YES	YES	YES
15.12.2015	YES	YES	YES	YES	YES
20.01.2016	YES	YES	YES	YES	YES
06.02.2016	YES	YES	YES	YES	-

Dates for the Board Meetings are decided well in advance and communicated to the Directors. Board Meetings are usually held at the Registered Office of the Company. The

Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

Independent Directors Meeting

As required under the Companies Act, 2013 and Listing Regulations, a separate meeting of Independent Directors of the Company was held on 01st March, 2016. All Independent Directors have attended the meeting.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a separate exercise was carried out to evaluate the performance of individual directors on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit and Nomination and Remuneration Committee. The Directors expressed their satisfaction with the evaluation process.

4. AUDIT COMMITTEE

Presently, the Audit Committee comprises of Three Members Directors viz. Mr. S.C. Sehgal, Chairman and Independent Director, Mr. Dharmendra Singh, Independent Director and Mr. R.M. Sharma, Non-Executive Director. Majority of the members of Audit Committee have accounting and financial management expertise.

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which include the following:

Role of the Audit Committee

- (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the Company with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the Company, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In addition to the above, the audit committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee met four times during the year and not more than four months elapsed between two meetings. The necessary quorum was present at the meetings. The attendance of the members of the Committee is given below:

Date of Meeting	MR. S.C. SEHGAL (chairman/ independent director)	MR. R.M. SHARMA (non-executive director)	MR. DHARMENDRA SINGH (independent director)
15.05.2015	YES	YES	YES
14.08.2015	YES	YES	YES
14.11.2015	YES	YES	YES
06.02.2016	YES	YES	YES

The CFO, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee Meetings. Further, representatives from various departments of the

company also attend the meetings as and when desired by the members of the Committee to answer and clarify questions raised at the Audit committee. The Company Secretary acts as the Secretary to the Committee.

5. NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted a Nomination and Remuneration Committee comprising three directors viz.

1. Mr. S.C. Sehgal, Independent Director (Chairman),
2. Mr. Dharmendra Singh, Independent Director, and
3. Mr. R.M. Sharma, Non-Executive Director

All are non-executive directors and more than half are independent. Chairman of the committee is an independent director.

The Committee met twice (2) during the year, which was attended by all the members of the committee and discussed the remuneration policy.

The role of the committee include the following:

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommended to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent directors, on the basis of the report of performance evaluation of independent directors.

The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme. The Company, however, has not yet introduced the Employees' Stock Option Scheme.

However, considering the performance of the company it was unanimously decided that no remuneration be payable to any of the directors of the company including the Executive Directors.

Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites. The component of the total remuneration varies for different grades and is governed by industry pattern, qualification and experience of the employees, responsibility handled by him and his individual performance.

The Committee met twice (2) during the year, which was attended by all the members of the committee and discussed the remuneration policy. The committee unanimously decided against payment of any remuneration to the executive director as well as non-executive directors in view of not so encouraging performance of the company. The ratio of remuneration of each director to the median employee is therefore not comparable.

5. REDRESSAL OF GRIEVANCES OF SHAREHOLDERS

The Company is registered on SCORES (Sebi Complaints Redress System).

Details of Complaints received and addressed during the year are given below:

	No. of complaints
Total complaints received	NIL
Total complaints replied	NIL
Total complaints pending	NIL

6. GENERAL BODY MEETINGS

Sh. S.C. Sehgal, Chairman of the Audit Committee has also attended the Annual General Meeting.

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2013	30.09.2013	11:00AM	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001
31.03.2014	29.09.2014	10:00AM	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001
31.03.2015	30.09.2015	11:00AM	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001

Special resolution were passed in the 21st Annual General Meetings for re-appointment of MR. S.C. Sehgal, Mr. Dharmendra Singh and Mr. Rajiv Mishra as Independent Directors of the Company for a further period of 5 years .

7. DISCLOSURES

i) There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

iii) The Company has adopted a Whistle Blower Policy for employees to report concerns about unethical behaviour. No personnel have been denied access to the Audit Committee and an affirmation to this effect signed by Executive Director forms part of this Annual Report.

iv) All the mandatory requirements have been duly complied with.

v) No penalty or strictures have been imposed on the company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

Non-Mandatory Requirements

1. Nomination and Remuneration Committee – The Board has set up a Remuneration Committee to determine the remuneration packages of the executive directors including pension rights and any compensation payment.

2. Shareholder Rights – The quarterly, half-yearly and annual financial results of the company are published in the newspapers and are also posted on the company's website. The complete Annual Report is sent to each and every shareholder of the company.

3. Audit qualifications – There are no Audit Qualifications in the company's financial statements for the year under reference.

4. Whistle Blower Policy - The Company has established a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases.

8. MEANS OF COMMUNICATION WITH SHAREHOLDERS

The Quarterly/Half Yearly/Annual Unaudited/Audited Financial Results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. In addition, these results, are published in the newspaper – 'The Pioneer' (English and Hindi), and are made available to the members on request. The same are also displayed on the company's official website – www.southerninfosys.com

9. GENERAL SHAREHOLDERS INFORMATION**a). Day, Date & Time of 22st AGM**

22nd Annual General Meeting will be held on Friday the 30th day of September, 2016 at 10:00 A.M. at Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001.

b). Dates of Book Closure

The Share Transfer Books and Register of Members of the Company shall remain closed from 28th September, 2016 to 30th September, 2016 (both days inclusive).

c). Listing on Stock Exchange(s)

The Company's shares are presently listed on Calcutta Stock Exchange.

Stock Exchange	Scrip Codes
Calcutta Stock Exchange	14326

Further, Company has received in-principle approval from Bombay Stock Exchange for listing of Company's shares.

d). Demat ISIN in NSDL & CDSL – INE298B01010.**e). Stock Market Price Data for the Period 1.04.2015 to 31.03.2016.**

There were no trading quotes available during the year.

f). Share Transfer Agent

The company is availing the services of M/s. ALANKIT ASSIGNMENTS LTD., Shop No. 4E/2, Jhandewalan Extension, Delhi 110055, a SEBI registered registrar, as Registrar and Transfer Agent for transfers, sub-division, consolidation, splitting of securities etc.

g). Share Transfer System

The Company's shares are held both in physical and demat form. The members are requested to get their shares converted in the demat form. The shares as and when received for the purpose of transfers are processed expeditiously but well within the stipulated time prescribed by the listing agreement or Companies Act, 2013.

h). Distribution of Shareholdings as on 31st March 2016.

S. No.	Number of shareholders	%	Shares held	%
1-5000	687	95.95	6,85,300	13.65
5,001-10,000	7	0.98	62,800	1.25
10,001-20,000	4	0.56	52,500	1.05
20,001-30,000	2	0.28	55,000	1.10
30,001-40,000	2	0.28	72,500	1.44
40,001-50,000	0	0	0	0
50,001-100,000	5	0.70	2,76,640	5.51
100,001 and above	9	1.25	38,15,260	76.00
TOTAL	716	100.00	50,20,000	100.00

i). Category of Shareholders as on 31st March 2016

CATEGORY	NUMBER OF SHARES	%
Promoters and Promoter group	36,23,270	72.18
Indian Public	13,96,730	27.72
Total	50,20,000	100.00

j). Registered Office and Correspondence address

402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110001.

10. CERTIFICATION FOR GOOD CORPORATE GOVERNANCE

The Executive Director and Chief Financial Officer have given a certificate to the Board as contemplated in Listing Regulations and the certificate forms part of Annual Report.

11. PREVENTION OF INSIDER TRADING

The company has adopted Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the company.

12. COMPLIANCE

Compliance Certificate obtained from the Practicing Company Secretary is attached to this report.

Details of Directors seeking appointment/re-appointment/retiring by rotation
(In pursuance of Listing Regulations)

Name of Director	Smt. Poonam Sharma
Date of Birth	06/11/1962
Qualifications	Graduate
Nature of Expertise	Management
Date of Appointment	04/07/1994
Directorship in other Company	❖ DISHA CAPITAL SERVICES LIMITED ❖ DISHA INVESTMENT CENTRE PRIVATE LIMITED
Chairmanship/Membership in the Committees of other Public Companies	-
No. of shares held in the Company	1,25,010

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

Members,
Southern Infosys Limited,
New Delhi

We have reviewed the compliance of conditions of Corporate Governance of SOUTHERN INFOSYS LIMITED ("the Company") for the purpose of certifying of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period December 01, 2015 to March 31, 2016.

We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance with conditions of the Corporate Governance. It is 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 and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Nitin Bhatia & Co.
Company Secretaries
[F.R.No.:S2015HR324600]

Date: 03.09.2016
Place: New Delhi

(Nitin Bhatia)
ACS No.: 34405
C.P. No.: 12902

SOUTHERN INFOSYS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

(Amount in Rupees)				
	PARTICULARS	NOTE NO.	FIGURES AS AT 31.03.2016	FIGURES AS AT 31.03.2015
I	<u>EQUITY AND LIABILITIES</u>			
	1 <u>SHAREHOLDERS FUNDS</u>			
	(a) Share Capital	1	50,200,000	50,110,500
	(b) Reserves and Surplus	2	1,558,199	1,402,026
	2 <u>NON-CURRENT LIABILITIES</u>			
	(a) Deferred Tax Liability	3	7,801	40,959
	3 <u>CURRENT LIABILITIES</u>			
	(a) Trade Payables	4	74,172,959	20,867,130
	(b) Other Current Liabilities	5	4,044,178	216,522
	(c) Short Term Provisions	6	102,996	23,621
	TOTAL		130,086,133	72,660,758
II	<u>ASSETS</u>			
	1 <u>NON-CURRENT ASSETS</u>			
	(a) Fixed Assets			
	(i) Tangible Assts	7	219,840	347,347
	(ii) Non-Current investments	8	13,290,021	13,290,021
	(iii) Long Term Loans and Advances	9	34,936,875	35,093,640
	2 <u>CURRENT ASSETS</u>			
	(a) Trade Receivables	10	39,638,923	23,247,971
	(b) Inventories	11	37,036,291	-
	(c) Cash & Cash Equivalents	12	697,352	679,485
	(d) Other current assets	13	4,266,831	2,294
	TOTAL		130,086,133	72,660,758

Notes To Accounts

1-23

In terms of our report attached.
For V.Sahai Tripathi & Co.
Chartered Accountants
Firm Registration No. 000262N

For and on behalf of the Board of Directors
Southern Infosys Limited

(Manish Mohan)
Partner
M.No. 091607
Date:- 30th May, 2016

Rakesh Mohan Sharma
Director
DIN 02459885

Poonam Sharma
Executive Director
DIN 03553479

INDU ATRI
Chief Financial Officer

VINOD KUMAR CHHABRA
Company Secretary

SOUTHERN INFOSYS LIMITED

STATEMENT OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH ,2016

(Amount in Rupees)				
	PARTICULARS	NO.	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
I	REVENUE FROM OPERATIONS			
	Revenue From Operations	14	111,282,220	99,138,390
	Other Income	15	2,120,730	382,525
	TOTAL REVENUES		113,402,950	99,520,915
II	EXPENSES:			
	Purchase Of Stock-in-Trade	16	144,536,513	98,208,240
	Changes Of Inventories Of Stock-In-Trade	17	(37,036,291)	-
	Employee Benefit Expenses	18	1,248,794	535,972
	Depreciation and Amortization Expenses	7	144,708	36,048
	Other Expenses	19	4,283,215	641,941
	TOTAL EXPENSES		113,176,939	99,422,201
III	Profit Before Exceptional And Extraordinary Items And Tax (i-ii)		226,011	98,714
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax (iii-iv)		226,011	98,714
VI	Extraordinary Items		-	-
VII	Profit Before Tax (v-vi)		226,011	98,714
VIII	Tax expense			
	Current tax		102,996	23,621
	Deferred Tax		(33,158)	5,471
IX	Profit(Loss) For The Period From Continuing Operations (vii-viii)		156,173	69,622
X	Profit(Loss) From Discontinuing Operations		-	-
XI	Tax Expense Of Discontinuing Operations		-	-
XII	Profit(Loss) From Discontinuing Operations (After Tax) (x-xi)		-	-
XIII	Profit (Loss) For The Period (ix+xii)		156,173	69,622
XIV	Earning per Equity Share			
	Face Value of Rs.10 per share			
	Basic		0.031	0.014
	Diluted		0.031	0.014

Notes To Accounts

1-23

In terms of our report attached.
For V.Sahai Tripathi & Co.
Chartered Accountants
Firm Registration No. 000262N

(Manish Mohan)
Partner
M.No. 091607
Date:- 30th May, 2016

For and on behalf of the Board of Directors
Southern Infosys Limited

Rakesh Mohan Sharma
Director
DIN 02459885

INDU ATRI
Chief Financial Officer

Poonam Sharma
Executive Director
DIN 03553479

VINOD KUMAR CHHABRA
Company Secretary

SOUTHERN INFOSYS LIMITED

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 1

SHARE CAPITAL

- 1(a) The Authorised, Issued, Subscribed and fully Paid up Share Capital of Equity Shares having a par value of Rs.10/- each as follows:

Share Capital	As at 31 March 2016		As at 31 March 2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity Shares of Rs 10/- each	6,000,000	60,000,000	6,000,000	60,000,000
	6,000,000	60,000,000	6,000,000	60,000,000
Issued and Subscribed				
Equity Shares of Rs 10/- each fully paid up	5,020,000	50,200,000	5,020,000	50,200,000
Less:- Calls In Arrears	-	-	-	89,500
Total	5,020,000	50,200,000	5,020,000	50,110,500

- 1(b) Reconciliation of number of shares

Particulars	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	5,020,000	50,200,000	5,020,000	50,200,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	5,020,000	50,200,000	5,020,000	50,200,000

- 1(c) Details of shares held by shareholders holding more than 5% of aggregate shares in the company

Name of Shareholder	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rakesh Mohan Sharma	378,950	7.55%	378,950	7.55%
Disha Capital Services Limited	598,000	11.91%	598,000	11.91%
Disha Investment Centre Pvt Ltd	1,480,800	29.50%	1,480,800	29.50%
Total	2,457,750	48.96%	2,457,750	48.96%

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 2

RESERVES AND SURPLUS

Reserves and surplus consist of following reserves:

Reserves & Surplus	As at 31 March 2016 Amount in Rs.	As at 31 March 2015 Amount in Rs.
b. Surplus in Statement of Profit and Loss		
Opening balance	1,402,026	1,332,404.00
(+) Net Profit/(Net Loss) For the current year	156,173	69,622.00
Closing Balance	1,558,199	1,402,026.00

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

NOTE No.3**CALCULATION OF DEFERRED TAX LIABILITY**

WDV AS PER COMPANIES ACT AS ON 31.03.2016	219,840.09
WDV AS PER INCOME TAX ACT AS ON 31.03.2016	194,595.50
	<u>25,244.59</u>
DEFERRED TAX LIABILITY @ 30.90% (1)	<u>7,801.00</u>
ACCUMULATED LOSSES	-
DEFERRED TAX ASSETS @ 30.90% (2)	-
DEFERRED TAX LIABILITIES/(ASSET) (1+2)	<u><u>7,801.00</u></u>
Opening Deferred Tax Liabilities/(Assets)	40,959.00
During the year	<u>(33,158.00)</u>
Closing Deferred Tax Liabilities/(Assets)	<u><u>7,801.00</u></u>

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 4**TRADE PAYABLES**

Trade Payables consist of following;

Particulars	As at 31 March, 2016 Amount in Rs.	As at 31 March, 2015 Amount in Rs.
Trade Payables		
- MSMED	-	-
- Others	74,172,959.00	20,867,130
Total	74,172,959	20,867,130

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 5**OTHER CURRENT LIABILITIES**

Long Term Provisions consist of following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
Audit Fee Payable	15,000.00	5,100.00
Loan from Disha Capital Services Ltd	1,325,000.00	-
SBC Payable on Service Tax	12,875.00	35,622.00
TDS Payable	308,150.00	-
VAT Payable	2,383,153.00	-
Expenses Payable	-	175,800.00
Total	4,044,178	216,522

SOUTHERN INFOSYS LIMITED

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 6

SHORT TERM PROVISIONS

Short-term provisions consist of following :

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
Provision for tax	102,996	23,621
TOTAL	102,996	23,621

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 7

Fixed Assets

Particulars	GROSS BLOCK			Depreciation			Book Value	
	As at 1-April-15	Additions	Deductions	As at 31-Mar-16	For the year Deductions	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
<u>TANGIBLE ASSETS</u>								
<u>Computer & Peripherals</u>								
Computer	134,500	-	-	134,500	22,144	123,128	11,372	33,516
Data Processing Machine	400,000	-	-	400,000	-	396,309	3,691	3,691
Data Processing Machine	64,320	-	-	64,320	40,646	40,646	23,674	64,320
<u>Furniture & Fixture</u>								
Furniture and fixtures	256,505	-	-	256,505	57,494	91,869	164,636	222,130
<u>Electrical Installations & Equipments</u>								
Electrical Installations & Equipments	100,000	-	-	100,000	18,691	95,000	5,000	23,691
<u>INTANGIBLE ASSETS</u>								
<u>Tally Softwares</u>	-	17,200	-	17,200	5,733	5,733	11,467	-
Current Year Total	955,326	17,200	-	972,525	144,708	752,685	219,840.00	347,347
Previous Year Total	740,575	214,750	-	955,326	36,048	607,978	347,347	168,646

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016**Note No. 8****NON- CURRENT INVESTMENTS**

Non Current Investments consist of following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
<u>UNQUOTED</u>		
Rana Mohendra Papers Ltd	46,711.00	46,711
Arcee Industries Ltd	24,504.00	24,504
Jay Vinyls Ltd	26,550.00	26,550
Mansarovar Paper & Industries Ltd.	5,309.00	5,309
Pasupati Acrylon Ltd	1,991.00	1,991
Shiva Medicare Ltd	46,456.00	46,456
Arcotech Ltd	-	-
<u>UNQUOTED</u>		
DISHA CAPITAL SERVICES LTD	13,138,500.00	13,138,500
TOTAL	13,290,021.00	13,290,021

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No. 9**LONG TERM LOANS & ADVANCES**

Non Current Investments consist of following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
SECURITY DEPOSITS		
INVESTMENT	6575000	7,000,000
BODY CORPORATE	3000000	4,718,640
OTHERS	25361875	23,375,000
TOTAL	34,936,875	35,093,640

Note No. 10

TRADE RECEIVABLES

Trade receivables consist of following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	-	-
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	39,638,923.00	23,247,971
TOTAL	39,638,923.00	23,247,971

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

Note No.11**INVENTORIES**

Inventories consist of following:

Particulars	As at 31 March, 2015 Amount in Rs.	As at 31 March, 2014 Amount in Rs.
(a) Finished goods	37,036,291	-
Total	37,036,291	-

12(a) Stock in trade is valued at cost or market value , whichever is lower. There is no change in method of valuation of inventory from last year

12(b) Cost for the purchase of inventory valuation is calculated on First in First out basis (FIFO basis)

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2016

Note No.12**CASH AND BANK BALANCES:**

Cash and bank balances consist of the following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
a. Cash in hand	487,132	614,513
b. Bank Balance	210,220	64,972
Total	697,352	679,485

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2016

Note No.13**OTHER CURRENT ASSETS**

Other current assets consist of following:

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Amount in Rs.	Amount in Rs.
Income Tax Refund	-	2,294.00
Service Tax Recoverable	82,625.00	-
Input Tax Credit(VAT)	4,184,206	-
Total	4,266,831	2,294

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016**

Note No. 14**REVENUE FROM OPERATIONS**

Revenue from operations consist of following:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Amount in Rs.	Amount in Rs.
(a) SALES	111,282,220	99,138,390.00
Total	111,282,220	99,138,390

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016**

Note No.15**OTHER INCOME**

Other income consist of following:

Particulars		For the year ended 31 March 2015	For the year ended 31 March 2014
		Amount in Rs.	Amount in Rs.
(a)	Interest income	2,120,730	382,525.00
Total		2,120,730	382,525

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016**

Note No.16

PURCHASE OF TRADED GOODS

Purchase of traded goods consist of following:

Particulars	For the year ended 31 March 2015 Amount in Rs.	For the year ended 31 March 2014 Amount in Rs.
Computer Hardware	117,188,093	98,208,240.00
Computer Software	27,348,420	-
Total	144,536,513	98,208,240

Note No. 17 Changes in inventories of stock-in-trade

Particulars	For the year ended 31 March 2015 Amount in Rs.	For the year ended 31 March 2014 Amount in Rs.
<u>Inventories at the end of the year:</u>		
Finished goods	37,036,291.00	-
	37,036,291	-
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	-
Net (Increase)/Decrease	-37,036,291	-

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015**

Note No.18**EMPLOYEE BENEFIT EXPENSE**

Employee benefits expense consist of following

Particulars	For the year ended 31 March 2015 Amount in Rs.	For the year ended 31 March 2014 Amount in Rs.
SALARY WAGES & ALLOWANCES	1,237,500	499,900.00
STAFF WELFARE EXPENSE	11,294	36,072.00
Total	1,248,794	535,972

SOUTHERN INFOSYS LIMITED

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016**

Note No 19

OTHER EXPENSES

Other expenses consist of following

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Amount in Rs.	Amount in Rs.
AUDIT FEES	15,000	5,100.00
ADVERTISEMENT EXPENSES	33,454	
BUSINESS PROMOTION	-	27,580.00
FEES & SUBSCRIPTION	3,016,350	382,525.00
COMPUTER MAINTAINENCE	-	14,175.00
CONVEYANCE EXPENSES	247,420	37,580.00
GENERAL EXPENSES	3,181	69,921.50
MAINTENANCE CHARGES	700,000	
NEWSPAPERS & MAGAZINES	-	3,780.00
POSTAGE & MAILING EXPENSES	-	13,986.00
PRINTING & STATIONARY	-	16,472.00
SWACH BHARAT CESS	15,408	0.00
PROFESSIONAL & LEGAL EXPENSES	15,000	
REPAIR & MAINTENANCE (OFFICE)	48,000	
TELEPHONE CHARGES	98,700	21,480.00
BANK CHARGES	1,262	1,807.00
TRAVELLING EXPENSES	89,440	47,534.00
Total	4,283,215	641,941

SOUTHERN INFOSYS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH ,2016

Particulars	FIGURES AS AT 31.03.2016	FIGURES AS AT 31.03.2015
Profit before taxation	226,011	98,714
Adjustments for:		
Depreciation	144,708	36,048
	370,719	134,763
Investment income	-	-
Interest expense	-	-
Profit / (Loss) on the sale of property, plant & equipment	-	-
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(16,390,952)	(18,314,582)
(Increase) / Decrease in Advances	(4,107,772)	(2,677,294)
Increase / (Decrease) in trade payables and Other Current Liabilities	57,133,484	21,049,156
(Increase)/ (Decrease) in Inventories	(37,036,291)	-
Cash generated from operations	(30,812)	192,042
Interest paid	-	-
Income taxes paid	(23,621)	-
Dividends paid	-	-
Net cash from operating activities	(54,433)	192,042
Cash flows from investing activities		
Proceeds from sale of Investment	-	8,975
Purchase of Fixed Assets	(17,200)	(214,750)
Net cash used in investing activities	(17,200)	(205,775)
Cash flows from financing activities		
Proceeds from issue of share capital	89,500	-
Proceeds from long-term borrowings	-	-
Payment of long-term borrowings	-	-
Net cash used in financing activities	89,500	-
Net increase in cash and cash equivalents	17,867	(13,733)
Cash and cash equivalents at beginning of period	679,485	693,218
Cash and cash equivalents at end of period	697,352	679,485

In terms of our report attached.

For V.Sahai Tripathi & Co.

Chartered Accountants

Firm Registration No. 000262N

(Manish Mohan)

Partner

M.No. 091607

Date:- 30th May, 2016

For and on behalf of the Board of Directors

Southern Infosys Limited

Rakesh Mohan Sharma

Director

DIN 02459885

Poonam Sharma

Executive Director

DIN 03553479

INDU ATRI

Chief Financial Officer

VINOD KUMAR CHHABRA

Company Secretary

CERTIFICATE OF EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

We, Poonam Sharma (Executive Director) and Indu Atri (CFO), of Southern Infosys Limited, both certify to the Board that we have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2016 and to the best of our knowledge and belief:

1. These Statements do not contain any materially untrue or misleading statements or omit any material fact and that the statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the company which are fraudulent or illegal transactions or violative of the Company's code of conduct.
3. For the purpose of financial reporting, we accept responsibility for the establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the company and we have reported to the Auditors and Audit Committee, the deficiencies in the design or operation of such internal controls, if any, and the steps we have taken or propose to take to rectify these deficiencies.
4. We further certify that we have indicated to the Auditors and the Audit Committee:
 - a) There have been no significant changes in the internal control over financial reporting system during the year.
 - b) There have been no significant changes in accounting policies during the year except for changes disclosed in the notes to the financial statements, if any; and
 - c) There have been no instances of fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date: 03.09.2016

(Poonam Sharma)
Director

(Indu Atri)
Chief Financial Officer

DECLARATION ON CODE OF CONDUCT

Declaration signed by the Chief Executive Officer 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.

The Board has laid down a Code of Conduct for Board of directors and senior manger and the same is posted on the website of the Company.

It is confirmed that all the Board members and senior mangers have affirmed compliance with the Code of Conduct of the company for the year 2015-16.

For and on behalf of the Board
Southern Infosys Limited

(R.M. Sharma)
Director

Place: New Delhi
Date: 03.09.2016

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF SOUTHERN INFOSYS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Southern Infosys Limited** ("*the Company*"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred and specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

- (i) The Company is required to make provision for Gratuity in respect of its employees as required under Payment of Gratuity Act, 1965 by following accrual basis and conducting the valuation by following independent actuarial valuations as at the balance sheet date by using the project unit cost method as mandated by Accounting Standard-15 on Employees Cost prescribed in the Companies (Accounting Standards) Rules, 2006. The Company has not made any provision of Gratuity and the said non-provision is contravention of Accounting Standard -1 on Significant Accounting Policies for not adhering to accrual basis as fundamental accounting assumption and Accounting Standard-15 on Employees Cost prescribed in the Companies (Accounting Standards) Rules, 2006. We are unable to ascertain the financial implication of the same. The net profit for the year, current assets cumulative net profit are overstated to that extent. Please also refer Note-32(b) forming part of the Financial Statements.
- (ii) The provision for Bonus has not been provided in accordance with Payment of Bonus Act. We are unable to ascertain the financial implication of the same. The net profit for the year, current assets cumulative net profit are overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

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 a statement on the matters specified in paragraphs 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 of the Companies Act, 2013.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h. 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, 2015, in our opinion and to the best of our information and according to the explanations given to us :-
 - i. The Company has no pending litigations in the financial year 2015-16.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V Sahai Tripathi & Co.

Chartered Accountants

Firm's Registration Number : 000262N

(Manish Mohan)

Partner

Membership No. 91607

Place : New Delhi

Date: 30th May,2016

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph (1) of our report on other legal and regulatory requirements of Independent Auditor's Report of even date)

Annexure referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of Southern Infosys Limited on the financial statements for the year ended March 31, 2016

- 1) In respect of Fixed Assets:-
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) All the fixed assets have been physically verified by the management during the financial year ended 31st March, 2016. No material discrepancies were noticed on such verification.
 - (c) There are no immovable properties in the Company, accordingly this clause does not apply to the Company during the financial year ended 31st March, 2016.
- 2) Physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) The Company has not granted loans to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) The company has not granted any loans, investments, guarantees and securities during the year in terms of provisions of section 185 and 186 of Companies Act, 2013.
- 5) The company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and as per the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there-under. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2016.
- 6) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the Company. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2016.

- 7) In respect of statutory dues:
- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us and the records of the company produced before us, there were no dues in respect of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax as at March 31, 2016, which have not been deposited on account of a dispute pending before appropriate authorities.
- 8) The company has not taken any loan or borrowing from any Financial Institution, Bank, Government or due to Debenture-holders. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2016.
- 9) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2016.
- 10) According to the information and explanations given to us, no fraud on the Company or by the Company by its officers or employees has been noticed or reported during the year ended 31st March, 2016.
- 11) According to the information and explanations given to us, no managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly this clause is not applicable on the Company during the year ended 31st March, 2016.
- 12) The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.

- 13) According to the information and explanations given to us and the records of the company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, 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 hence Section 42 of the Companies Act, 2013 is not applicable.
- 15) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.

For V SahaiTripathi& Co.
Chartered Accountants
Firm's Registration Number : 000262N

Place : New Delhi
Date : 30th May,2016

(Manish Mohan)
Partner
Membership No. 91607

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN INFOSYSLIMITED

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

We have audited the internal financial controls over financial reporting of **Southern Infosys Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 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 Company's 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 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 and 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

We have considered the disclaimer reported above in determining the nature, volume of transactions, materiality, timing, and extent of audit test applied in our audit of the standalone financial statement of the company and the disclaimer does not affect our opinion on the standalone financial statements of the company.

For and on behalf of
VSahaiTripathi&Co.
Chartered Accountants
Firm Registration No 000262N

For VSahaiTripathi& Co.
Chartered Accountants
Firm's Registration Number : 000262N

(Manish Mohan)
Partner
Membership No. 91607

Place : New Delhi
Date:30thMay, 2016

20. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

The Financial statements have been prepared in accordance with Indian Generally Accepted Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the applicable accounting standard as prescribed under section 133 of Companies Act, 2013 (Act) read with rule 7 of companies (Accounts) rules, 2014, the provision of the act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied; except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As required & mandated by the relevant guidelines prescribed under Companies Act, 2013, Company has prepared its financials as per Schedule III. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets/ services for processing and their realization in cash and cash equivalents, the Company has considered a period of twelve months for the purposes of classification of assets and liabilities as current and non-current.

b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Fixed Tangible Assets

Fixed assets are stated at their original cost, less accumulated depreciation and impairment, if any. Direct costs such as inward freight, duties, taxes and incidental expenses are capitalized until such assets are ready for use.

d. Intangible Assets and Amortization

Intangible Assets & related expenditure are recognized as per criteria specified in **Accounting Standard-26 on "Intangible Assets"** as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounted for as under :-

- **Software acquired for internal or commercial use:** over a period of 36 months from the month subsequent to the month in which it got activated for commercial or internal use. The proposed amortization is based on the tenure of projects.
- The cost of software purchased for internal use or commercial use comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities) and any directly attributable expenditure on making the software ready for its use. Any trade discounts and rebates are deducted in arriving at the cost.

e. Depreciation

- a) Depreciation is provided on Written Down Value Method (WDV) on pro-rata basis in the manner specified in the Schedule II to the Companies Act, 2013.
- b) In the case of purchase/sale of asset, depreciation is computed on pro rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed.
- c) The life of fixed assets is considered in accordance with the Schedule-II of the Companies Act-2013.
- d) The transitional provision under the Schedule II of Companies Act, 2013 prescribes that where the remaining useful life of assets is NIL, carrying amount of assets as on 1st April, 2015 after retaining residual value may be recognized in the opening balance of retained earnings or may be charged to the statement of profit & loss. The Company has opted to recognize remaining carrying value of Rs. 18,691/- of such assets to the Statement of Profit & Loss.

f. Inventories

Stock in trade is valued at cost or market value whichever is lower. Cost for the purchase of inventory valuation is calculated on First in First out Basis (FIFO).

g. Impairment of Assets

The Management periodically assesses whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

h. Revenue Recognition

Revenue is recognized at the point of invoicing to the customers and excludes sales tax(VAT), Service Tax, Trade Discounts, Claims and Rebates and on the basis time cost.

k. Income Taxes

The current charge for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax in subsequent years and the resultant asset can be measured reliably. MAT Credit entitlement can be carried forward and utilized for a period of ten years from the year in which the same is availed.

Deferred tax asset or deferred tax liability is recognized subject to the consideration of prudence, on timing differences, being the difference between the profits considered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are recognized for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

1. Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate Asset, only when such reimbursement is virtually certain. Contingent Liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved. Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet.

Provisions for onerous contracts, i.e. contracts unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

m. Leases

Assets taken on lease under which lessor effectively retains all significant risks & rewards of ownership have been classified as operating lease. Lease payments made under operating lease are recognized as expense in the Statement of Profit & Loss on straight line basis over the primary term of the lease as mentioned in the lease agreement.

n. Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Notes to Balance Sheet and Statement of Profit & Loss**21. Earnings per Share (EPS):**

	Year Ended 31-Mar-16	Year ended 31-Mar-15 (In Rs.)
Calculation of Weighted Average Number of Equity Shares of RS.10 each		
Number of Shares at the beginning of the period	5,020,000	5,020,000
Number of Shares at the close of the period	5,020,000	5,020,000
(a) Weighted Average number of Equity Shares During the period	5,020,000	5,020,000
(b) Net Profit/ (Loss) for the period attributable to Equity Shares (in Rs.)	156,173	69,622
(c) Earnings per share - Basic (Rs.)	0.031	0.014
(d) Earnings per share - Diluted (Rs.)	0.031	0.014

22. Related Party Transactions**a) List Of Related Parties:**

- Rakesh Mohan Sharma
- Poonam Sharma, Director
- Dharmendra Singh, Director
- Subhash Chander Sehgal, Director
- Rajiv Mishra, Director
- Vinod Kumar Chhabra, Company Secretary
- Indu Atri, Chief Financial Officer

b) Transactions with related parties during the year 2015-16.

	Year Ended 31.03.2016	Year Ended 31.03.2015
Companies where control exists		
Outstanding as at Balance Sheet Date		
Loans and Advances	NIL	7,541,608
Security deposit	6,575,000	7,000,000

Key Management Personnel & their relatives

Outstanding as at Balance Sheet Date	NIL	NIL
--------------------------------------	-----	-----

23. Comparative Figures

The figures of previous period have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

Attached to the balance sheet

For & on behalf of

V Sahai Tripathi & Co.

Chartered Accountants

Firm Registration No 000262N

FOR SOUTHERN INFOSYS LTD

Manish Mohan

Partner

(M.N.-091607)

Place: New Delhi

Date: 30th May, 2016

RAKESH MOHAN SHARMA

(DIRECTOR)

DIN 02459885

POONAM SHARMA

(DIRECTOR)

DIN 0355347

Form No.MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: L67120DL1994PLC059994

Name of the Company: SOUTHERN INFOSYS LIMITED

Registered office: 402-A, Arunachal Building, 19, Barakhamba Road, New Delhi- 110001

<p>Name of the member(s):</p> <p>Registered address:</p> <p>E-mail Id:</p> <p>Folio No/ Client Id:</p> <p>DP ID:</p>

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

Name:

Address:

E-mail Id:

Signature:,

As my/our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the.....Annual general meeting of the company to be held on the.....day of.....at.....a.m. at..... (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....
- 6.....

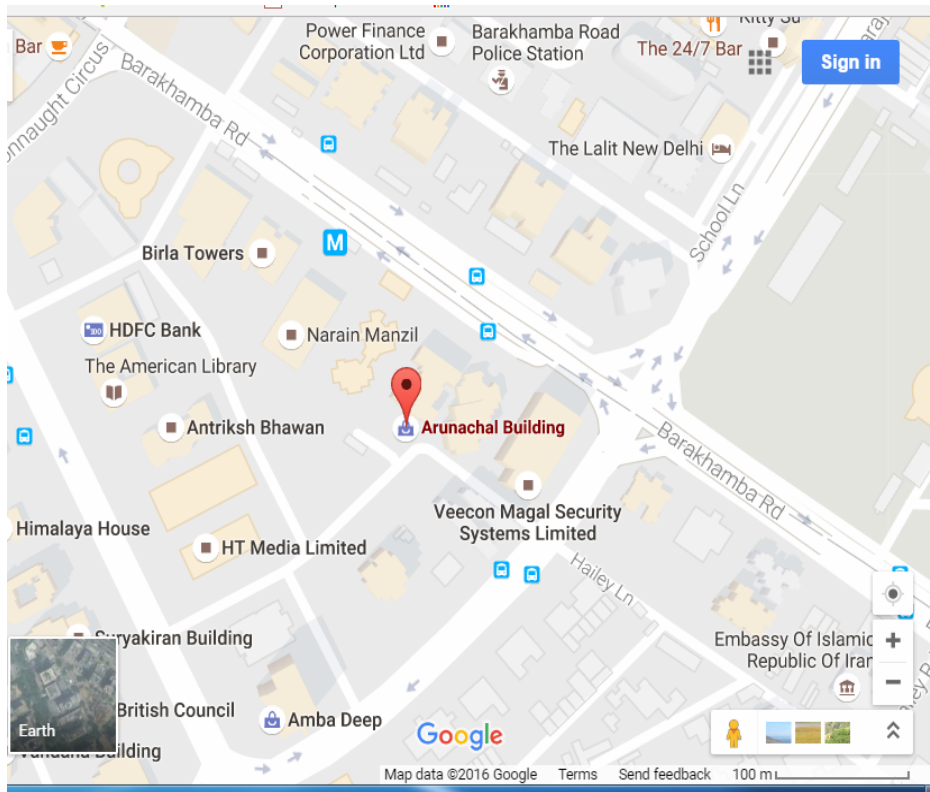
Affix 15 paisa
Revenue Stamp

Signed this..... day of.....2016

Signature of shareholder

Signature of Proxy holder(s)

v) Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Area Marked- Arunachal Building, B. Road, New Delhi-11001