

# 23<sup>RD</sup> ANNUAL REPORT

2016-17



## SOUTHERN INFOSYS LIMITED

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

Phone: +91-11-23354236, 43045402, Email: [southerninfosys@gmail.com](mailto:southerninfosys@gmail.com)

CIN: L67120DL1994PLC059994, Web: [www.southerninfosys.com](http://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. 1E/13, 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-Third (23<sup>rd</sup>) Annual General Meeting of the members of **SOUTHERN INFOSYS LIMITED** (CIN-L67120DL1994PLC059994) will be held on Friday, 29<sup>th</sup> September, 2017 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:**

**Item No. 1:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2017, together with the reports of the Board of Directors and Auditors thereon.

**Item No. 2:**

To appoint a Director in place of Mr. Rakesh Mohan Sharma (DIN-02459885) who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3:**

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), and pursuant to the recommendation of the Audit Committee, 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 till the conclusion of the Annual General Meeting to be held for the Financial year 2019-2020, be and is hereby ratified for the financial year 2017-18 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**Special Business:**

**Item No.4:**

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

**“RESOLVED THAT** Pursuant to Sections 196, 197 & 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V and pursuant to recommendation of Nomination and remuneration committee and board approval thereto, the consent of the members of the company be and is hereby accorded by the way of ordinary resolution to appoint Ms. Poonam Sharma (DIN 03553479) as Managing Director of the Company for a period of five years with effect from 01<sup>st</sup> September, 2017 on the terms and conditions including remuneration mentioned below:

- 1. Remuneration: Nil**
- 2. Allowances: Nil**
- 3. Reimbursements of expenses: Nil**

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

By Order of the Board  
For **Southern Infosys Limited**

Place: New Delhi  
Delhi: 01.09.2017

**Kriti bareja**  
Company Secretary  
M. No: A51320

**NOTES:-**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXY FORM IS ENCLOSED HERewith:**

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 Saturday, the 23<sup>rd</sup> of September, 2017 to Friday, the 29<sup>th</sup> of September, 2017 (both days inclusive) for the purpose of AGM.

3. Corporate members intending to send their authorised representative to attend the AGM 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. Shareholders who have not registered their E-mails address, so far, are requested to register their E-mail address in respect of electronic holdings with the Depository through their concerned

5. Depository Participants. Members who hold shares in physical mode are requested to update the same with the registrar and transfer agent by writing to M/s Alankit Assignments Limited, Alankit Heights 1E/13, Jhandewalan Extension New Delhi -110055, India for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.

6. This Notice of 23<sup>rd</sup> AGM and instructions for e-voting along with Annual report, attendance slip, proxy form and route map of the venue of the Meeting is being sent by electronic mode to all the members of the company whose email addresses are registered with the company/Depository Participant(s) unless a member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode.

7. The relevant details as required in sub regulation 36(3) of SEBI (Listing Obligation and disclosure requirements), 2015 in respect of director seeking appointment/ re-appointment at the Annual general Meeting, forms integral part of the notice. Requisite declarations have been received from directors for their appointment and re-appointment.
8. 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.
9. Members / Proxies/ Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy of Annual Report.
10. 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.
11. 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.
12. Members holding share in electronic mode are requested to intimate any change in their address or bank account details 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 account details immediately to the Company/Alankit Assignments Limited.
13. 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 shall submit their PAN to the Company/Registrar and transfer Agent.**
14. 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: Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
15. 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.
16. Queries proposed to be raised at the Annual General Meeting may be sent to the company at its registered office atleast 7 days prior to the date of the AGM to enable the management to compile the relevant information to reply the same in the meeting.
17. Members whose names are recorded in the register of members or in the register of beneficial owner maintained by depositories as on the cut off date i.e. Friday, 22<sup>nd</sup> September, 2017, shall be

entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the notice, who has no voting rights as on the cut-off date, shall treat the notice as intimation only.

**18.** A person who has acquired the shares and has become a member of the company after the dispatch of the notice of the AGM and prior to the cut-off i.e. Friday, 22<sup>nd</sup> September, 2017 shall be entitled to exercise his/her vote either electronically i.e. Remote e-voting or through the poll paper at the AGM by following the procedure mentioned in this part.

**19.** The route map showing directions to reach the venue of the meeting is annexed with the notice.

**20.** Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

**21.** The facility for voting through poll paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through poll paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be allowed to cast their votes again.

**22.** The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the company as on cut-off date i.e. Friday, 22<sup>nd</sup> September, 2017.

**23.** ACS Nitin Bhatia of M/s Nitin Bhatia & Co. 201, 2nd Floor, Pooja Complex, Veer Savarkar Block, Shakarpur, New Delhi-110092, has been appointed as the scrutinizer to scrutinize

**24.** The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall,

within a period not exceeding two days from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favor or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

**25.** The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.southerninfosys.com](http://www.southerninfosys.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com), immediately after the result is declared and simultaneously communicated to the Bombay Stock Exchange.

**26. The instructions for shareholding voting through electronic means are as under:**

i) The voting period begins on Tuesday, 26<sup>th</sup> September, 2017 at 9.00 A.M and ends on Thursday, 28<sup>th</sup> September, 2017 at 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 Friday, the 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at meeting venue.

iii) The shareholder should login on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- iv) Click on “Shareholders.
- v) Now Enter your User ID
- For CDSL : 16 digits beneficiary ID
  - For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical form should enter Folio Number registered with the Company
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are holding shares in physical form or first time user in case holding shares in De-mat form, follow the steps given below

	<b>For Members holding shares in De-mat Form(first time user) and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both De-mat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 <b>sequence number*</b> in the PAN field.</li> <li>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.</li> </ul>
DOB or Dividend Bank Details	<p>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.</p> <ul style="list-style-type: none"> <li>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 the instruction (V).</li> </ul>

\*as mentioned above

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “Southern Infosys Limited” on which you choose to vote.



- (xiii) 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.
- (xiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) 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.
- (xx) 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) The results of voting shall be declared within two (2) days of the 23rd 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](http://www.southerninfosys.com)) CDSL Website and shall also be communicated to the Stock Exchange.

**Explanatory statement pursuant to section 102 of the Companies Act, 2013 annexed to the notice****Item no. 4**

Ms. Poonam Sharma, the executive Director of the Company has been associated with the Company since incorporation. The Nomination and Remuneration Committee, in its meeting held on 25<sup>th</sup> August, 2017 recommended and the Board of Directors, in its meeting held on 01<sup>st</sup> September, 2017 approved the appointment of Ms. Poonam Sharma as Managing Director (Key Managerial Personnel) of the Company with effect from 01<sup>st</sup> September, 2017. Since company is at the stage of progress, therefore directors in their meeting have proposed Nil remuneration to Ms. Poonam Sharma, who duly consented to it.

Ms. Poonam Sharma herself, & Mr. Rakesh Mohan Sharma, directors of the Company, being related may be deemed to be interested or concerned in this item of the business.

By Order of the Board  
For **Southern Infosys Limited**

Place: New Delhi  
Date: 01.09.2017

Kriti Bareja  
Company Secretary  
M.No.: A51320

**Annexure to Item No. 3 & 4****DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING**

(In pursuance of regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015)

<b>Name of the Director</b>	<b>Mr. Rakesh Mohan Sharma</b>	<b>Mrs. Poonam Sharma</b>
DIN	02459885	03553479
Date of Birth and Age	November 21, 1956, 61 years	November 06, 1962, 55 years
Date of appointment	04/07/1994	04/07/1994
Nationality	Indian	Indian
Father's Name	Lt. Shri Mool Chand Sharma	Lt. Shri Mool Chand Sharma
Qualifications	B.Com, FC.S.	Post Graduate
Expertise in Specific functional areas	Rich and innovative experience in business management, Finance & Corporate Laws	Experience in Management of business
Experience	36 years	22 years
Terms & Conditions of Appointment	As per the resolution passed by shareholder at their Annual General Meeting	As per the resolution passed by shareholder at their Annual General Meeting
Remuneration	Nil	Nil
Board Membership of other companies as on 31 <sup>st</sup> March, 2017	Disha Investment Centre Private Limited Disha Capital Services Limited	Disha Investment Centre Private Limited
Chairmanship(s) / Membership(s) of Committees of other Companies as on 31 <sup>st</sup> March, 2017.	NA	NA
Shareholding	378950	125010
Relationship of director inter-se	Relative of Ms. Poonam Sharma	Relative of Mr. Rakesh Mohan Sharma

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report of your Company together with the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March 2017.

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Total Revenue	20,71,65,269.00	11,34,02,950.00
Profit before depreciation and taxes	5,29,590.00	3,70,719.00
Profit before taxes	4,58,967.00	2,26,011.00
Provision for taxes (Incl. Deferred Tax)	1,41,820.00	69,838.00
Profit for the year after taxes	3,17,147.00	1,56,173.00
Balance brought forward from previous year	15,58,199.00	14,02,026.00
Profit available for appropriation	3,17,147.00	1,56,173.00
Transfer to general reserve	3,17,147.00	1,56,173.00
Balance carried to balance sheet	18,753,346.00	15,58,199.00

During the year, under review, your Company has achieved total revenue and net profit of Rs. 20,71,65,269.00 and Rs. 3,17,147.00 respectively as against total revenue and net profit of Rs. 11,34,02,950.00 and Rs. 1,56,173.00 respectively during the previous financial year ended 31<sup>st</sup> March, 2016.

**DIVIDEND**

In view of insufficiency of profits, the Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2017.

**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 31<sup>st</sup> March, 2017 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 5020000 COMPANY'S EQUITY SHARES**

Your directors are pleased to inform you that the equity shares of the Company listed in Bombay Stock Exchange Limited (BSE), effective from Tuesday, November 08, 2016 in addition to the shares already being listed with Calcutta Stock Exchange (CSE).

**STATUTORY DISCLOSURE UNDER COMPANIES ACT, 2013**

**1. EXTRACT OF ANNUAL REPORT**

The details forming part of the Extracts of Annual Return is annexed as per “Annexure-1”

**2. NUMBER OF MEETINGS OF THE BOARD**

During the year, 10 (Ten) meetings of the board of directors were held, the details are appearing in the Corporate Governance Report.

**3. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, state that:

- a) in preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care 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) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down proper Internal Financial Controls to be followed by Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

**4. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations under Section 149(7) of the Act, by all the Independent Directors that they continue to meet the criteria as provided u/s 149(6) of the Act and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**5. NOMINATION AND REMUNERATION POLICY**

The Board has, on recommendation of the Nominations and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and other employees and their remuneration.

6. **EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT**

There is no qualification, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their audit report or by the practicing company secretary in the secretarial audit report.

7. **PARTICULAR OF LOANS, GURANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

Details of Loans, Guarantees or Investments are given in the accompanying Financial Statement.

8. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year, the company has not entered into any contracts / arrangements with the Related Parties pursuant to Section 188 (1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014. Hence, no particulars are being provided in Form AOC-2.

9. **STATE OF COMPANY'S AFFAIRS**

Discussion on state of Company's affairs has been covered as part of Management Discussion and Analysis.

**AMOUNT PROPOSED TO BE CARRIED TO RESERVES**

Particulars of the amounts proposed to be carried to reserves have been covered under the Financial Performance of the Company.

**MATERIAL CHANGES AND COMMITMETNS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no adverse material changes or commitments occurring after 31st March, 2017 which may affect the financial position of the company or may require disclosure.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO, IN SUCH MANNER AS PRESCRIBED**

The information on conservation of energy, technology absorption and foreign exchange earning and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure -2**.

**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.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other statutory committees.

**10. OTHER STATUTORY DISCLOSURE AS REQUIRED UNDER RULE 8 (5) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

- (i) Financial summary / highlights are included elsewhere in this report;  
(ii) Change in the nature of the business during the year under review;  
(iii)

During the year under review, there has been no change in the nature of business of the Company.

**(iv) Details of directors or key managerial personnel during the Financial year 2017-18**

Mr. Rakesh Mohan Sharma, Director of the company who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**key managerial personnel appointed during FY 2017-18**

Ms. Poonam Sharma, Executive Director, appointed as a Managing Director with the effect from 1<sup>st</sup> September, 2017 for a period of 5 (five) years, at the ensuing Annual General Meeting. She offered her services without any remuneration and the board decided accordingly.

Ms. Kriti Bareja was appointed as a Company Secretary of the Company with the effect from 1<sup>st</sup> August, 2017.

**(v) Deposits**

The Company neither had any fixed deposits outstanding as at 31<sup>st</sup> March 2017, nor fresh / renewal of deposits were accepted during the financial year 2016-17 under Chapter V of the Companies Act, 2013. There were no unclaimed deposits as at March 31, 2017.

- (vi) No significant and material order were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation.

- (vii) The Company has adequate internal financial control system in place. The company has deployed controls including defined code of conduct, whistle blower policy. The Audit Committee along with the management regular oversight of the internal controls environment at Company.

**11. INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION RULES), 2014.**

Sr. No.	Information required	Input
1	The ratio of the remuneration of each director to the median remuneration	NIL
2	The percentage increase in remuneration of each Director, chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	NIL
3	The percentage increase in the median remuneration of employees in the financial year	NIL
4	The number of permanent employees on the rolls of company.	09
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration.	NIL
6	Affirmation that the remuneration is as per the remuneration policy	Yes

	of the Company.	
7	<p>Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, who -</p> <p>(I) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;</p> <p>(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;</p> <p>(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.</p>	N.A.

## 12. 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.

## 13. Composition of Audit Committee

The composition of the Audit Committee has been mentioned in the Corporate Governance Report appended hereto.

## 14. STATUTORY 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 31.03.2017 are self-explanatory and do not call for any further comments except that on provisions for Gratuity and Bonus. Directors clarify that the provisions for the same was not made as the company has not incurred any liability on these counts in view of the fact that both the acts are not yet applicable on the company.

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.

**15. 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 -3**”

**16. CORPORATE GOVERNANCE**

Your Company conforms to the norms of Corporate Governance as envisaged in the Listing Regulations with the BSE Limited. Pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report as “**Annexure-4**”.

**17. 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 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

**18. 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

Sd/-

Sd/-

Date: 01.09.2017

Rakesh Mohan Sharma  
(Director)  
DIN : 2459885

Poonam Sharma  
(Director)  
DIN : 03553479

**ANNEXURE-1**  
**Form No.MGT-9**

**Extract of annual return for the financial year ended on 31<sup>ST</sup>March, 2017**

*[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:**

i)	<b>CIN</b>	<b>L67120DL1994PLC059994</b>
ii)	Registration Date	04 <sup>TH</sup> JULY, 1994
iii)	Name of the Company	SOUTHERN INFOSYS LIMITED
iv)	Category/Sub-Category of the Company	Company limited by shares/ Indian Non - Government Company
v)	Address of the Registered office and contact details	402 - A, ARUNACHAL BUILDING, 19, BARAKHAMBHA ROAD, CONNAUGHT PLACE, NEW DELHI-110 001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055



**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.	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.	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 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	
<b>Promoter</b>									
<b>1) India</b>									
a) Individual/ HUF	1120950	423520	1544470	30.77	1120950	423520	154447	30.77	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2078800	-	2078800	41.41	2078800	-	207880	41.41	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	3199750	423520	3199750	72.18	3199750	423520	362327	72.18	NIL
-									
<b>Foreign</b>									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-

SOUTHERN INFOSYS LIMITED

j) Banks / FIs	-	-	-	-	-	-	-	-	-
k) Any Other ...	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	<b>3199750</b>	<b>423520</b>	<b>3199750</b>	<b>72.18</b>	<b>3199750</b>	<b>423520</b>	<b>319975</b>	<b>72.18</b>	<b>NIL</b>
<b>A. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FIs	<b>39000</b>	-	<b>39000</b>	<b>0.78</b>	<b>39000</b>	-	<b>39000</b>	<b>0.78</b>	<b>NIL</b>
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	<b>39000</b>	-	<b>39000</b>	<b>0.78</b>	<b>39000</b>	-	<b>39000</b>	<b>0.78</b>	<b>NIL</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	-	<b>9100</b>	<b>9100</b>	<b>0.18</b>	<b>535</b>	<b>9100</b>	<b>9635</b>	<b>0.19</b>	<b>NIL</b>
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal	<b>49040</b>	<b>869590</b>	<b>918630</b>	<b>18.30</b>	<b>46515</b>	<b>869590</b>	<b>916105</b>	<b>18.25</b>	<b>NIL</b>

**SOUTHERN INFOSYS LIMITED**

share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	<b>333000</b>	<b>97000</b>	<b>430000</b>	<b>8.57</b>	<b>334990</b>	<b>97000</b>	<b>431990</b>	<b>08.61</b>	<b>NIL</b>
c)Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	<b>382040</b>	<b>966590</b>	<b>1348630</b>	<b>26.86</b>	<b>382040</b>	<b>975690</b>	<b>135773</b>	<b>27.05</b>	<b>NIL</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>421040</b>	<b>975690</b>	<b>1396730</b>	<b>27.82</b>	<b>421040</b>	<b>975690</b>	<b>139673</b>	<b>27.82</b>	<b>NIL</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	<b>3620790</b>	<b>1399210</b>	<b>5020000</b>	<b>100</b>	<b>3620790</b>	<b>1399210</b>	<b>502000</b>	<b>100</b>	<b>NIL</b>

**ii. Shareholding of Promoters**

S 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	% change in shareholding during the year
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

SOUTHERN INFOSYS LIMITED

9.	DISHA CAPITAL SERVICES LTD.	5,98,000	11.91	-	5,98,000	11.91	-	NIL
	<b>Total</b>	<b>36,23,270</b>	<b>72.18</b>	-	<b>36,23,270</b>	<b>72.18%</b>	-	NIL

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

**NO CHANGE**

Sr		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.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shyam Sunder Talwar At the beginning of the year At the end of the year	243000	4.84	243000 244990	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 At the beginning of the year At the end of the year	55010	1.09	55010 55010	1.09 1.09
5	Rama Sharma At the beginning of the year At the end of the year	51620	1.03	51620 51620	1.03 1.03
6	Federal Bank Ltd. At the beginning of the year At the end of the year	39000	0.77	39000 39000	0.77 0.77
7	Arpita Sharma At the beginning of the year At the end of the year	33500	0.67	33500 33500	0.67 0.67

SOUTHERN INFOSYS LIMITED

8	Mithun Aggarwal	30000	0.60	30000	0.60
	At the beginning of the year				
9	Rahul Sharma	25000	0.50	25000	0.50
	At the beginning of the year				
10	Amar Sharma	14000	0.28	14000	0.28
	At the beginning of the year				
				30000	0.60
				25000	0.50
				14000	0.28

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Rakesh Mohan Sharma</b>	3,78,950	7.55	3,78,950	7.55
	At the beginning of the year				
2	<b>Poonam Sharma</b>	1,25,010	2.49	1,25,010	2.49
	At the beginning of the year				
3	<b>Vinod Kumar Chhabra*</b>	NIL	-	NIL	-
	At the beginning of the year				
4	<b>Indu Atri</b>	NIL	-	NIL	-
	At the beginning of the year				

\*Resigned w.e.f. 17th February, 2017

**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>13,25,000.00</i>	<i>NIL</i>	<i>13,25,000.00</i>
i) Principal Amount				
ii) Interest due but not paid				
Interest accrued but not				
Total(i+ii+iii)	<i>NIL</i>	<i>13,25,000.00</i>	<i>NIL</i>	<i>NIL</i>
Change in Indebtedness during the financial year	<i>NIL</i>		<i>NIL</i>	<i>NIL</i>
- Addition		<i>NIL</i>		
- Reduction		<i>13,25,000.00</i>		
Net Change	<i>NIL</i>	<i>13,25,000.00</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.	<b>Gross salary</b> (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
	Independent Directors					
	·Fee for attending board committee meetings	-	-	-	-	-
	·Commission	-	-	-	-	-
	·Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	Other Non-Executive Directors					
	·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 meeting	Rs. 1 Lac per meeting	Rs. 1 Lac per meeting	Rs. 1 Lac per meeting	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	CFO	Total
1.	Gross salary	Secretary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,16,000	1,20,000	2,36,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
	Stock Option	-	-	-
2.	Sweat Equity	-	-	-
3.	Commission	-	-	-
4.	- as % of profit	-	-	-
	-others, specify...			
5.	Others, please specify	-	-	-
6.	Total	1,16,000	1,20,000	2,36,000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES**

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: New Delhi

Sd/-

Sd/-

Date: 01.09.2017

Rakesh Mohan Sharma  
(Director)  
DIN : 2459885

Poonam Sharma  
(Director)  
DIN : 03553479

**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

Foreign Outflow, if any

NIL



**ANNEXURE-3**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE YEAR ENDED 31.03.2017**

[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,**  
**402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110 001**

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 31.03.2017, 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 31.03.2017 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
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii) 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: 01.09.2017  
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: 01.09.2017  
Place: New Delhi

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

**ANNEXURE - 4****REPORT ON CORPORATE GOVERNANCE**

In compliance with the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, the Company submits the Report on Corporate Governance as followed:

**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 31<sup>st</sup> March, 2017. The code is posted on website of the company i.e. [www.southerninfosys.com](http://www.southerninfosys.com).

Independent Directors of the company assists 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 31.03.2017**

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, and law, banking and public enterprises.

The Composition of the Board and related information are given below:

<b><u>Sl. No.</u></b>	<b><u>Name of the Director</u></b>	<b><u>Designation</u></b>	<b><u>Category</u></b>
1.	Rakesh Mohan Sharma	Non-Executive Director	Promoter
2.	Poonam Sharma	Executive Director	Promoter
3.	Subhash Chander Sehgal	Director	Independent Director, Non- Executive
4.	Dharmendra Singh	Director	Independent Director, Non- Executive
5.	Rajiv Mishra	Director	Independent Director, Non- Executive

**b. (i) Board Meeting and attendance record of each director in Board Meeting**

Ten Board Meetings were held during the financial year 2016-17 and the gap between the two meetings was not more than 120 days.

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

<b>Date of Meeting</b>	<b>MR. SHARMA</b>	<b>R.M. R.M.</b>	<b>MRS. POONAM SHARMA</b>	<b>MR. S.C. SEHGAL</b>	<b>MR. DHARMENDRA SINGH</b>	<b>MR. RAJIV MISHRA</b>
30/05/2016	YES		YES	YES	YES	NO
13/08/2016	YES		NO	YES	YES	YES
03/09/2016	YES		YES	YES	YES	YES
15/09/2016	YES		YES	YES	NO	YES
30/09/2016	YES		YES	YES	YES	YES
21/10/2016	YES		NO	YES	YES	YES
14/11/2016	YES		YES	YES	YES	YES
13/12/2016	YES		YES	YES	NO	YES
14/02/2017	YES		YES	YES	YES	YES
27/03/2017	YES		YES	YES	NO	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.

**(ii) Attendance of each of the director in the Annual General Meeting:**

<b>Name of the Director</b>	<b>Category</b>	<b>No. of membership in other Board Committees</b>	<b>Attendance at the last AGM</b>	<b>No. of Directorships in other companies as on 31.03.2017</b>
Rakesh Mohan Sharma	Non-Executive Director & Promoter	2	YES	2
Poonam Sharma	Executive Director & Promoter	NIL	YES	1
Subhash Chander Sehgal	Independent Director	3	YES	NIL
Dharmendra Singh	Independent Director	3	YES	NIL
Rajiv Mishra	Independent Director	NIL	YES	NIL

**c) Disclosure of relationship of directors' inter-se:**

As per section 2(77) of the Companies Act, 2013, Ms. Poonam Sharma, executive director of the company is relative of Mr. Rakesh Mohan Sharma.

**d) Number of shares and convertible instruments held by non- executive director:**

As on 31<sup>st</sup> March, 2017, none of the non-executive directors of the company held shares or convertible instruments of the company except Mr. R.M. Sharma, director of the company who holds 378950 equity shares of the Company.

**e) Familiarization programme for Independent Directors**

The Independent directors of **Southern Infosys Limited** are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company. The Independent Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. Independent Directors are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.southerninfosys.com](http://www.southerninfosys.com) to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Further the company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company nature of the industry in which the Company operates, the business model of the Company etc. The details of familiarization programme imparted to the Independent directors during the year are available on the website of the Company <http://www.southerninfosys.com/relations.html>.

**f) Meeting of the Independent Directors:**

As required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the independent director was held on Monday, 6<sup>th</sup> March 2017. All independent directors have attended the meeting.

**f) 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.

**3. 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.

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, and 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).

**Powers of Audit Committee**

- 1) To investigate any activity within its terms of reference.
- 2) To seek any information from any employee.
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

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:

Name of Directors	Category	No. of meetings held	No. Of meetings attended
Mr. S.C. Sehgal	(chairman/ independent director)	4	4
MR. R.M. Sharma	(non-executive director)	4	4
Mr. Dharmendra Singh	(independent director)	4	4



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.

#### **4. 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.

Company Secretary and Compliance Officer acts as Secretary to the Committee.

#### **The role of the committee includes 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 Director.

#### **5. REMUNERATION OF DIRECTORS:**

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.

Company Secretary and Compliance Officer acts as Secretary to the Committee.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

Presently the Stakeholders' Relationship Committee consists of Mr. S. C Sehgal (Chairman), Mr. Dharmendra Singh.

The Committee, inter-alia, approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders'/investors' complaints. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company Secretary acts as the Secretary to the Committee.

In order to expedite the process of share transfers, the Board of Directors have nominated a Committee of two officers, who normally attend to the transfer and other related matters within a period of 10 days. The Committee of Officers operates subject to overall supervision and directions of Stakeholders' Relationship Committee.

Company Secretary and Compliance Officer acts as Secretary to the Committee. 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

**7. 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
31.03.2014	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
31.03.2016	30.09.2016	10:00AM	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001

**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](http://www.southerninfosys.com)

**9 GENERAL SHAREHOLDERS INFORMATION****a) Day, Date & Time of 23<sup>rd</sup> AGM**

Date: 29.09.2017

Day: Friday

Time: 10.00 A.M

Venue: Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001.

**b) Tentative Financial Calendar**

Results for quarter ending 30.06.2017	:	2 <sup>nd</sup> week of August
Results for quarter ending 30.09.2017	:	2 <sup>nd</sup> week of November
Results for quarter ending 31.12.2017	:	2 <sup>nd</sup> week of February
Results for quarter ending 31.03.2018	:	4 <sup>th</sup> week of May

**b) Dates of Book Closure**

The Share Transfer Books and Register of Members of the Company shall remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive).

**c) Listing on Stock Exchange(s)**

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

Stock Exchange	Scrip Codes
Calcutta Stock Exchange	14326
Bombay Stock exchange	540174

**d) Demat ISIN in NSDL & CDSL – INE298B01010.****e) Stock Market Price Data for the Period 1.04.2016 to 31.03.2017**

Closing Share Prices on Bombay Stock Exchange

Month	High	Low
November, 2016	12.28	9.00
December, 2016	15.09	12.70
January, 2017	19.60	15.80
February, 2017	22.60	19.50
March, 2017	21.00	20.00

**f) Share Transfer Agent**

The company is availing the services of **M/s. ALANKIT ASSIGNMENTS LTD.**, Shop No. 1E/13, Jhandewalan Extension, Delhi 110 055, 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 31<sup>st</sup> March 2017.**

S. No.	Number of shareholders	Shares held	%
1-100	49	2,703	0.054
101-500	427	2,06,565	4.115
501-1000	87	79732	1.588
1001-5000	161	393110	7.831
5001-10000	7	64000	1.275
10001-20000	4	52500	1.046
20001-30000	2	55000	1.096
30001-40000	2	72500	1.444
40001-50000	0	0	0
50,001-1,00,000	5	27,6640	5.511
1,00,000-5,00,000	7	17,38,450	34.63
5,00,001 and above	2	20,78,800	41.41
<b>TOTAL</b>	<b>753</b>	<b>50,20,000</b>	<b>100.00</b>

**i). Category of Shareholders as on 31<sup>st</sup> March 2017**

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) Equity Shares in Electronic form**

As on 31<sup>st</sup> March, 2017, 80.51 percent of paid-up equity share capital of the Company was held in electronic form.

**k) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity.**

There are no convertible instruments outstanding as on 31<sup>st</sup> March, 2017 for conversion into equity shares.

**l). Registered office and correspondence address**

402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110 001.

**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)

<b>Name of the Director</b>	<b>Mr. Rakesh Mohan Sharma</b>	<b>Mrs. Poonam Sharma</b>
DIN	02459885	03553479
Date of Birth and Age	November 21, 1956, 61 years	November 06, 1962, 55 years
Date of appointment	04/07/1994	04/07/1994
Nationality	Indian	Indian
Father's Name	Lt. Shri Mool Chand Sharma	Lt. Shri Mool Chand Sharma
Qualifications	B.Com, FC.S.	Post Graduate
Expertise in Specific functional areas	Rich and innovative experience in business management, Finance & Corporate Laws	Experience in Management of business
Experience	36 years	22 years
Board Membership of other companies as on 31st March, 2017	Disha Investment Centre Private Limited Disha Capital Services Limited	-
Chairmanship(s) / Membership(s) of Committees of other Companies as on 31st March, 2017.	NA	NA
Shareholding	378950	125010

**ANNEXURE-5**  
**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. 3,17,147 as compared Rs. 1,56,173 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.

# INDEPENDENT AUDITOR'S REPORT

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## 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, 2017, 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 and Companies (Accounting Standards) Rules, 2016. 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
- (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 profits 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, 2017, 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" 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 book 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. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 of the Companies Act, 2013.
- f. 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 B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 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 2016-17.
  - 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.
  - iv. The Company has provided requisite disclosures in the financial statements as regards the holding and as well as dealings in Specified Bank Notes as defined in the Notification S. O. 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, Govt. of India, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by company. (Refer **Note 23** to the standalone financial statements)

**For V Sahai Tripathi & Co.**

**Chartered Accountants**

*Firm's Registration Number : 000262N*

**(Manish Mohan)**

**Partner**

**Membership No. 91607**

**Place : New Delhi**

**Dated : May 30, 2017**

**ANNEXURE A 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, 2017*

---

- 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 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017.
- 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 of Companies Act, 2013.  
The company has complied with all the provisions of section 186 of Companies Act, 2013 in respect of Inter Company Deposits.
- 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 31<sup>st</sup> March, 2017.
- 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 31<sup>st</sup> March, 2017.

- 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 31<sup>st</sup> March, 2017 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, 2017, 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 31<sup>st</sup> March, 2017.
- 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 31<sup>st</sup> March, 2017.
- 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 31<sup>st</sup> March, 2017.
- 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 31<sup>st</sup> March, 2017.
- 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**  
**Dated : May 30, 2017**

**(Manish Mohan)**  
**Partner**  
**Membership No. 91607**

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN INFOSYS LIMITED**

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### **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, 2017 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

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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  
V Sahai Tripathi & Co.**

*Chartered Accountants  
Firm Registration No 000262N*

**(Manish Mohan)  
Partner  
Membership No. 91607**

**Place : New Delhi  
Date : May 30, 2017**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017****(Amount in Rupees)**

	PARTICULARS	NOTE NO.	FIGURES AS AT 31.03.2017	FIGURES AS AT 31.03.2016
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b><u>SHAREHOLDERS FUNDS</u></b>			
	(a) Share Capital	<b>1</b>	502,00,000	502,00,000
	(b) Reserves and Surplus	<b>2</b>	18,75,346	15,58,199
<b>2</b>	<b><u>NON-CURRENT LIABILITIES</u></b>			
	(a) Deferred Tax Liability	<b>3</b>	(4,819)	7,801
<b>3</b>	<b><u>CURRENT LIABILITIES</u></b>			
	(a) Trade Payables	<b>4</b>	835,56,755	741,72,959
	(b) Other Current Liabilities	<b>5</b>	12,67,980	40,44,178
	(c) Short Term Provisions	<b>6</b>	1,54,440	1,02,996
	<b>TOTAL</b>		<b>1370,49,702</b>	<b>1300,86,133</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b><u>NON-CURRENT ASSETS</u></b>			
	<b>(a) Fixed Assets</b>	<b>7</b>		
	(i) Tangible Assets		1,43,484	2,08,373
	(ii) Intangible Assets		5,733	11,467
	<b>(b) Non-Current investments</b>	<b>8</b>	132,90,021	132,90,021
	<b>(c) Long Term Loans and Advances</b>	<b>9</b>	369,23,750	349,36,875
<b>2</b>	<b><u>CURRENT ASSETS</u></b>			
	(a) Trade Receivables	<b>10</b>	845,74,797	396,38,923
	(b) Inventories	<b>11</b>	-	370,36,291
	(c) Cash & Cash Equivalents	<b>12</b>	13,89,142	6,97,352
	(d) Other current assets	<b>13</b>	7,22,775	42,66,831
	<b>TOTAL</b>		<b>1370,49,702</b>	<b>1300,86,133</b>

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:- 30<sup>th</sup> May, 2017

**Rakesh Mohan Sharma**  
Director  
DIN: 02459885

**Poonam Sharma**  
Executive Director  
DIN: 03553479

**Indu Atri**  
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS A/C FOR THE YEAR ENDED 31<sup>st</sup> MARCH ,2017**

(Amount in Rupees)

	PARTICULARS	NOTES NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
<b>I</b>	<b><u>REVENUE FROM OPERATIONS</u></b>			
	Revenue From Operations	14	2051,77,324	1112,82,220
	Other Income	15	19,87,945	21,20,730
	<b>TOTAL REVENUES</b>		<b>2071,65,269</b>	<b>1134,02,950</b>
<b>II</b>	<b><u>EXPENSES:</u></b>			
	Purchase Of Stock-in-Trade	16	1652,19,001	1445,36,513
	Changes Of Inventories Of Stock-In-Trade	17	370,36,291	(370,36,291)
	Employee Benefit Expenses	18	23,82,500	12,48,794
	Depreciation and Amortization Expenses	7	70,623	1,44,708
	Other Expenses	19	19,97,887	42,83,215
	<b>TOTAL EXPENSES</b>		<b>2067,06,302</b>	<b>1131,76,939</b>
<b>III</b>	<b>Profit Before Exceptional And Extraordinary Items And Tax (i-ii)</b>		<b>4,58,967</b>	<b>2,26,011</b>
<b>IV</b>	Exceptional Items		-	-
<b>V</b>	<b>Profit Before</b>		-	-
<b>VI</b>	Extraordinary Items And Tax (iii-iv)		4,58,967	2,26,011
<b>VII</b>	Extraordinary Items (v-vi)		-	-
<b>VIII</b>	<b>Profit Before Tax (v-vi)</b>		<b>4,58,967</b>	<b>2,26,011</b>
<b>VIII</b>	<b>Tax expense</b>			
	Current tax		1,54,440	1,02,996
	Deferred Tax		(12,620)	(33,158)
<b>IX</b>	<b>Profit(Loss) For The Period From Continuing Operations (vii-viii)</b>		<b>3,17,147</b>	<b>1,56,173</b>
<b>X</b>	Profit(Loss) From Discontinuing Operations		-	-
<b>XI</b>	Tax Expense Of Discontinuing Operations		-	-
<b>XII</b>	<b>Profit(Loss) From Discontinuing (After Tax) (x-xi)</b>		-	-
<b>XIII</b>	<b>Profit (Loss) For The Period (ix+xii)</b>		<b>3,17,147</b>	<b>1,56,173</b>
<b>XIV</b>	<b>Earnings per Equity Share</b>			
	Face Value of Rs.10 per share			
	Basic		0.063	0.031
	Diluted		0.063	0.031

Notes To Accounts

1-23



SOUTHERN INFOSYS LIMITED

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, 2017

**Rakesh Mohan Sharma**

Director

DIN 2459885

**Poonam Sharma**

Executive Director

DIN 03553479

**INDU ATRI**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH ,2017**

Particular	FIGURES AS AT 31.03.2017	FIGURES AS AT 31.03.2016
Profit before taxation	4,58,967	2,26,011
<b>Adjustments for:</b>		
Depreciation	70,623	1,44,708
	5,29,590	3,70,719
Investment income	-	-
Interest expense	-	-
Profit / (Loss) on the sale of property, plant & equipment	-	-
<b>Working capital changes:</b>		
(Increase) / Decrease in trade and other receivables	(449,35,874)	(183,14,582)
(Increase) / Decrease in Advances	15,57,181	(26,77,294)
Increase / (Decrease) in trade payables and Other Current Liabilities	(1)	210,49,156
(Increase)/ (Decrease) in Inventories	370,36,291	-
Cash generated from operations	(58,12,813)	4,27,999
Interest paid	-	-
Income taxes paid	(1,02,996)	-
Dividends paid	-	-
<b>Net cash from operating activities</b>	<b>(59,15,809)</b>	<b>4,27,999</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of Investment	-	8,975
Purchase of Fixed Assets	(17,200)	(2,14,750)
<b>Net cash used in investing activities</b>	<b>(17,200)</b>	<b>(2,05,775)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	89,500	-
Proceeds from long-term borrowings	-	-
Payment of long-term borrowings	-	-
<b>Net cash used in financing activities</b>	<b>89,500</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(58,43,509)</b>	<b>2,22,224</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,97,352</b>	<b>6,93,218</b>
<b>Cash and cash equivalents at end of</b>	<b>13,89,142</b>	<b>6,97,352</b>

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, 2017

**SOUTHERN INFOSYS LIMITED**  
**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

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT  
31.03.2017**

**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 2017		As at 31 March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
-				
<b><u>Authorised</u></b>				
Equity Shares of Rs 10/- each	60,00,000	600,00,000	60,00,000	600,00,000
	60,00,000	600,00,000	60,00,000	600,00,000
<b><u>Issued and Subscribed</u></b>				
Equity Shares of Rs 10/- each fully paid up	50,20,000	502,00,000	50,20,000	502,00,000
Less:- Calls In Arrears	-	-	-	-
<b>Total</b>	<b>50,20,000</b>	<b>502,00,000</b>	<b>50,20,000</b>	<b>502,00,000</b>

- 1(b) Reconciliation of number of shares**

Particulars	Equity Shares			
	As at 31 March 2017		As at 31 March 2016	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	50,20,000	502,00,000	50,20,000	502,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>50,20,000</b>	<b>502,00,000</b>	<b>50,20,000</b>	<b>502,00,000</b>

## 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 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rakesh Mohan Sharma	3,78,950	7.55%	3,78,950	7.55%
Disha Capital Services Limited	5,98,000	11.91%	5,98,000	11.91%
Disha Investment Centre Pvt Ltd	14,80,800	29.50%	14,80,800	29.50%
<b>Total</b>	<b>24,57,750</b>	<b>48.96%</b>	<b>24,57,750</b>	<b>48.96%</b>

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

## Note No. 2

**RESERVES AND SURPLUS**

Reserves and surplus consist of following reserves:

Reserves & Surplus	As at 31 March 2017	As at 31 March 2016
	Amount in Rs.	Amount in Rs.
<b>b. Surplus in Statement of Profit and Loss</b>		
Opening balance	15,58,199	14,02,026.00
(+) Net Profit/(Net Loss) For the current year	3,17,147	1,56,173.00
<b>Closing Balance</b>	<b>18,75,346</b>	<b>15,58,199.00</b>

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

## NOTE No.3

**CALCULATION OF DEFERRED TAX LIABILITY**

WDV AS PER COMPANIES ACT AS ON 31.03.2017	1,49,217.50
WDV AS PER INCOME TAX ACT AS ON 31.03.2017	<u>1,64,811.95</u>
	<u>(15,594.45)</u>
DEFERRED TAX LIABILITY @ 30.90% (1)	(4,819.00)
ACCUMULATED LOSSES	-
DEFERRED TAX ASSETS @ 30.90% (2)	-
	<u>(4,819.00)</u>
DEFERRED TAX LIABILITIES/(ASSET) (1+2)	<u>(4,819.00)</u>

SOUTHERN INFOSYS LIMITED

Opening Deferred Tax Liabilities/(Assets)	7,801.00
During the year	<u>(12,620.00)</u>
Closing Deferred Tax Liabilities/(Assets)	<u>(4,819.00)</u>

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017**

**Note No. 4**

**TRADE PAYABLES**

Trade Payables consist of following;

Particulars	As at 31 March, 2017 Amount in Rs.	As at 31 March, 2016 Amount in Rs.
<b>Trade Payables</b>		
- MSMED	-	-
- Others	835,56,755	741,72,959
<b>Total</b>	<b>835,56,755</b>	<b>741,72,959</b>

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017**

**Note No. 5**

**OTHER CURRENT LIABILITIES**

Long Term Provisions consist of following:

Particulars	As at 31 March, 2017 Amount in Rs.	As at 31 March, 2016 Amount in Rs.
Audit Fee Payable	-	15,000.00
Loan from Disha Capital Services Ltd	-	13,25,000.00
SBC Payable on Service Tax	-	12,875.00
TDS Payable	94,100.00	3,08,150.00
VAT Payable	6,65,540.00	23,83,153.00
Salary Payable	3,33,000.00	-
Expenses Payable	1,75,340.00	-
<b>Total</b>	<b>12,67,980</b>	<b>40,44,178</b>

## NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

## Note No. 6

## SHORT TERM PROVISIONS

Short-term provisions consist of following :

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Amount in Rs.	Amount in Rs.
Provision for tax (F.Y.: 2015-16)	-	1,02,996
Provision for tax (F.Y.: 2016-17)	1,54,440	-
<b>TOTAL</b>	<b>1,54,440</b>	<b>1,02,996</b>

## NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

## Note No. 7

## Fixed Assets

Particulars	GROSS BLOCK				Depreciation				Book Value	
	As at 1-April-16	Additions	Deductions	As at 31-Mar-17	As at 1-April-16	For the year	Deductions	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
<b><u>TANGIBLE ASSETS</u></b>										
<b><u>Computer &amp; Peripherals</u></b>										
Computer	1,34,500	-	-	1,34,500	1,23,128	7,493	-	1,30,621	3,879	11,372
Data Processing Machine	4,00,000	-	-	4,00,000	3,96,309	-	-	3,96,309	3,691	3,691
Data Processing Machine	64,320	-	-	64,320	40,646	14,919	-	55,565	8,755	23,674
<b><u>Furniture &amp; Fixture</u></b>										
Furniture and fixtures	2,56,505	-	-	2,56,505	91,869	42,477	-	1,34,346	1,22,159	1,64,636
<b><u>Electrical Installations &amp; Equipments</u></b>										
	1,00,000	-	-	1,00,000	95,000	-	-	95,000	5,000	5,000
-	9,55,325	-	-	9,55,325	7,46,952	64,889	-	8,11,841	1,43,484	2,08,373
<b><u>INTANGIBLE ASSETS</u></b>										
Tally Softwares	17,200	-	-	17,200	5,733	5,734	-	11,467	5,733	11,467
<b>Current Year Total</b>	<b>9,72,525</b>	<b>-</b>	<b>-</b>	<b>9,72,525</b>	<b>7,52,685</b>	<b>70,623</b>	<b>-</b>	<b>8,23,308</b>	<b>1,49,217</b>	<b>2,19,840</b>
<b>Previous Year Total</b>	<b>9,55,326</b>	<b>17,200</b>	<b>-</b>	<b>9,72,525</b>	<b>6,07,978</b>	<b>1,44,708</b>	<b>-</b>	<b>7,52,685</b>	<b>2,19,840</b>	<b>3,47,347</b>

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017****Note No. 8****NON- CURRENT INVESTMENTS**

Non Current Investments consist of following:

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Amount in Rs.	Amount in Rs.
<b><u>QUOTED</u></b>		
Agro Board Limited	46,711	46,711
Arcee Industries Ltd	24,504	24,504
Jay Vinyls Ltd	26,550	26,550
Mansarovar Paper & Industries Ltd.	5,309	5,309
Pasupati Acrylon Ltd	1,991	1,991
Shiva Medicare Ltd	46,456	46,456
<b><u>UNQUOTED</u></b>		
DISHA CAPITAL SERVICES LTD	131,38,500	131,38,500
<b>TOTAL</b>	<b>132,90,021</b>	<b>132,90,021</b>

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017****Note No. 9****LONG TERM LOANS & ADVANCES**

Non Current Investments consist of following:

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Amount in Rs.	Amount in Rs.
Security Deposits	65,75,000	65,75,000
Loans to Body Corporates	30,00,000	30,00,000
Loans to Others	273,48,750	253,61,875
<b>TOTAL</b>	<b>369,23,750</b>	<b>349,36,875</b>



## NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

**Note No. 10****TRADE RECEIVABLES**

Trade receivables consist of following:

<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
<b>Trade receivables outstanding for a period exceeding six months</b>		
Unsecured, considered good	-	-
<b>Trade receivables outstanding for a period less than six months</b>		
Unsecured, considered good	845,74,797	396,38,923
<b>TOTAL</b>	<b>845,74,797</b>	<b>396,38,923</b>

## NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31.03.2017

**Note No.11****INVENTORIES**

Inventories consist of following:

<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Finished goods	-	370,36,291
<b>Total</b>	<b>-</b>	<b>370,36,291</b>

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 2017****Note No.12****CASH AND BANK BALANCES:**

Cash and bank balances consist of the following:

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Amount in Rs.	Amount in Rs.
a. Cash in hand	37,272	4,87,132
b. Bank Balance	13,51,870	2,10,220
<b>Total</b>	<b>13,89,142</b>	<b>6,97,352</b>

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2017****Note No.13****OTHER CURRENT ASSETS**

Other current assets consist of following:

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Amount in Rs.	Amount in Rs.
TDS Recoverable	1,05,000	-
Service Tax Recoverable	2,225	82,625
Input Tax Credit(VAT)	6,15,550	41,84,206
<b>Total</b>	<b>7,22,775</b>	<b>42,66,831</b>

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017****Note No. 14****REVENUE FROM OPERATIONS**

Revenue from operations consist of following:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
(a) SALES	2051,77,324	1112,82,220
<b>Total</b>	<b>2051,77,324</b>	<b>1112,82,220</b>

NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
**PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

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**Note No. 15****OTHER INCOME**

Other income consist of following:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
(a) Interest income	19,86,875	21,20,730
(b) Interest on IT Refund	1,070	-
<b>Total</b>	<b>19,87,945</b>	<b>21,20,730</b>

NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
**PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

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**Note No. 16****PURCHASE OF TRADED GOODS**

Purchase of traded goods consist of following:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
Computer Hardware	1652,19,001	1171,88,093.00
Computer Software	-	273,48,420
<b>Total</b>	<b>1652,19,001</b>	<b>1445,36,513</b>

NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
**PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
<b><u>Inventories at the end of the year:</u></b>		
Finished goods	-	370,36,291
	-	<b>370,36,291</b>
<b><u>Inventories at the beginning of the year:</u></b>		
Finished goods	370,36,291	-
<b>Net (Increase)/Decrease</b>	<b>370,36,291</b>	<b>(370,36,291)</b>

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

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**Note No.18****EMPLOYEE BENEFIT EXPENSE**

Employee benefits expense consist of following

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
SALARY WAGES & ALLOWANCES	22,84,500	12,37,500
STAFF WELFARE EXPENSE	98,000	11,294
<b>Total</b>	<b>23,82,500</b>	<b>12,48,794</b>

**NOTES TO ACCOUNTS FORMING PART OF THE STATEMENT OF  
PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017**

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**Note No 19****OTHER EXPENSES**

Other expenses consist of following

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount in Rs.	Amount in Rs.
AUDIT FEES	15,000	15,000
ADVERTISEMENT EXPENSES	39,469	33,454
BANK CHARGES	2,117	1,262
FEES & SUBSCRIPTION	2,76,878	30,16,350
COMPUTER MAINTAINENCE	3,400	-
CONVEYANCE EXPENSES	1,99,832	2,47,420
SHORT & EXCESS	4	1
INTEREST CHARGES	9,320	3,180
SERVICE CHARGES	9,42,000	7,00,000
SWACH BHARAT CESS	1,000	15,408
PROFESSIONAL & LEGAL EXPENSES	2,28,000	15,000
REPAIR & MAINTENANCE (OFFICE)	62,570	48,000
TELEPHONE CHARGES	88,650	98,700
TRAVELLING EXPENSES	1,29,648	89,440
<b>Total</b>	<b>19,97,887</b>	<b>42,83,215</b>

## **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.

#### **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.

#### **l. 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):**

	<b>Year Ended 31-Mar-17</b>	<b>Year ended 31-Mar-16 (In Rs.)</b>
<b><u>Calculation of Weighted Average Number of Equity Shares of Rs.10 each</u></b>		
Number of Shares at the beginning of the period	50,20,000	50,20,000
Number of Shares at the close of the period	50,20,000	50,20,000
(a) Weighted Average number of Equity Shares During the period	50,20,000	50,20,000
(b) Net Profit/ (Loss) for the period attributable to Equity Shares (in Rs.)	3,17,147	1,56,173
(c) Earning per share - Basic (Rs.)	0.063	0.031
(d) Earning per share - Diluted (Rs.)	0.063	0.031

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

- Rakesh MohanSharma
- PoonamSharma, Director
- Dharmendra Singh, Director
- Subhash Chander Sehgal, Director
- Rajiv Mishra, Director
- Indu Atri, Chief Financial Officer

**b) Transactions with related parties during the year 2016-17**

	<b>Year Ended 31.03.2017</b>	<b>Year Ended 31.03.2016</b>
<b>Companies where control exists</b>		
Outstanding as at Balance Sheet Date		
Security deposit	65,75,000	65,75,000



**ATTENDANCE SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company and hand it over at the entrance of the meeting hall.

1	Name of the Member  (In Block Letter)	
2	Address	
3	Name of Proxy, If any  (In Block Letters)  (In case proxy attends in place of member)	
4	DP ID/Client ID/Folio No.	
5	No. of Shares held	

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Members of the Company being held on Friday, 29th September, 2017 at 10.00 A.M. at Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi – 110001.

Signature of the Proxy .....

Signature of the member.....

**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]

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Clint Id:
DP ID:

I/ We being the member of ....., holding.....shares, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

2. 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 23rd Annual General Meeting of members of the Company, to be held on Friday, 29<sup>th</sup> September, 2017 at Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi – 110001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions Ordinary Business	Vote	
		For	Against
1	1.To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2017, together with the reports of the Board of Directors and Auditors thereon		
2	2.To appoint a Director in place of Mr. Rakesh Mohan Sharma (DIN-02459885) who retires by rotation and being eligible, offers himself for- re-appointment		
3	To ratify the appointment of M/s V Sahai Tripathi & Co. As statutory auditors		
	<b>Special Business</b>		
4	To approve appointment of Ms. Poonam Sharma as Managing Director of the Company		

Affix 15/- paise revnue stamp
--

Signed this on ..... day of..... 2017

Signature of Shareholder.....

Signature of Proxy holder(s).....

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting.**

ROUTE MAP



Area Marked-Arunachal Building, B. Road, New Delhi-110001