



AUDITOR'S REPORT

To,
The Shareholders,
SOUTHERN INFOSYS LIMITED

1. We have audited the attached Balance Sheet of **SOUTHERN INFOSYS LIMITED** as at 31st March 2012 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report thereto:
3. The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 is not applicable to the company.
4. Further we report that :
 - (a) We have 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 such books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Profit & loss Account and Balance Sheet comply with the Accounting Standards referred in sub-section 3(c) of section 211 of the Companies Act, 1956,
 - (e) On the basis of written representations received from the directors as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Contact:

512 A Deepshikha, 8 Rajendra Place,
New Delhi - 110008

Telefax: 011-25722044, 25821088,
25817157

e-mail : sma@vsnl.com
website : www.sma.net.in

(f) In our opinion and to the best of our information and according to the explanations given to us, read with the accounting policies and Notes to the Accounts (Schedule "12"), the said accounts give the information required by the Companies Act, 1956 in the manner so required and give us a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and;
- ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.

For **Subhash Mittal & Associates**

Chartered Accountants

F.R No.-009976N



(Deepak Bansal)

Partner

M.No. 89135

Place : New Delhi

Dated : 03rd September, 2012

Contact:

512 A Deepshikha, 8 Rajendra Place,
New Delhi - 110008

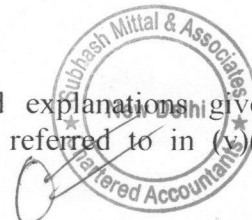
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Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **SOUTHERN INFOSYS LIMITED** ('the Company') for the period ended 31 March 2012. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified time to time by the management. In accordance with this program, certain fixed assets were verified during the period and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Fixed assets disposed off during the period were not substantial, and therefore, do not affect the going concern assumption.
- (ii) In respect of its inventories, these were physically verified during the period by the management at reasonable intervals. In respect of inventories we are not able to comment upon. (Clause ii)
- (iii) During the year, company has granted/ given any temporary loan/ advance to the director, companies, firms or other parties covered under section 301 of the Companies Act, 1956 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (vii) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and



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exceeding the value of Rs 5 lakh with any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (viii) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (ix) The Company is required to have an internal audit system in accordance with the provisions of CARO, however no internal audit system has been instituted.
- (x) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act applicable for the goods and service dealing by the company.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs duty and Excise duty. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.
- (xii) The Company has accumulated loss in preceding financial year and during the current year company has not incurred cash losses.
- (xiii) The Company has not made default in payment of dues to financial institution and banks during the period.
- (xiv) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xv) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
- (xvi) According to the information and explanations given to us, the company has maintained proper records in respect of transaction & contract in respect of dealing or trading in shares, securities, mutual fund units & other investment and timely entries made therein.
- (xvii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xviii) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xix) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xx) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.



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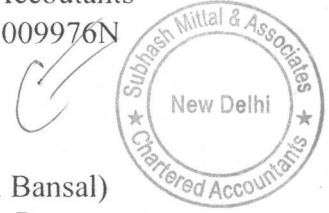
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- (xxi) The Company did not have any outstanding debentures during the period.
- (xxii) The Company has not raised any money by public issues during the period.
- (xxiii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Subhash Mittal & Associates**

Chartered Accountants

F.R No.-009976N



(Deepak Bansal)

Partner

M.No. 89135

Place : New Delhi

Dated : 03rd September, 2012

Contact:

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SOUTHERN INFOSYS LTD

NOTE NO. "1"

A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.
2. Financial statements are based on historical cost and are prepared on accrual basis.
3. Fixed assets are stated at cost of acquisition less accumulated depreciation.
4. Depreciation on fixed assets charged on WDV basis as per schedule xiv of companies act, 1956, which is consistently with previous financial year
5. Preliminary expenses are written off in ten equal installments on yearly basis as provided under section 35D of the Income Tax Act, 1961
6. Basic/diluted earning per share is calculated by dividing the net earning available to the equity shareholders by the number of equity shares outstanding during the year.
7. Contingent Liabilities are not provided for in the books of account and are disclosed by way of Notes on Accounts.

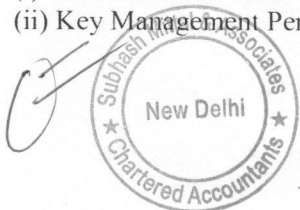
Retirement benefits

- a) Provident Fund is a defined contribution scheme and the contribution wherever required by the statute are charged to the Profit & Loss Accounts incurred
 - b) Gratuity liability is a defined obligation and the Company provides for gratuity benefit covering all its eligible employees.
8. Accounting Policies not referred to otherwise are consistent with the generally accepted business principles.

NOTE NO. "2"

B. NOTES ON ACCOUNTS

1. Contingent Liabilities NIL
2. There is no information which is required to be given under paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.
3. In the opinion of the Board, the value of current assets, loan and advances, if realised in the ordinary course of business shall not be less than the amount at which those are stated in the Balance sheet.
4. Disclosure as required by Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is as follows:-
 - a) Name of Related Parties & description of relationship:
 - (i) Related Parties where control exists : M/s Disha Investment Services Centre Pvt. Ltd.
 - (ii) Key Management Personnel: Mrs. Poonam Sharma (Director)
Mr. Rakesh Mohan Sharma (Director)



b) Details of Transaction:-

As on
31.03.2012

As on
31.03.2011

Received

(i) Companies where control exists
Outstanding as at Balance Sheet Date

*Loans and Advances

7541608.40 7541608.40

*Security deposit

7000000.00 7000000.00

(i) Companies where control exists :

(ii) Key Management Personnel & their relatives

Outstanding as at Balance Sheet Date

NIL

NIL

5. In the absence of balance confirmations, Sundry Debtors, Sundry Creditors, Deposits and the parties to whom the advances are given continued to be subject to reconciliation and such are as per books of accounts only. Adjustment thereto having an impact of revenue nature, if any, will be made in the year in which the same are fully reconciled.
7. All known liabilities have been accounted for in the books of account.
8. Previous year figures have been regrouped/rearranged wherever considered necessary.

FOR SUBHASH MITTAL AND ASSOCIATES

FOR SOUTHERN INFOSYS LTD

CHARTERED ACCOUNTANTS

Firm No. 009976N

DEEPAK BANSAL
(PARTNER)

M.No. .089135

PLACE: NEW DELHI

DATE: 03/09/2012



RAKESH MOHAN SHARMA
(DIRECTOR)

POONAM SHARMA
(DIRECTOR)

SOUTHERN INFOSYS LTD
BALANCE SHEET AS AT 31st MARCH 2012

		(Amount in Rupees)		
	PARTICULARS	NOTES NO.	FIGURES AS AT 31.03.2012	FIGURES AS AT 31.03.2011
I	<u>EQUITY AND LIABILITIES</u>			
	1 <u>SHAREHOLDERS FUNDS</u>			
	(a) Share Capital	3	50,110,500.00	50,110,500.00
	(b) Reserves and Surplus	4	1,323,643.49	1,328,230.58
			51,434,143.49	51,438,730.58
	2 <u>CURRENT LIABILITIES</u>	5		
	Other Current Liabilities		20,074.00	17,500.00
			20,074.00	17,500.00
	TOTAL		51,454,217.49	51,456,230.58
II	<u>ASSETS</u>			
	1 <u>NON-CURRENT ASSETS</u>			
	(a) Fixed Assets	6		
	(i) Tangible Assts		60,102.66	67,495.75
	(b) Investments	7		
	Non-Current investments		13,298,995.40	13,298,995.40
			13,359,098.06	13,366,491.15
	2 <u>CURRENT ASSETS</u>	8		
	(a.) Trade Receivables		4,454,888.55	4,462,888.55
	(b) Cash and Bank Balances		1,221,591.26	1,208,211.26
	(c) Short-Term Loans and Advances		25,418,639.62	25,418,639.62
	(d) security deposits		7,000,000.00	7,000,000.00
			38,095,119.43	38,089,739.43
	TOTAL		51,454,217.49	51,456,230.58

Significant Accounting Policies And Notes to Accounts 1 and 2

0.00

0.00

The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For Subhash Mittal & Associates

(Chartered Accountants)

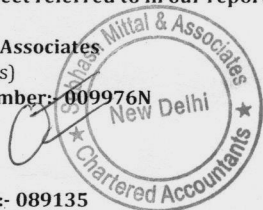
Firm Registration Number:- 009976N

Deepak Bansal
Partner

Membership Number:- 089135

Place: Delhi

Date: 03.09.2012



For and on behalf of the Board of Directors

Southern Infosys Limited

Sd/-
Rakesh Mohan Sharma
Director

Sd/-
Poonam Sharma
Director

SOUTHERN INFOSYS LTD
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

		(Amount in Rupees)		
	PARTICULARS	NOTES	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
I	REVENUE FROM OPERATIONS	9		
	(1) Revenue From Services		142,000.00	140,000.00
	(2) Other Income		0.00	0.00
	TOTAL REVENUES		142,000.00	140,000.00
II	EXPENSES:			
	(1) Employee Benefits Expenses	10	52,121.00	50,739.00
	(2) Depreciation and Amortization Expenses	11	7,393.09	7,393.09
	(3) Other Expenses	12	85,499.00	84,145.00
	TOTAL EXPENSES		145,013.09	142,277.09
III	Profit Before Exceptional And Extraordinary Items And Tax (i-ii)		-3,013.09	-2,277.09
IV	Exceptional Items		-	-
V	Profit Before Extraordinary Items And Tax (iii-iv)		-3,013.09	-2,277.09
VI	Extraordinary Items		-	-
VII	Profit Before Tax (v-vi)		-3,013.09	-2,277.09
VIII	Tax expense			
	Current tax		1,574.00	0.00
	Deferred Tax		0.00	0.00
IX	Profit(Loss) For The Period From Continuing Operations (vii-viii)		-4,587.09	-2,277.09
X	Profit(Loss) From Discontinuing Operations		-	-
XI	Tax Expense Of Discontinuing Operations		-	-
XII	Profit(Loss) From Discontinuing Operations (After Tax) (x-xi)		-	-
XIII	Profit (Loss) For The Period (ix+xii)		-4,587.09	-2,277.09
XIV	Earning per Equity Share			
	Face Value of Rs.10 per share			
	Basic			
	Diluted			

Significant Accounting Policies And Notes to Accounts 1 and 2.

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Subhash Mittal & Associates
(Chartered Accountants)

Firm Registration Number:-009976N

Deepak Bansal
Partner

Membership Number:-089135

Place:Delhi

Date:03.09.2012



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

sd/-
Rakesh Mohan Sharma
Director

sd/-
Poonam Sharma
Director

3	PARTICULARS	FIGURES AS AT	FIGURES AS AT
		31.03.2012	31.03.2011
	SHARE CAPITAL:		
	(1) AUTHORISED:	60,000,000.00	60,000,000.00
	6000000 equity shares of Rs 10/- each (previous year 6000000 equity shares of Rs 10/- each)		
		60,000,000.00	60,000,000.00
	(2) ISSUED, SUBSCRIBED & PAID UP		
	divided in 5020000 shares of Rs 10/- each	50,200,000.00	50,200,000.00
	less: calls in arrears	89,500.00	89,500.00
		50,110,500.00	50,110,500.00

(A) THE RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AS ON 31ST MARCH 2012 AND 31st MARCH, 2011 IS AS FOLLOWS.

PARTICULARS	AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT
NUMBER OF SHARES AT THE BEGINNING	5020000	50200000	5,020,000.00	50,200,000.00
ADD: SHARES ISSUED	5020000.00	50200000.00	5,020,000.00	50,200,000.00

(B) RIGHTS, PREFERENCES & RESTRICTIONS ATTACHED TO SHARE.**(C) DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES:**

Class of shares / Name of shareholder	AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
	NUMBER OF SHARES HELD	% OF HOLDING	NUMBER OF SHARES HELD	% OF HOLDING
EQUITY SHARES WITH VOTING RIGHTS				
Rakesh Mohan Sharma	3,78,950	7.55	3,78,950	7.55
M/s Disha Capital services Ltd	5,98,000	11.91	5,98,000	11.91
M/s Disha Investment Centre (P) Ltd.	14,80,800	29.5	14,80,800	29.5
TOTAL	24,57,750	48.96	24,57,750	48.96

4 RESERVE & SURPLUS:**SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**

Profit & loss A/c	1,328,230.58	1,330,507.67
(-) LOSS DURING THE YEAR	-4,587.09	-2,277.09
	1,323,643.49	1,328,230.58

5 CURRENT LIABILITIES

Audit Fee Payable	2,500.00	2,500.00
Salary Payable	16,000.00	15,000.00
Provision for Income Tax	1,574.00	0.00
	20,074.00	17,500.00



7 **INVESTMENTS****QUOTED**

AGRO BOARD LTD	46,710.75	46,710.75
ARCEE PIPE LTD	24,504.00	24,504.00
JAY VENYL LTD	26,550.00	26,550.00
MANSAROVAR BEVERAGES LTD	5,309.20	5,309.20
PASUPATI ACRYLIC LTD	1,990.95	1,990.95
SHIV MEDICARE LTD	46,455.50	46,455.50
SKS LTD	8,975.00	8,975.00

UNQUOTED

DISHA CAPITAL SERVICES PVT LTD	13,138,500.00	13,138,500.00
	13,298,995.40	13,298,995.40

8 **CURRENT ASSETS, LOANS & ADVANCES**

SUNDRY DEBTORS	4,454,888.55	4,462,888.55
CASH & BANK	1,221,591.26	1,208,211.26
SECURITY DEPOSITS WITH DISHA INVESTMENT CENTRE	7,000,000.00	7,000,000.00
ADVANCES	25,418,639.62	25,418,639.62

	38,095,119.43	38,089,739.43
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SOUTHERN INFOSYS LTD

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOT	PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
9	REVENUE FROM OPERATIONS		
	CONSULTANCY & OTHER SERVICES RECEIPT	73000	83000.00
	SOFTWARE INCOME	69000	57000.00
		142,000.00	140,000.00
	OTHER INCOME:	0.00	0.00
		0.00	0.00
10	EMPLOYEE BENEFITS EXPENSES		
	SALARY WAGES & ALLOWANCES	47,500.00	46524.00
	STAFF WELFARE	4,621.00	4215.00
		52,121.00	50,739.00
11	DEPRECIATION AND AMORTZATION EXPENSES:		
	Depreciation on Tangible Assets	7,393.09	7,393.09
		7,393.09	7,393.09
12	OTHER EXPENSES:		
	Audit Fees	2,500.00	2,500.00
	BUSINESS PROMOTION	9,650.00	9578.00
	COMPUTER MAINTAINENCE	9,524.00	9531.00
	CONVEYANCE EXPENSES	9,614.00	9578.00
	MISC EXPENSES	3,906.00	4165.00
	NEWSPAPERS & MAGAZINES	900.00	963.00
	POSTAGE & MAILING EXPENSES	3,678.00	3587.00
	PRINTING & STATIONARY	4,012.00	3954.00
	SOFTWARE EXPENSES	27,845.00	26584.00
	TELEPHONE CHARGES	9,245.00	9500.00
	TRAVELLING EXPENSES	4,625.00	4205.00
		85,499.00	84,145.00



6. SOUTHERN INFOSYS LTD
DEPRECIATION AS PER COMPANIES ACT. 1956

NOTES NO.6

Particulars	Rate of	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As on 01.04.2011	Additions	Sales / Adj	As On 31.03.2012	As On 31.03.2011	During the Year	As On 31.03.2012	As On 31.03.2011	As On 31.03.2012
Data processing equipment	16.21%	464320.00	-	-	464320.00	464320.00	0.00	464320.00	0.00	0.00
AIR CONDITIONER	4.75%	100000.00	-	-	100000.00	57309.48	4750.00	62059.48	42690.52	37940.52
Furniture & fixtures	6.33%	41755.00	-	-	41755.00	16949.77	2643.09	19592.86	24805.23	22162.14
TOTAL		606075.00	-	-	606075.00	538579.25	7393.09	545972.34	67495.75	60102.66
PREVIOUS YEAR FIGURE		606075.00	-	-	606750.00	531186.16	7393.09	538579.25	74,888.84	67,495.75

