

# 26<sup>TH</sup> ANNUAL REPORT

## 2019-20



# SOUTHERN INFOSYS LIMITED

#402-A, Arunachal Building, Barakhamba Road New Delhi-110001, India  
Phone: +91-011-23354236, 43045402, Email: [southerninfosys@gmail.com](mailto:southerninfosys@gmail.com)  
CIN: L67120DL1994PLCC059994, Web: [www.southerninfosys.com](http://www.southerninfosys.com)

**BOARD OF DIRECTORS**

MR. RAKESH MOHAN SHARMA DIRECTOR (DIN-02459885)

MS. DEEPALI SHARMA DIRECTOR (DIN- 05133382)

MR. SIDDHARTH SHARMA WHOLE TIME DIRECTOR (DIN-07401382)

MS. KRITI BAREJA WHOLE TIME DIRECTOR & COMPANY SECRETARY  
(DIN-08526516)

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

**REGISTERED OFFICE**

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

**REGISTRAR & TRANSFER AGENT**

ALANKIT ASSIGNMENTS LTD.,  
Shop No. 1E/13, Jhandewalan,  
Extension, Delhi -110055

## CONTENTS

<b>PARTICULARS</b>	<b>PAGE NO.</b>
Notice	1-10
Directors' Report	11-18
Management Discussion and Analyses Report	19
Secretarial Audit Report	19-22
Corporate Governance Report	22-36
<b>Standalone</b> -Independent Auditors' Report	37-40
Annexure to the Audit Report	41-46
Balance Sheet	47
Profit & Loss A/c	48
Cash Flow Statement	49
Notes to Balance Sheet and Statement of Profit & Loss	50-75
<b>Consolidated</b> -Independent Auditors' Report	76-81
Annexure to the Audit Report	82-83
Balance Sheet	84
Profit & Loss A/c	85
Cash Flow Statement	86
Notes to Balance Sheet and Statement of Profit & Loss	87-113

## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of SOUTHERN INFOSYS LIMITED (CIN-L67120DL1994PLC059994) will be held through video conferencing on Wednesday, 30<sup>th</sup> September, 2020 at 2.30 P.M. to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited standalone and consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Deepali Sharma (DIN-05133382), who retires by rotation and being eligible, offers herself for re-appointment.
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 the provisions of section 139 and 142 of The Companies Act, 2013 read with The Companies(Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s V. Sahai Tripathi & Co., chartered Accountants(FRN 000262N), be and are hereby re-appointed as statutory auditors of the company for a period of five years to hold office from the conclusion of 26<sup>th</sup> Annual General Meeting of the company till the conclusion of 31<sup>st</sup> Annual General Meeting of the company on such remuneration including any out of pocket expenses, as may be mutually determined by board of directors and auditors of the company.”

### Special Business:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution.

“RESOLVED THAT pursuant to the provision of section 186 of the companies Act, 2013 read with The Companies (Meeting of Board and its Power) Rules 2014 as amended from time to time and other applicable provision of The Companies Act, 2013 including statutory modification(s) and re-enactment, thereof for the time being in force, if any, the approval of the members of the company be and is hereby accorded to authorize the board of directors of the company (a) to give loan to any person or other body corporate; (b) to give any guarantee or provide security in connection with a loan to any other body corporate; and (c) acquire by way of subscription, purchase or otherwise, the securities of any body- corporate, from time to time, in one or more tranches as the board of directors may deem beneficial and in the interest of the company, for an aggregate amount not exceeding INR 5,00,00,000/-(Indian Rupees Five Crore Only) including the amount of loans given, investment made, guarantees or securities provided so far.

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution.

“RESOLVED THAT pursuant to the provision of section 149 of The Companies Act, 2013 read with schedule IV of The Companies Act, 2013 and rules made there under and other applicable provision, if any, and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including statutory modification and re-enactment thereof for the time being in force, if any, consent of members of the company be and is hereby accorded for re-appointment of Mr. Rajiv Mishra (DIN: 07051314), as an Independent Director of the company for a consecutive term of 5 years.”

6. To consider and, if thought fit, pass with or without modification, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provision of section 149 of The Companies Act, 2013 read with schedule IV of The Companies Act, 2013 and rules made there under and other applicable provision of the act and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including statutory modification and re-enactment thereof for the time being in force, if any, consent of members of the company be and is hereby accorded to re-appoint Mr. Dharmendra Singh (DIN: 00158276) as an Independent Director of the company for a consecutive term of 5 years from the conclusion this Annual General Meeting.”

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

Sd/-  
(Kriti Bareja)  
Director and Company Secretary

Place: New Delhi  
Delhi: 31.08.2020

**NOTES:-**

1. In view of outbreak of the COVID-19 social distancing norm to be followed and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 26th AGM of the company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 26th AGM shall be at registered office of the company viz. 402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110001.
2. As per the provisions of clause 3.A.II. of the General Circular No. 20/ 2020 dated May, 2020, issued by the MCA, the matters of Special Business as appearing at item nos. 4 to 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. Central Depositories Services (India) Limited (“CDSL”) will be providing facility for remote e-Voting, for participation in the 26th AGM through VC/OAVM Facility and e-Voting during the 26th AGM.
4. Since the 26<sup>th</sup> AGM of the Company will be held through VC/OAVM and personal presence is not required, the route map is not annexed herewith.
5. Members may join the 26th AGM through VC/OAVM Facility by following the procedure as

mentioned below which shall be kept open for the members from 2.15P.M. IST i.e. 15 minutes before the time scheduled to start the 26th AGM and the company shall close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time i.e. at 2.45 P.M.

6. The facility for participation in 26<sup>th</sup> AGM through VC or OAVM shall be allowed to maximum 1000 members on first come, first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a member is entitled to appoint a proxy to attend and vote at the meeting. However due to outbreak of Covid-19, in terms of the MCA Circulars.

10. Since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for this AGM. Corporate Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting.

11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 26th AGM along with annual report of the company has been uploaded on the website of the Company at [www.southerninfosys.com](http://www.southerninfosys.com). The Notice and annual report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

12. Pursuant to section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing facility for voting by electronic means (remote e-voting and e-voting during the meeting) through an electronic voting system to its members holding shares in physical or electronic mode. The business set out in the Notice will also be transacted through such voting.

Instructions including details of User ID and password relating to e-voting are provided in the Notice as under:

- i) The voting period begins on Sunday, the 27<sup>th</sup> September, 2020 at 9.00 A.M and ends on Tuesday, 29<sup>th</sup> September, 2020, 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) on Wednesday, the 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter till the commencement of annual general meeting
- ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at AGM through VC/OAVM.
- iii) The shareholder should login on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on "Shareholders" module.

v) Now Enter your User ID

- a. For CDSL:16 digits beneficiary ID
- b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
- c. Members holding shares in Physical form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – My easy using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

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 Demat form, follow the steps given below

	For Members holding shares in De-mat Form(first time user) and Physical Form
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 sequence number* 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>

(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 shareholders 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) to Company/RTA email id.

(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 Corporate.
- 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
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [southerninfosys@gmail.com](mailto:southerninfosys@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting 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 conclusion of 26<sup>th</sup> 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.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 26<sup>th</sup> AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to ask questions on the specific items in the notice during the meeting need to register themselves as speaker by sending their request in advance along with the query(s) atleast 5 days prior to meeting i.e. till 25<sup>th</sup> September 2020 mentioning their name, demat account number/folio number, email id, mobile number at "southerninfosys@gmail.com". The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at "southerninfosys@gmail.com". These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as may be deemed appropriate, for smooth conduct of the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
  - All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or

send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

12. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21<sup>st</sup> day of September, 2020 to Wednesday, the 30<sup>th</sup> day of September, 2020 (both days inclusive).

13. 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 Depository.

14. Members who hold shares in physical mode are requested to update their e-mail id 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.

15. 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, are given in Annexure-A, which forms integral part of the notice. Requisite declarations have been received from directors for their appointment and re- appointment.

16. 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 through e-voting or remote e-voting.

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [southerninfosys@gmail.com](mailto:southerninfosys@gmail.com) with subject line 'Inspection of AGM Documents'. The relevant documents will also be available for inspection by the members electronically during the 26<sup>th</sup> AGM on the website of the service provider Shareholder would be able to view documents under the EVEN of the Bank after entering their login credentials. This notice and the Annual Report will also be available on the company's website.

18. 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.

19. 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.

20. 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 drop down on the Company's website: Members holding shares in electronic mode may contact the respective DPs for availing the nomination facility.

21. 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.

22. 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.

23. 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. Wednesday, 23<sup>rd</sup> September, 2020.

24. 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.

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

Place: New Delhi  
Date: 31.08.2020

Kriti Bareja  
Company Secretary

### **Explanatory Statement**

(Pursuant to Section 102 of Companies Act, 2013 and corresponding rules therein)

#### Item No.04

The company intends to make optimum use its funds by investing the idle funds available with the Company by way of granting loans, making investment in securities including mutual funds, giving guarantee or providing security etc. The funds shall be utilized further for achieving long term expansion and wealth maximization.

As per provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution in the Annual General Meeting in case the amount of investment proposed to be made or loan/ guarantee / security proposed to be given, together with the amount of investment already made, loan, guarantee and security already given is in aggregate more than sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account. Since the company intends to increase the limit to Rs. 5 crore, the shareholders' approval is required by way of special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is or deemed to be concerned or interested in the resolution.

#### Item No. 5 & 6

The term of Mr. Rajiv Mishra and Mr. Dharmendra Singh, independent directors of the company shall expire on the conclusion of the ensuing Annual General Meeting. Both of them being eligible, offers themselves for re-appointment.

As per section 149 read with Schedule IV of The Companies Act, 2013, a person can be appointed as independent director of the company for a maximum 2 tenure of 5 years each. The Board of directors, considering their contribution to the growth of the company during their tenure and on the recommendation of the Nomination and Remuneration Committee, in its meeting held on 31.08.2020 recommends their re-appointment as such.

Declarations have been received from Mr. Rajiv Mishra and Mr. Dharmendra Singh, that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, Mr. Rajiv Mishra and Mr. Dharmendra Singh fulfil the conditions specified in the Act, the Rules there under for re-appointment as Independent Directors. Mr. Rajiv Mishra and Mr. Dharmendra Singh would not be entitled to any remuneration except the sitting fee as may be decided by the board.

Consent of the members by way of special resolution is required for re-appointment of Mr. Rajiv Mishra and Mr. Dharmendra Singh as an Independent Director of the company.

Requisite notices under section 160 of The Companies Act, 2013 proposing re-appointment of Mr. Rajiv Mishra and Mr. Dharmendra Singh have been received by the company, and consents of Mr. Rajiv Mishra and Mr. Dharmendra Singh have been received pursuant to section 152 of the Companies Act, 2013.

In pursuance of regulation 36(3) of SEBI( Listing Obligation And Disclosure Requirements) Regulations, 2015, a brief details of Mr. Rajiv Mishra and Mr. Dharmendra Singh is given in Annexure-A forming part of this notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is or deemed to be concerned or interested in these resolutions.

For **Southern Infosys Limited**

Sd/-

(Kriti Bareja)  
Company Secretary

ANNEXURE-A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT FORTH COMING ANNUAL GENERAL MEETING

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

1.

Name of the Director	Mrs. Deepali Sharma
DIN	05133382
Date of birth and age	November 22,1967 and 52 years
Date of first appointment	14/02/2019
Nationality	Indian
Father's Name	Lt. Shri Lakshman Swaroop Kushal
Qualifications	Studied upto B.A,
Expertise in Specific functional areas	Rich and innovative experience in business management, Finance & investments
Experience	30 years
Terms & Conditions of Appointment	As per the resolution passed by shareholder at their Annual General Meeting
Remuneration	Nil
Board Membership of other companies as on 31 <sup>st</sup> March, 2020.	Disha Investment Centre Private Limited Disha Capital Services Limited Disha Capital Insurance Brokers Private Limited Disha Capital Wealth Advisors Private Limited Zipzap Internet Services Private Limited
Chairmanship(s) / Membership(s) of Committees of other Companies as on 31 <sup>st</sup> March, 2020.	NA
Shareholding	2,65,000 equity shares
Relationship of director inter-se	Wife of Mr. Rakesh Mohan Sharma, non-executive Director Mother of Mr. Siddharth Sharma, whole time director

2.

Name of the Director	Mr. Rajiv Mishra
DIN	07051314
Date of Birth and Age	13/09/1980 and 40 Years
Date of first appointment	30/09/2010
Nationality	Indian
Father's Name	Shri Ashok Mishra
Qualifications	B. Tech
Expertise in Specific functional areas	Information Technologies
Experience	20 years
Terms & Conditions of Appointment	As per the resolution passed by the shareholders in their annual general meeting.
Remuneration	Nil
Board Membership of other companies as on 31 <sup>st</sup> March, 2020.	NONE
Chairmanship(s) / Membership(s) of Committees of other Companies as on 31 <sup>st</sup> March, 2020.	NA
Shareholding	NIL
Relationship of director inter-se	None

3.

Name of the Director	Mr. Dharmendra Singh
DIN	00158276
Date of Birth and Age	02/02/1956 and 64 Years
Date of first appointment	30/09/2010
Nationality	INDIAN
Father's Name	Shri Yadu Veer singh
Qualifications	BA, LLB
Expertise in Specific functional areas	Corporate Law
Experience	35 years
Terms & Conditions of Appointment	As per the resolution passed by the shareholders in their annual general meeting.
Remuneration	As mutually agreed and decided by board of directors of the company
Board Membership of other companies as on 31 <sup>st</sup> March, 2020.	MEERU CINE ENTERPRISES PRIVATE LIMITED
Chairmanship(s) / Membership(s) of Committees of other Companies as on 31 <sup>st</sup> March, 2020.	NONE
Shareholding	NIL
Relationship of director inter-se	NONE

## DIRECTORS REPORT

### To The Members,

Your Director have immense pleasure in presenting the 26<sup>th</sup> Annual Report together with the standalone and consolidated financial statements of the company for the financial year ended 31<sup>st</sup> March,2020.

### 1. Summary Of Financial Results

The summarized financial result for the year ended 31<sup>st</sup> March,2020 and corresponding previous year ended 31<sup>st</sup> March, 2019 are as follows:

#### (Amounts in Lakhs)

Particulars	2019-20	2018-19
Total Revenue	1929.44	2214.61
Profit before depreciation and taxes	10.27	6.20
Profit before taxes	10.10	5.97
Provision for taxes ( Inc. Deferred taxes)	0.22	7.04
Profit for the year after taxes	9.87	-1.07

### 2. Financial Performance and State of Affairs of the Company

During the year under review, your Company has earned a total revenue of Rs 19,29,44,092/- as compared to total revenue of Rs 22,14,61,346 in the preceding financial year. This minor change in revenue is also due to global effect of pandemic in last 2 months. However, the company has commanded good control over its expenses. As a result, there is steep rise in Net Profit. The net profit for the year under review is Rs 9,87,615/-as against a loss of Rs 1,07,172/-reported in the previous financial year.

On consolidated basis, total Net profits earned by your company is Rs. 11,00,413/- as compared to total loss of Rs. 69,878/- in last financial year. Directors of your company have been vigorously working for the growth of the company.

### 3. Dividend

In view of requirement of funds for the future business growth considering the impact of novel Corona virus on business, entire profits are retained for the operations and working of the company. Therefore, Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March,2020.

### 4. Share Capital

The paid up share capital as on 31<sup>st</sup> March, 2020 is Rs 5,02,00,000/- . During the year under review there is no change in the paid up, issued, or subscribed share capital of the company. Further the company has neither issued any other class of share such as shares with Differential Rights nor granted any stock Options etc during the year.

Equity Shares of your Company are listed presently at BSE Limited (BSE) and Calcutta Stock Exchange (CSE) .

## **5. Transfer To Reserves**

For the Financial Year under review your Directors recommend the transfer of entire net profit of Rs 9,87,615/- to the reserve and surplus.

## **6. Dividend Distribution Policy ( Top 500)**

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations) (Second Amendment) Regulations, 2016, is not applicable on your company during the year under review.

## **7. Deposits**

The Company has neither invited nor accepted any deposits from the public falling within the preview of section 73 of The Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rule 2014 during the year. There is no unclaimed or unpaid deposit lying with the Company.

## **8. Management Discussion And Analysis Report**

Management's Discussion and Analysis Report (MD&A)' for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as part of this report as **Annexure- II**

## **9. Board Of Directors And Key Managerial Person**

### **● Directors Seeking Appointment/ Re-appointment**

1. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Deepali Sharma, director of the Company retires by rotation and being eligible, offers herself for re-appointment in the ensuing Annual General Meeting.

Brief resume of Mrs. Deepali Sharma, nature of her expertise in functional areas and the name of the companies in which she holds Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Companies Act, 2013 and applicable Secretarial Standards are given in the notice convening the Annual General Meeting.

The enabling resolution for approval is appearing in the Notice calling 26th Annual General Meeting of the company.

The Board, on the recommendation of the nomination and remuneration committee has recommended the re-appointment of Mr. Rajiv Mishra and Mr. Dharmendra Singh, Independent Directors of your company in terms of section 149 of The Companies Act, 2013, with effect from 30th September, 2020.

Requisite notices under section 160 of The Companies Act, 2013 have been received in respect of Mr. Rajiv Mishra and Mr. Dharmendra Singh, who have filed their respective consent declaration of Independence as provided in section 149(6) of The Companies Act, 2013.

Appropriate resolutions seeking approval of the members to the above are appearing in the Notice convening the 26<sup>th</sup> Annual General Meeting of the Company.

### **● Declaration by Independent Directors**

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with

Regulation 16 of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015. In the opinion of the Board, Independent Directors fulfill the conditions specified in the Act, Rules made there under and Listing Regulations.

- **Board Evaluation**

Pursuant to the corporate governance requirements as prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and of individual directors.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole, performance of the Committee(s) of the Board and performance of the Chairman was evaluated, taking into account the views of other directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent directors being evaluated.

- **Board And Committee Meetings**

During the year under review (Seven) Board Meetings, (Four) Audit Committee Meetings were convened and held apart from other Committees' meetings of the Company. The details of all the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

- **Committees Of The Board**

As on March 31, 2020, the Board had 3 (Three) Committees viz: Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. Corporate Governance report is annexed as Annexure-IV

- **Policy On Directors Appointment And Remuneration**

Pursuant to the provisions of section 134(3)(e) and Section 178(3) of the Companies Act, 2013 and the SEBI Listing Regulations, the policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of directors and other matters is provided in the Corporate Governance Report.

## **10. Directors Responsibility Statement**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departure was made for the same. The financial statements of the Company for the financial year ended March 31, 2020, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India;
- b) That Directors have 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 at the end of the financial year and of the profit of the Company for the period ended on March 31, 2020;
- c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting



records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) Those proper systems had been devised to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

#### **11. Nature Of Business**

There has been no change in nature of business of your company during the year under review.

#### **12. 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-III".

#### **13. Related Party Transaction**

All Related Party Transactions that were entered into during the financial year ended on March 31, 2020 were on an arm's length basis and in the ordinary course of business under Section 188(1) of the Act and the Listing Regulations.

Details of the transactions with Related Parties are provided in the accompanying financial statements in compliance with the provision of Section 134(3)(h) of the Act.

Since the company has not entered into any transaction exceeding the limit under section 188, AOC-2 is not attached hereto.

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.

#### **14. Particulars Of Investments Made, Loans Given, Guarantees Given and Securities Provided.**

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments and securities provided under Section 186 of the Companies Act, 2013 along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the accompanying financial statements.

In Compliance with the Provision of Section 186 of the Companies Act, 2013, Board of Directors have proposed a resolution in notice calling 26<sup>th</sup> Annual General Meeting seeking members approval, empowering board (a) to give loan to any person or other body corporate; (b) to give guarantee or provide any security in connection with a loan to any other body corporate or person; (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, from time to time in one or more tranches as board of directors in their absolute discretion as the board may deem beneficial and in the interest of the company, for an amount not exceeding Rs 5,00,00,000 (Rupees Five Crores).

## **15. Corporate Social Responsibility**

The provision of section 135 of the Companies Act, 2013 is not applicable on your company during the under review.

## **16. Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings.**

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

## **17. Statutory Auditors and Reports.**

In 21<sup>st</sup> Annual General Meeting of the company, M/s V. Sahai Tripathi & Co. Chartered Accountants, (ICAI Firm Registration No.000262N) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the calendar year 2020 .

The term of the auditor expires at the conclusion of this Annual General meeting. As per section 139(2) of The Companies Act, 2013 Auditors are eligible to be re-appointed for another term of five consecutive years.

The board of directors after considering the recommendations of the Audit Committee, at its meeting held on 29<sup>th</sup> May, 2020, has recommended the re-appointment of M/s V. Shahi Tripathi & Co., Chartered Accountants, as statutory Auditor of the company for a consecutive term of 5 years commencing from the conclusion of this annual general meeting till the conclusion of 31<sup>st</sup> annual general meeting of the company.

The company has received a certificate from M/s V.Sahai Tripathi & Co. Chartered Accountants to the effect that the appointment, if made, would be in accordance with the limit specified under the companies, Act, 2013.

All observations made in the Audit Report on Financial Statements are self-explanatory and do not call for any further comments under section 134 of the Companies Act, 2013. The qualifications reported by auditor were properly explained by directors in statement of impact submitted to stock exchange.

## **18. Secretarial Auditors and Report**

Nitin Bhatia & Co., practicing company secretary, were appointed to conduct the secretarial audit of the Company for the financial year 2019-20 as required Under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for financial year 2019-20 forms part of the Annual Report as Annexure to this Directors' Report as **Annexure- III**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **19. Cost Auditor**

Section 148 of the Companies Act is not Applicable to the Company. Hence company is not required to appoint a cost auditor.

## **20. Internal Financial Control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**21. Material Changes and commitments affecting the financial position of the Company has been occurred between the end of the financial year 2019-20 and the date of this report.**

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

**Prevention of Sexual Harassment of Women at Workplace Policy.**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there-under, your Company has constituted Internal Complaint Committees (ICC). The Company has zero tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have requisite experience in handling such matters. During the year, the Company has not received any complaint of sexual harassment.

**22. Vigil Mechanism / Whistle Blower Policy**

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, Vigil Mechanism/Whistle Blower Policy was formulated which provides a robust framework for dealing with genuine concerns & grievances. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The same has also been displayed on the website of the Company.

**23. Risk Management**

The Company has laid down the procedures to inform Board Members about risk assessment and mitigation procedures. The Board of Directors of the Company has framed risk management policy and created appropriate structures with proper delegation of duties and responsibilities of employee at each level on enterprise basis for compliance's thereof which are periodically reviewed by the management, internal auditors, statutory auditors and the Audit Committee.

**24. Annual Return**

In compliance with the requirement of Section 92(3), Section 134(3) of the Companies Act, 2013 read with rules and regulations made there under, the annual return of the Company shall be prepared in MGT-7 after adoption of financial results in ensuing annual general meeting and copy of the same shall be available on company's website i.e. [www.southerninfosys.com](http://www.southerninfosys.com)

**25. Remuneration to Director and Key Managerial Persons.**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with rule5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Information Required	Input
---------	----------------------	-------

1.	The ratio of the remuneration of each director to the median remuneration  *These ratios are calculated on the basis of median salary of Rs. 3 lakh	Ms. Kriti Bareja: 1.16:1  Mr. Siddharth Sharma: 1.01:1
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.	There is no major increment in salary of any director or KMP except of Ms. Kriti Bareja whose salary has been increased by 11% from Rs.3,24,000/- to Rs. 3,60,000/- annually.
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	Nil
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.	The only difference between salary increments of KMP from other employees is 11%. The reason for such change is appointment of Ms. Kriti Bareja on the board. She is already acting as compliance officer of the company. The increase in salary is made in commensuration with the positions (two) she holds in the company
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes
7.	Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee who-  (I) if employed throughout the financial year, was in receipt remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;  (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;  (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.	NIL  NIL  NIL

## 26. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- I. Details relating to deposits covered under Chapter V of the Act.
- II. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- III. Issue of shares (including sweat equity shares and ESOP) to employees of the Company under any scheme.
- IV. No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future.

## 27. Appreciation and Acknowledgments.

We thank our customers, business associates and bankers for their continued support during the financial year. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

For and on behalf of Board  
For **Southern Infosys Limited**

**(Siddharth Sharma)**  
Director  
DIN: 07401382  
Date: 31.08.2020

**( Deepali Sharma)**  
Director  
DIN: 05133382  
Date:31.08.2020

## Annexure - I

### 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 endeavors through its highly skilled and committed workforce to develop products and services to be launched at an opportune time.

### C. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

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

## **D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **ANNEXURE - II**

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE ANNUAL REPORT.**

##### **a) Industry Structure and Development**

The software industry is growing rapidly and your company shall endeavor to use every possible opportunity in its favor. 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.**

During the year the company has made more services and despite the fall in the turnover of the company, your company has made profit of Rs 9,87,615 as compared to the loss of Rs 1,07,172 in the preceding financial year. The Board endeavors to bring in the track company's financial and profitability.

##### **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.

**Annexure-III**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31.03.2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managserial 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 31.03.2020, 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 herein after:

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 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2015 ;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (not applicable during the year)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - (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, 2018; (Not applicable during the year)and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time.
  - 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) and BSE Ltd.

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 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: 31.08.2020

Place: New Delhi

(Nitin Bhatia)

FCS No.:10285

C.P. No.:12902

UDIN: F010285B000639815

This report is to be read with our 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.
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

(Nitin Bhatia)  
FCS No.:10285  
C.P. No.:1290  
UDIN: F010285B000639815

#### **ANNEXURE -IV**

#### **REPORT ON CORPORATE GOVERNANCE**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time 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, 2020. 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 31.03.2020**

The Board of Directors of the company comprises of six Directors with 3 Promoter Directors, 1 Women Director (Whole Time Director) and 2 Independent Non-Executive Directors. The Board consists of eminent persons with considerable professional expertise and experience in business industry, finance, audit, law, banking and public enterprises. The Composition of the Board and related information are given below:

The Composition of board and related information are given below:

S. No.	Name of the director	Designation	Category
1.	Rakesh Mohan Sharma	Non-Executive Director	Promoter
2.	Deepali Sharma	Non- Executive	Promoter
3	Siddharth Sharma	Whole Time Director	Executive Promoter
4.	Kriti Bareja	Whole Time Director	Executive
5.	Dharmendra Singh	Director	Independent Director Non- Executive Director
6.	Rajiv Mishra	Director	Independent Director Non-Executive Director

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

07 (Seven) Board Meetings were held during the financial year 2019-20 and the gap between the two meetings was not more than 120 days. The details of meetings attended by the Directors are given below:

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings held	No. of Board attended	Attendance at the last AGM
1.	Mr. R.M. Sharma	Non-Executive Director & Promoter	07	06	Yes
2.	Mrs. Deepali Sharma	Non-Executive Director & Promoter	07	02	Yes
3.	Mr. Siddharth Sharma	Executive & Whole- Time Director.	07	05	Yes
4.	Mrs. Kriti Bareja	Executive & Whole-Time Director	07	04	Yes
5.	Mr. Rajiv Mishra	Non- Executive & Independent Director	07	04	Yes

6.	Mr. Dharmendra Singh	Non-Executive & Independent Director	07	05	Yes
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Dates for the Board Meetings are decided well in advance and communicated to the Directors and BSE, wherever required. 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. The Agenda along with the explanatory notes are sent in advance to the Directors.

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

Name of Director	Category	No. of membership in other Board, committees	No. of Directorship in other companies as on 31.03.2020	Directorship held in other Listed Cos. Along with nature of Directorship
Mr. Rakesh Mohan Sharma	Non-Executive Director & Promoter	03	04	-
Mrs. Deepali Sharma	Non-Executive Director & Promoter	0	05	-
Mr. Siddharth Sharma	Executive & Whole-Time Director.	0	03	-
Mrs. Kriti Bareja	Executive & Whole-Time Director	0	01	-
Mr. Rajiv Mishra	Non-Executive & Independent Director	03	Nil	-
Mr. Dharmendra Singh	Non-Executive & Independent Director	03	01	-

**c) Disclosure of relationship between director's inter-se:**

As per section 2(77) of the Companies Act, 2013, Director's Mr. Rakesh Mohan Sharma, Mrs. Deepali Sharma and Mr. Siddharth Sharma are relative to each other.

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

As on 31st March, 2020, none of the non-executive directors of the company held shares or convertible instruments of the company except Mr. R.M. Sharma, Mrs. Deepali Sharma Director of the company who holds 2,65,000 equity shares respectively of the Company.

**e) Familiarization program 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 up dates 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 program 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 program imparted to the Independent directors during the year are available on the website of the Company <http://www.southerninfosys.com/relations.html>.

**g) 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 Friday, 06th March 2020. All independent directors have attended the meeting.

**h) 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.

**c) Matrix of skills/expertise/ competence of Directors**

The following core skills/ expertise/competencies have been identified by the Board as required in the context of its business and the sector in which the Company operates:

Industry Expertise & Knowledge, Strategic Marketing, Business Development & Administration, Strategy & Risk Management, Finance & Accounting, Legal & Governance, Public Relations, Human Resource Management & Industrial Laws, Understanding of government legislation/legislative process, , Corporate Restructuring and Risk Management.

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, skills, expertise and competencies for effective contribution to the Board and its Committees:

Name of the Director	Skills/Expertise/Competencies

Mr. Rakesh Mohan Sharma	Industry Expertise & Knowledge, Strategic Marketing, Business Development & Administration, Strategy & Risk Management, Finance & Accounting, Legal & Governance, Public Relations, Human Resource Management & Industrial Laws, Understanding of government legislation/legislative process, Corporate Restructuring and Risk Management
Mrs. Deepali Sharma	Business management, Finance & Corporate Laws
Mr. Siddharth Sharma	business management, Finance & Corporate Laws
Mrs. KritiBareja	business management, Finance & Corporate Laws
Mr. Rajiv Mishra	IT Industry
Mr. Dharmendra Singh	Corporate Laws

### 3. AUDIT COMMITTEE

Presently, the Audit Committee comprises of Three Members Directors viz.

1. Mr. Dharmendra Singh, Independent Director, (Chairman)
2. Mr. Rajiv Mishra, Independent Director, (Member)
3. Mr. R.M. Sharma, Non- Executive Director.( Member)

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; 35
- (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 utilization 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 transaction 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 thereon;
- (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, 36 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 and entitled attend	No. Of meetings attended
Mr. R.M. Sharma	(non- executive director)	04	04
Mr. Rajiv Mishra	( Independent Director)	04	04
Mr. Dharmendra Singh	( Independent Director)	02	02

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. Dharmendra Singh, Independent Director (Chairman)

2. Mr. Rajiv Mishra Independent Director (Member)

3. Mr. R.M. Sharma, Non-Executive Director (Member)

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

The Committee met twice (02) 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 maybe 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 allowances. 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.

#### **6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

Presently the Stakeholders' Relationship Committee consists of

1. Mr. Rajiv Mishra, Independent Director, ( Chairman)
2. Mr. Dharmendra Singh, Independent Director.( Member)
3. Mr. Rakesh Mohan Sharma ,Non Executive Director ( Member)

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, 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 cum 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:

Particulars	No. of Complaints
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Total Compliant Received	NIL
Total Compliant Replied	NIL
Total Compliant Pending	NIL

## 7. GENERAL BODY MEETING

The last three Annual General Meeting were held as under:

Financial Year	Date	Time	Venue
31.03.2019	30.09.2019	10:00 A.M.	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001.
31.03.2018	29.09.2018	10:00 A.M.	Ground Floor, Mini Hall of Arunachal Building, 19, Barakhamba Road, New Delhi-110001.
31.03.2017	29.09.2017	10:00 A.M.	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—"Financial Express"(in English) and "Jansatta" (in Hindi) , and

are made available to the members on request. The same are also displayed on the company's official website – www.southerninfosys.com and that of Stock Exchanges i.e. BSE Limited

**- BSE Corporate Compliance & Listing Centre ('the Listing Centre') :**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliances filings like shareholding pattern, among others are filed electronically on the Listing Centre.

**9. GENERAL SHAREHOLDER INFORMATION**

a) Day, Date & Time of 26<sup>th</sup> AGM Date : 30.09.2020

Day : Wednesday Time : 02:30 P.M.

Venue : Annual General Meeting through Video conferencing / Other Audio Visual Means (VC/ OAVM facility)

Deemed Venue for Meeting: Reg. Off.: 402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110001.

b) Tentative Financial Calender

Result for the quarter ending 30.06.2020 :2<sup>nd</sup> Week of August

Result for the quarter ending 30.09.2020 : 2<sup>nd</sup> Week of November

Result for the quarter ending 31.12.2020 : 2<sup>nd</sup> Week of February

Result for the quarter ending 31.03.2021 : 4<sup>th</sup> Week of May

c) Dates of Book Closure: Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive).

d) Listing on Stock Exchange(s): The company shares are presently listed on Bombay Stock Exchange (BSE) and Calcutta Stock Exchange ( CSE).

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

e) Demat ISIN in NSDL & CDSL - INE29801010.

f) Stock Market Price Data for the Period 01.04.2019 to 31.03.2020. Closing Share Prices on Stock Exchange

Month	High	Low
April,2019	11.15	11.15
May,2019	11.15	11.15

June,2019	10.85	9.30
July,2019	8.91	6.45
August,2019	-	-
September,2019	6.59	6.59
October,2019	6.59	6.59
November,2019	6.50	6.50
December,2019	6.18	5.60
January,2020	-	-
February. 2020	-	-
March, 2020	-	-

g) 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.

h) 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.

i) Distribution of Shareholding as on 31.03.2020

Shares	Number of Shareholders	Shares held	% age
1-500	465	188208	67.39
500-1,000	72	65734	10.43
1001-2000	42	75154	6.09
2001-3000	59	148746	8.55
3001-4000	10	37200	1.45
4001-5000	3	14800	0.43
5001-10000	12	95700	1.74
10001 and above	2	4394458	3.91

<b>Total</b>	<b>690</b>	<b>50,20,000</b>	<b>100.00</b>
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j) Category of Shareholders as on 31<sup>st</sup> March,2020.

Category	Number of Shares	Percentage
Promoter and Promoter Group	37,59,890	74.90
Indian Public	12,60,110	25.10
<b>Total</b>	<b>50,20,000</b>	<b>100.00</b>

k) Equity Shares in Electronic form

As on 31<sup>st</sup>March, 2020, nearly 81.94 %(Percent) of total paid up equity share capital of the company was held in electronic form with CDSL and NSDL.

l) 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, 2020 for conversion into equity shares.

m) Registered office and correspondence address is 402-A, Arunachal Building, 19, Barakhamba Road, New Delhi - 110 001.

## **10. Other Disclosures**

a) Related Party Transactions

No materially significant transactions entered into with the related parties that may have potential conflict with the interest of the Company.

b) The Company has formulated a policy for Related Party Transactions and the said policy has been hosted on the website of the Company

c) The Company has complied with all applicable provisions of the Listing Regulations and other SEBI Regulations wherever applicable. There were no instances of non-compliance or penalty, strictures imposed on the company by Stock Exchanges/SEBI or any other statutory authorities on any matter related to capital markets, during the last three years

d) The company has established a Vigil Mechanism by adopting a Whistle Blower Policy for all stakeholders including directors, employees etc. to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct as well as providing adequate safeguards against the victimization of employees who avail of the mechanism. The Policy is available on the Company's website [www.southerninfosys.com](http://www.southerninfosys.com).

e) Compliance with mandatory and non-mandatory requirements

The Company has complied with all mandatory requirements specified in Listing Regulations.

f) Policy on Material Subsidiaries

The Company does not have a “material subsidiary” in accordance with Regulation 16 of SEBI Listing Regulations. However as required under the aforesaid Regulation, the Company has formulated a policy for determining “Material Subsidiary” policy which is placed on the website of the Company [www.southerninfosys.com](http://www.southerninfosys.com).

g) Recommendations of the committees

During the financial year 2019-20, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

h) Total fees for all services paid by the Company to Statutory Auditors is specified under Note No. 21 of the Notes annexed to the financial statements for the year ended 31<sup>st</sup> March, 2020

i) Certificate on Non-disqualification of Directors from Practising Company Secretaries

As required by Clause 10(i) of Part C under Schedule V of Listing Regulations, the Company has received a certified from M/s Nitin Bhatia & Co., Practising Company Secretaries certifying that for the financial year ended on 31st March, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI or Ministry of Corporate Affairs (MCA) or any such statutory authority. A certificate issued by M/s. Nitin Bhatia & Co. to that effect is attached and forming part of this report.

**11. CEO / CFO Certification in terms of Regulation 17(8) of Listing Regulations, Managing Director and CFO has given a compliance certificate to the Board of Directors as specified in Part B of Schedule II of Listing Regulations and forming part of this report.**

**12. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel.**

This is to confirm that during the year ended 31st March, 2020, all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, in so far as it is applicable to them

For and on behalf of the Board

Place: New Delhi  
Dated: 31.08.2020

(Siddharth Sharma)  
Director

**CEO / CFO CERTIFICATION**

To,  
The Board of Directors Southern Infosys Limited

This is to certify with reference to the Annual Accounts of the Company for the year ended 31st March, 2020 that:-

a. We have reviewed financial statements and the cash flow statement for the year ended on 31st

March, 2020 and that to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d. We have indicated to the Auditors and the Audit committee:

i. That there is no significant changes in internal control over financial reporting during the year;

ii. That there are no significant changes in accounting policies during the year except implementation of IndAS ; and

iii. That there is no instance of any fraud which we have become aware of for Southern Infosys Limited

For and on behalf of the Board  
For Southern Infosys Limited

Place: New Delhi

Dated: 31.08.2020

(Indu Atri)

Chief Financial Officer

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
Southern Infosys Limited,  
402-A, Arunachal Building, 19, Barakhamba Road, New Delhi-110 001

We, Nitin Bhatia & Co. Practising Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Southern Infosys Limited having CIN L67120DL1994PLC059994, and having registered office at 402-A, Arunachal Building, 19, Barakhamba Road, New Delhi - 110001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including

Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Rakesh Mohan Sharma	02459885	04/07/1994
2.	Deepali Sharma	05133382	14/02/2019
3.	Rajiv Mishra	07051314	30/09/2010
4.	Dharmendra Singh	00158276	30/09/2010
5.	Kriti Bareja	08526516	13/08/2019
6.	Siddharth Sharma	07401382	13/08/2019

**For Nitin Bhatia & Co.**  
Company Secretaries

(Nitin Bhatia)  
FCS No.:10285  
C.P. No.:12902

Place: New Delhi

## Independent Auditors' Report

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To the Members of  
**SOUTHERN INFOSYS LIMITED**

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **SOUTHERN INFOSYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion paragraph**, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2020; and
- (b) In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2020.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2020.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2020.

#### Basis for Qualified Opinion

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 Indian Accounting Standard-19 on Employee Benefits prescribed in the Companies (Accounting Standards) Rules, 2006 and Companies (Accounting Standards) Rules, 2016. The company has not made any provision for Gratuity and the said non-provision is contravention. 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.

#### Emphasis of Matter

- a) We draw your attention to the responsibility of the Company to arrange balance confirmations in respect of Accounts Receivable, Accounts Payable and other receivables/payables. The letters of confirmation have been sent by the management to parties of Accounts receivables, Accounts payables, Advances,



other payables/receivables to confirm their balances as on 31st March, 2020. Balance confirmations have not been received from parties up to the date of signing of financials. The balances of such parties have been incorporated in the financial statements at the value as per the books of account. The company, to the extent stated, has considered them as good and no provisions have been made in respect of debtors/advances. Accordingly, Accounts Receivables and Payables balances and other receivables/payables are subject to confirmation and reconciliation. To that extent, we are unable to ascertain financial implication of same in the financial statements.

- b) We draw attention to **Note 33** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. Except for the matter described in the basis for qualified opinion and Emphasis of Matter Paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the matter described in the basis for qualified opinion and Emphasis of Matter Paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. Except for the matter described in the basis for qualified opinion and Emphasis of Matter Paragraph, the Balance Sheet, the Statement of Profit

and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.;

- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. Except for the matter described in the basis for qualified opinion and Emphasis of Matter Paragraph, 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'**; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation as on 31<sup>st</sup> March, 2020;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 

**For V Sahai Tripathi & Co.**

Chartered Accountants

Firms Registration No. 000262N

**(Vishwas Tripathi)**

Partner

Membership No. 086897

Place: New Delhi

Date:- 30<sup>th</sup> June 2020

**Annexure 'A' to Independent Auditors' Report**

**Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date**

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1. (a) The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As per the information and explanation provided to us, Fixed Assets have been physically verified by the management during the year at reasonable intervals, but no physical verification report has been provided to us and we are unable to comment on the discrepancies in recording of Fixed Assets in books of accounts.  
  
(c) There are no immovable properties in Southern Infosys Limited. Accordingly, this sub-clause is not applicable on the Company for the year ended 31st March, 2020.
2. The company does not hold any inventory as on 31<sup>st</sup> March 2020.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Consequently, sub-clauses 3 (a), (b) & (c) of this clause are not applicable.
4. The Company has not made any transaction in respect of loans covered under section 185 of the Companies Act 2013. In respect of loans, investments, guarantees and security covered under section 186 of the Companies Act, 2013, the provisions of the said section 186 have been duly complied with.
5. The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable. Accordingly rest of clause is not applicable on the Company.
6. In accordance with the information given by the management the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, duty of customs, cess and any other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of the above dues which were outstanding as at 31st March, 2020 for a period of more than six months from the date of their becoming payable.
- (c) According to the information and explanations given to us and the records of the company produced before us, there were no disputed Statutory Dues pending before appropriate authorities.
8. As the company does not have any loans or borrowings from any financial institution or bank or government nor has it issued any debentures as at the balance sheet date, the provisions of this clause of the Order are not applicable to the company.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2020.
10. According to the information and explanations given to us, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the company had paid/provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. The company is not a Nidhi Company and hence clause 3 (xii) is not applicable.
13. The transactions with the related parties made by the Company are in compliance with sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Indian Accounting Standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause 3 (xiv) is not applicable.

15. During the year, the company has not entered into any non- cash transactions with directors or persons connected with him and hence provision of section 192 of Companies Act 2013 is not applicable.
16. The company is not required to register under section 45- IA of the Reserve Bank of India Act, 1934.

**For V Sahai Tripathi& Co.**

Chartered Accountants

Firms Registration No. 000262N

**(Vishwas Tripathi)**

Partner

Membership No. 086897

Place: -New Delhi

Date:- 30<sup>th</sup> June 2020

## **Annexure 'B' to Independent Auditors' Report**

**Referred to in Paragraph 2 (f) under the heading of "report on other legal and regulatory requirements" of our report of even date**

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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, 2020 in conjunction with our audit of the 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 internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the Company's internal policies & procedures and accounting records and implementation of essential components on the internal controls over financial reporting.

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**For V Sahai Tripathi & Co.**

Chartered Accountants

Firms Registration No. 000262N

**(Vishwas Tripathi)**

Partner

Membership No. 086897

Place: - New Delhi

Date: - 30<sup>th</sup> June 2020

**SOUTHERN INFOSYS LIMITED**  
**Balance Sheet as at 31st March 2020**

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	84,725	1,02,078
	(b) Other Intangible Assets		-	-
	(c) Financial Assets			
	(i) Investments	2	1,98,78,239	1,40,71,946
	(ii) Loans	3	2,13,19,821	3,11,17,983
	(d) Deferred Tax Asset (Net)	4	9,840	-
	(e) Other Non Current Assets	5	35,95,479	1,15,025
<b>2</b>	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Trade receivables	6	18,21,23,600	9,63,08,863
	(ii) Cash and Cash Equivalents	7	32,21,480	1,07,471
	(iii) Other Bank Balances	8	5,52,665	5,00,000
	(iv) Other Financial Assets	9	65,90,948	66,56,483
	(b) Other Current Assets	10	3,10,90,355	9,95,45,685
	<b>TOTAL ASSETS</b>		<b>26,84,67,152</b>	<b>24,85,25,535</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	11	5,02,00,000	5,02,00,000
	(b) Other Equity		10,94,654	1,07,038
<b>2</b>	<b>Liabilities</b>			
	<b>Non Current liabilities</b>			
	(a) Deferred Tax Liability (Net)	4	-	2,01,839
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	12	19,18,23,047	15,56,83,018
	(ii) Other Financial Liabilities	13	15,000	2,10,000
	(b) Other Current Liabilities	14	2,53,34,451	4,20,37,216
	(c) Provisions	15	-	86,424
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,84,67,152</b>	<b>24,85,25,535</b>

Notes forming part of the financial statements 1 to 34

This is the Balance Sheet referred to in our report of even date

For V Sahai Tripathi & Co.

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma  
Director  
DIN: 07401382

Deepali Sharma  
Director  
DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Place : New Delhi  
Date : 30th June 2020

Indu Attri  
Chief Finance Officer

Kriti Bareja  
Company Secretary

**SOUTHERN INFOSYS LIMITED**  
**Statement of Profit and Loss for the period ended 31st March 2020**

Particulars		Note No.	For the year ending 31st March 2020	For the year ending 31st March 2019
I.	Revenue From Operations	16	19,04,35,105	21,87,16,207
II.	Other Income	17	25,08,987	27,45,139
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>19,29,44,092</b>	<b>22,14,61,346</b>
IV.	<b>Expenses:</b>			
	Purchase of Stock-in Trade	18	18,65,80,459	21,70,24,572
	Employee Benefits Expense	19	26,24,984	20,31,680
	Finance Costs	20	13,148	4,81,829
	Depreciation and Amortization Expense	1	17,354	23,417
	Other Expenses	21	26,97,986	13,03,087
	Total Expenses		<b>19,19,33,931</b>	<b>22,08,64,585</b>
<b>V.</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>10,10,161</b>	<b>5,96,761</b>
VI.	Exceptional Item		-	-
<b>VII.</b>	<b>Profit before tax (V - VI)</b>		<b>10,10,161</b>	<b>5,96,761</b>
VIII.	Tax expense:			
	(1) Current Tax		2,34,225	1,22,798
	(2) Deferred Tax		(2,11,679)	6,95,952
	(3) MAT Credit Entitlement		-	(1,14,817)
<b>IX</b>	<b>Profit (Loss) for the period</b>		<b>9,87,615</b>	<b>(1,07,172)</b>
<b>X</b>	<b>Other Comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XI</b>	<b>Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and Other Comprehensive Income for the period)</b>		<b>9,87,615</b>	<b>(1,07,172)</b>
<b>XII</b>	Earnings per equity share (for continuing operation):			
	- Basic		0.20	(0.02)
	- Diluted		0.20	(0.02)

Notes forming part of the financial statements

1 to 34

This is the Balance Sheet referred to in our report of even date

For V. Sahai Tripathi & Co.

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma

Director

DIN: 07401382

Deepali Sharma

Director

DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Indu Atri

Chief Finance Officer

Kriti Bareja

Company Secretary

Place : New Delhi

Date : 30th June 2020

**SOUTHERN INFOSYS LIMITED**  
Statement of Cash Flow for the period ended 31st March 2020

Particulars		31.03.2020		31.03.2019	
(A)	<b>Cash flow from Operating Activities</b>				
	Profit Before Tax	10,10,161		5,96,761	
<b>Add:</b>	(Profit)/Loss on sale of Assets - Net				
	Depreciation	17,354		23,417	
	Interest Paid	-		4,78,626	
	Interest Received	(23,43,039)		(9,28,082)	
	Reversal of Provision of Loss Allowance	-		(15,99,656)	
	(Profit)/Loss on sale of Investments	(15,105)			
	Profit on Fair Valuation of Investment	(1,50,188)		(33,446)	
	<b>Operating Profits before working Capital changes</b>	<b>(14,80,817)</b>		<b>(14,62,380)</b>	
	Adjustment for:				
	Change in Trade Payable	3,61,40,029		9,19,41,970	
	Change in Other Liabilities	-1,68,97,765		5,06,476	
	Change in Trade receivable	(8,58,14,737)		(9,39,63,540)	
	Change in Loans & Advances	97,98,162		(14,564)	
	Change in Non Current Assets	-34,80,454		(208)	
	Change in Current Assets	6,85,20,865		4,00,792	
	<b>Cash generation from Operating Activities</b>	<b>67,85,284</b>		<b>(25,91,454)</b>	
<b>Less:</b>	Income Tax	3,20,649		90,783	
	<b>Net Cash generation from Operating Activities</b>		<b>64,64,635</b>		<b>(26,82,238)</b>
(B)	<b>Cash Flow from Investing Activities</b>				
	Interest Income	23,43,039		9,28,082	
	Dividend Income			-	
	Purchase of Investment	-60,41,000		(9,00,000)	
	Sale of Investment	4,00,000		-	
	Movement in Deposits	-52,665		-	
	<b>Net Cash from Investing Activities</b>		<b>(33,50,626)</b>		<b>28,082</b>
(C)	<b>Cash Flow from Financing Activities</b>				
	Interest Paid	-		(4,78,626)	
	<b>Net Cash flow in Financing Activities</b>		<b>-</b>		<b>(4,78,626)</b>
	<b>Net increase decrease in cash &amp; cash equivalents</b>		<b>31,14,009</b>		<b>(31,32,782)</b>
	Cash and Cash equivalents (Opening Balance)		1,07,471		32,40,253
	<b>Cash and Cash equivalents (Closing Balance)</b>		<b>32,21,480</b>		<b>1,07,471</b>

Notes forming part of the financial statements

1-34

This is the Balance Sheet referred to in our report of even date

For V. Sahai Tripathi & Co.

Chartered Accountants  
Firm Regn No. 000262N

Siddharth Sharma  
Director  
DIN: 07401382

Deepali Sharma  
Director  
DIN: 05133382

Vishwas Tripathi  
(Partner)  
Membership No. 086897

Place : New Delhi  
Date : 30th June 2020

Indu Attri  
Chief Finance Officer

Kriti Bareja  
Company Secretary

**SOUTHERN INFOSYS LIMITED**  
**Statement of Change in Equity as at March 31, 2020**

**Equity Share Capital**

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the reporting period;	5,02,00,000	5,02,00,000
Changes in equity share capital during the year;	-	-
<b>Balance at the end of the reporting period</b>	<b>5,02,00,000</b>	<b>5,02,00,000</b>

**Other Equity**

Other equity consist of following :

Particulars	Reserves and Surplus			Total
	Share Application Pending Attotment	General Reserve	Retained Earnings	
<b>Balance as at 1.04.2018</b>	-	-	<b>2,14,211</b>	<b>2,14,211</b>
Profit/(loss) for the year	-	-	(1,07,172)	(1,07,172)
Other comprehensive income/(loss) for the year	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Capital Reserve	-	-	-	-
Issue of Equity Share Capital	-	-	-	-
<b>Balance at the end of the 31.03.2019</b>	-	-	<b>1,07,038</b>	<b>1,07,038</b>
Profit/(loss) for the year	-	-	9,87,615	9,87,615
Other comprehensive income/(loss) for the year	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Capital Reserve	-	-	-	-
Issue of Equity Share Capital	-	-	-	-
<b>Balance at the end of the 31.03.2020</b>	-	-	<b>10,94,654</b>	<b>10,94,654</b>

Notes forming part of the financial statements

1 to 34

This is the Balance Sheet referred to in our report of even date

**For V. Sahai Tripathi & Co.**

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma  
Director  
DIN: 07401382

Deepali Sharma  
Director  
DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Indu Attri  
Chief Finance Officer

Kriti Bareja  
Company Secretary

Place : New Delhi

Date : 30th June 2020

**1 Property, Plant and Equipment**

Property, plant and equipment consist of the following :

Particulars	Computers And Data Processing Units	Data processing machine	Data processing machine	Air conditioner	Furniture & fixture	Software	Total
<b>Year ended 31 March 2020</b>							
<i>Opening gross carrying amount</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2020</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Opening accumulated depreciation	4,647	(16,309)	20,458	-	97,498	11,467	1,17,761
Depreciation charged during the year 2019-2020	-	-	-	-	17,354	-	17,354
Depreciation on Disposals	-	-	-	-	-	-	-
Adjustment/ Reversal of Depreciation	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2020</i>	4,647	(16,309)	20,458	-	1,14,852	11,467	1,35,115
<i>Net carrying amount as at March 31, 2020</i>	6,725	20,000	3,216	5,000	49,784	-	84,725
<b>Year ended 31 March 2019</b>							
<i>Opening gross carrying amount</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2019</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Opening accumulated depreciation	4,647	(16,309)	20,458	-	74,081	11,467	94,344
Depreciation charged during the year 2018-2019	-	-	-	-	23,417	-	23,417
Depreciation on Disposals	-	-	-	-	-	-	-
Adjustment/ Reversal of Depreciation	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2019</i>	4,647	(16,309)	20,458	-	97,498	11,467	1,17,761
<i>Net carrying amount as at March 31, 2019</i>	6,725	20,000	3,216	5,000	67,138	-	1,02,078
<i>Deemed cost as on 01.04.2016</i>							
<i>Opening gross value as on 01.04.2015</i>	1,34,500	4,00,000	64,320	1,00,000	2,56,505	-	9,55,325
Additions	-	-	-	-	-	17,200	17,200
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2016</i>	1,34,500	4,00,000	64,320	1,00,000	2,56,505	17,200	9,72,525
Opening acc Dep as on 01.04.2015	1,00,984	3,96,309	-	76,309	34,375	-	6,07,977
Depreciation charged during the year	22,144	-	40,646	18,691	57,494	5,733	1,44,708
Depreciation on Disposals	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2016</i>	1,23,128	3,96,309	40,646	95,000	91,869	5,733	7,52,685
<i>Net carrying amount as at March 31, 2016</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840

## 2 Investments (Non-current)

Investments consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019	Basis of Valuation
<b>Carried at market value</b>			
- Investments in Equity Shares -Quoted (Refer 2A)	8,672	8,561	FVTPL
- Investments in Mutual Funds	67,31,067	9,24,885	FVTPL
- Investments in Equity Shares -Unquoted	1,31,38,500	1,31,38,500	Amortised Cost
<b>TOTAL</b>	<b>1,98,78,239</b>	<b>1,40,71,946</b>	

### 2A Investments in Equity

Investment in Equity Shares	As at 31st March 2020	As at 31st March 2019
<b>Quoted</b>		
Arcee Industries Ltd.	4,000	1,910
Shiva Medicare Ltd.	3,900	4,537
Pasupati Acrylic Ltd.	599	1,554
Arcotech	173	560
<b>TOTAL</b>	<b>8,672</b>	<b>8,561</b>

## 3 Loans (Non-current)

Loans consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Loans and advances (Refer 3A)	2,13,19,821	3,11,17,983
<b>TOTAL</b>	<b>2,13,19,821</b>	<b>3,11,17,983</b>

### 3A

Particulars	As at 31st March 2020	As at 31st March 2019
Amrita*	1,31,37,399	2,59,35,483
Sunil Kumar*	-	31,82,500
SMB Holdings*	32,01,310	20,00,000
Vinod Kumar*	49,81,112	-
	<b>2,13,19,821</b>	<b>3,11,17,983</b>

\* Interest bearing advances

**Note 4: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances:

Particulars	As at 31st March 2020	As at 31st March 2019
Property,Plant and Equipment	9,840	9,461
Interest on ICD	-	(2,11,299)
Allowance for Expected Credit Loss	-	-
Total	9,840	(2,01,839)

Movement in Deferred Tax Assets/(Liabilities)

Particulars	Property,Plant and Equipment	Interest on ICD	Allowance for Expected Credit Loss	Total
<b>At 31st March, 2018</b>	11,460	70,742	4,11,911	4,94,113
(Charged) / credited				
- to Statement of Profit and Loss	(2,000)	(2,82,041)	(4,11,911)	(6,95,952)
- to Other Comprehensive Income	-	-	-	-
<b>At 31st March, 2019</b>	9,461	(2,11,299)	-	(2,01,839)
(Charged) / credited				
- to Statement of Profit and Loss	380	2,11,299	-	2,11,679
- to Other Comprehensive Income	-	-	-	-
<b>At 31st March, 2020</b>	9,840	-	-	9,840



## 5 Current Tax Assets (Net)

Current Tax Assets (Net) consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
GST Input	-	208
Tax Recoverable (Net of Provision) (Refer 5A)	34,80,662	-
Mat Credit Entitlement (FY 2018-19)	1,14,817	1,14,817
<b>TOTAL</b>	<b>35,95,479</b>	<b>1,15,025</b>

### 5A Status as at 31st March, 2020

Particulars	As at 31st March 2020	As at 31st March 2019
Balance outstanding for previous year	<b>(86,424)</b>	<b>(54,409)</b>
Provision for tax	2,34,225	1,22,798
Less: TDS recoverable/tax deducted at source	37,32,661	18,809
Less: Self assessment tax	68,650	71,974
<b>Tax Refundable/(Tax Payable)*</b>	<b>34,80,662</b>	<b>(86,424)</b>

\*Previous year provision for tax have been shown net under the head Provisions.

## 6 Trade Receivables

Trade receivables consist of the following:

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good; Doubtful	18,21,23,600 -	9,63,08,863 -
	<b>18,21,23,600</b>	<b>9,63,08,863</b>
Less: Allowance for expected credit loss	-	-
<b>TOTAL</b>	<b>18,21,23,600</b>	<b>9,63,08,863</b>

The company applies the simplified and lifetime approach to provide for expected credit loss prescribed by Ind AS 109, which permits the use of expected loss provision for all trade receivables. The company uses expected credit loss model to assess the impairment loss and make allowance on doubtful debts using expected credit loss model on case to case basis.

## 7 Cash and Cash Equivalent

Cash and cash equivalents consist of the following at amortised cost:

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Cash in Hand	2,74,319	1,965
(b) Balances with banks - In Current Accounts	29,47,161	1,05,506
<b>TOTAL</b>	<b>32,21,480</b>	<b>1,07,471</b>

## 8 Other Bank Balances

Other Bank Balances consist of the following at amortised cost:

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Bank deposit <i>(deposits with original maturity more than 3 month having remaining maturity less than 12 months form Reporting date)</i>	5,52,665	5,00,000
<b>TOTAL</b>	<b>5,52,665</b>	<b>5,00,000</b>

## 9 Other Financial Assets (Current)

Other Financial Assets consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits; - Deposits for Rented Premises	65,75,000	65,75,000
Interest Receivable (Refer 9A)	15,948	81,483
<b>TOTAL</b>	<b>65,90,948</b>	<b>66,56,483</b>

### 9A Details of Interest Receivable

Particulars	As at 31st March 2020	As at 31st March 2019
Interest Recoverable on FD	15,948	18,093
Interest Recoverable on Advances	-	63,390
<b>Total</b>	<b>15,948</b>	<b>81,483</b>

## 10 Other Current Assets

Other Current Assets consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Advance to Creditors	3,10,90,355	9,95,45,685
<b>TOTAL</b>	<b>3,10,90,355</b>	<b>9,95,45,685</b>

## 11 Share Capital

The authorised, issued, subscribed and fully paid up share capital of equity shares having a par value of Rs10 each as follows:

Share Capital	As at 31st March 2020		As at 31st March 2019	
<b>Authorised</b>				
Equity Shares of Rs 10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, Subscribed &amp; Fully Paid</b>				
5,02,000 equity Shares of Rs 10 each	50,20,000	5,02,00,000	50,20,000	5,02,00,000
<b>Total</b>	<b>50,20,000</b>	<b>5,02,00,000</b>	<b>50,20,000</b>	<b>5,02,00,000</b>

(i) Equity Shares :- The company has one class of equity shares having a par value of Rs 10 each. Each share holder of equity is entitled to one vote per share.

(ii) In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts.

### 11A Reconciliation of number of shares

Particulars	Equity Shares			
	As at 31st March 2020		As at 31st March 2019	
Shares outstanding at the beginning of the year	50,20,000	5,02,00,000	50,20,000	5,02,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	50,20,000	5,02,00,000	50,20,000	5,02,00,000

### 11B Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rakesh Mohan Sharma	4,12,450	8.22%	3,78,950	7.55%
Disha Capital Services Limited	5,98,000	11.91%	5,98,000	11.91%
Disha Investment Centre Pvt Ltd	14,83,800	29.56%	14,80,800	29.50%
Mr. Tarun Sharma	3,17,120	6.32%	3,00,120	5.98%
Mr. Siddharth Sharma	3,11,010	6.20%	2,95,510	5.89%
Deepali Sharma	2,65,000	5.28%	2,49,000	4.96%
Rakesh Sharma Joint Shivani Sharma	2,47,500	4.93%	2,47,500	4.93%
Others	13,85,120	27.59%	14,70,120	29.29%
<b>Total</b>	<b>50,20,000</b>	<b>100%</b>	<b>50,20,000</b>	<b>100%</b>

**12 Trade payables consist of the following :**

Trade payables consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(a) Trade Payables</b>		
- Due to MSMED	-	-
- Due to others	19,18,23,047	15,56,83,018
<b>Total</b>	<b>19,18,23,047</b>	<b>15,56,83,018</b>

For year ended 31<sup>st</sup> March, 2020, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006.

**13 Other Financial Liabilities (Current)**

Other Financial Liabilities consist of the following at amortised cost:-

Particulars	As at 31st March 2020	As at 31st March 2019
Expense payable	15,000	2,10,000
<b>Total</b>	<b>15,000</b>	<b>2,10,000</b>

**14 Other Current Liabilities (Non-Financial)**

Other current liabilities consist of the following :-

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory Liabilities	22,60,807	1,30,556
Advances from customers	2,26,87,640	4,10,71,776
Other Payables (Refer 14A)	3,86,004	8,34,885
<b>Total</b>	<b>2,53,34,451</b>	<b>4,20,37,216</b>

**14A Other Payables :**

Particulars	As at 31st March 2020	As at 31st March 2019
Salary Payable	3,26,484	6,20,500
Imprest to Staff	59,520	2,14,385
<b>Total</b>	<b>3,86,004</b>	<b>8,34,885</b>

**15 Provision (Current)**

Provisions consist of the following :

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Provision for tax (Refer 15A)	-	86,424
<b>Total</b>	<b>-</b>	<b>86,424</b>

**15A Details of Tax Payable**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Provision for tax -Net (F.Y.: 2018-19)	-	86,424
<b>Total</b>	<b>-</b>	<b>86,424</b>

**16 Revenue from Operations**

Revenue from operations consist of revenues from

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products	19,04,35,105	21,87,16,207
<b>Total</b>	<b>19,04,35,105</b>	<b>21,87,16,207</b>

**17 Other Income**

Other income (net) consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Income on FD	52,218	16,050
Gain On Investment	15,105	-
Interest Income on Advance	22,90,821	70,432
Sundry Balances write back	-	10,000
Reversal of Allowance for Expected Credit Loss on Debtors	-	15,99,656
Interest on Discounting of Advances	-	10,14,564
Miscellaneous Income	655	991
Profit on account of Fair Valuation of Investments	1,50,188	33,446
<b>Total</b>	<b>25,08,987</b>	<b>27,45,139</b>

**18 Purchase of Stock-in Trade**

Purchase of Stock-in Trade consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trading goods	18,65,80,459	21,70,24,572
<b>Total</b>	<b>18,65,80,459</b>	<b>21,70,24,572</b>

**19 Employee Benefit Expense**

Employee benefits expenses consist of the following

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries & Wages	25,04,984	19,11,000
Employees Welfare expenses	1,20,000	1,20,680
<b>Total</b>	<b>26,24,984</b>	<b>20,31,680</b>

**20 Finance Cost**

Finance costs consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Financial charges on discounting of Advances	-	4,78,626
Interest on Late Payment of Taxes	13,148	3,203
<b>Total</b>	<b>13,148</b>	<b>4,81,829</b>

## **21 Other Expenses**

Other expenses consist of the following

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
a) Advertisement expenses	4,26,480	39,280
b) Allowance for Expected Credit Loss on Debtors	-	-
c) Fees and subscription	3,84,710	3,19,074
d) Interest charges	-	-
e) Demat Charges	-	3,199
f) Office Expenses	10,500	84,594
g) Bank Charges	4,856	2,531
h) Travelling Expenses	8,88,909	2,03,821
i) Rates & Taxes	10,360	7,050
j) Computer maintenance	-	8,838
k) Repair & Maintenance	4,000	26,700
l) Sundry Balance Written off	-	2
m) Telephone	1,15,200	97,200
n) Electricity	20,650	6,563
o) Conveyance & Car Running Exp.	1,67,100	1,39,252
p) Legal & Professional Expenses	10,000	57,500
q) Event Management Charges	6,25,000	-
r) Service charges	-	2,88,500
s) <u>Auditors Remuneration:</u>		
-Statutory/Tax Audit	15,000	15,000
t) Prior Period Expenses	6,620	3,983
u) E-Voting Charges	5,000	-
v) Tally license Renewal Charges	3,600	-
<b>Total</b>	<b>26,97,986</b>	<b>13,03,087</b>

## **22. Significant Accounting Policies**

### **A. Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

### **B. Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 - Share-based Payment, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IndAS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.



All the amounts included in the financial statements are reported in Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

### **C. Basis of classification of Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

### **D. Operating Cycle**

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 and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **E. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### **F. Property, Plant and Equipment - Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost

includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up-gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Asset	Life of Asset
Computers & Peripherals	3 - 6 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

#### **G. Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

## H. Inventories

Inventories are stated at lower of cost and net realizable value. The cost is calculated on First In First Out method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realizable value is the estimated selling price less estimated costs for completion and sale.

## I. Financial Assets

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a) **Amortised cost**, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- b) **Fair value through other comprehensive income (FVTOCI)**, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c) **Fair value through profit or loss (FVTPL)**, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise. Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- a) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Income Recognition:** Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

#### **J. Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortized cost. Any discount or premium on redemption/ settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

#### **K. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **L. Cash Flow Statement**

Cash Flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

#### **M. Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## N. Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

## O. Revenue

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and

a) **Sale of goods:** Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax.

b) **Interest income:** Income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

c) **Dividend income:** Dividend is recognised when the right to receive the payment is established (generally on shareholder's approval by the reporting date).

d) **Other revenues:** These are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

## P. Employee Benefits

### Short-term benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## Q. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a

specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## **R. Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred taxation.

### **a) Current Tax**

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### **b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be

available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**c) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**S. Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**T. Operating Segment**

The Company operates only in single segment i.e. the Trading of "local computer" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**U. Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue. For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Company and the weighted average number of

shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**V. Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

**W. Financial and Management Information Systems**

The Company's Accounting System is designed to unify the Financial Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



## Additional Notes to Accounts

### 23) Earnings Per Share (EPS) :

	Year ended 31-Mar-20	Year Ended 31-Mar-19
<b>(a) Calculation of Weighted Average Number of Equity Shares of 100 each</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
Weighted Average number of Equity Shares** During the period	50,20,000	50,20,000
<b>(b) Net Profit/(Loss) for the period attributable to Equity Shares (in Rs.)</b>		
	9,87,615	(1,07,172)
<b>(c) Earning per share - Basic**</b>		
	0.20	(0.02)
<b>(d) Earning per share - Diluted**</b>		
	0.20	(0.02)

24) Employee Benefits Schemes such as Gratuity, Provident Fund & other staff welfare schemes are applicable on the Company during the reporting period. But no provision of gratuity has been made during the reporting period as mandated by "Indian Accounting Standard-19 on Employees Benefits", issued by Institute of Chartered Accountants of India and the expense of Gratuity is not booked on the basis of Actuarial Valuation certificate.

25) For year ended 31<sup>st</sup> March, 2020, Company has no dues from any party that is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

26) The Company has taken certain commercial premises under cancellable operating lease arrangements. The lease rental clause provides no rental expense to be charged from lessee. Only security deposit amounting Rs. 65,75,000 is to be provided for. There is no Lock in period of aforementioned operating leases as on 31<sup>st</sup> March 2020, therefore the same are considered as cancellable operating lease.

### 27) Related Parties Transactions:

#### A. List of Related parties

SN	Description of Relationship	Name of Party
(a)	Associate Company	Disha Capital Services Limited
(b)	Enterprise which have significant influence over the company	Disha Investment Centre Private Limited
(c)	Key Management Personnel	Kriti Bareja Indu Atri Rakesh Mohan Sharma Deepali Sharma Siddharth Sharma

## B. Transactions with Related Parties

	Type of Transaction	Associate Company		Enterprise which have significant influence over the company		Key Managerial Personnel		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(a)	Salary	-	-	-	-	952,520	5,97,000	952,520	5,97,000

## C. Balance Outstanding

(Amount in Rs.)

		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1.	Amount outstanding - Receivables (Disha Investment Centre Pvt Ltd)	65,75,000	65,75,000
2.	Amount outstanding - Payables (KMP)	2,80,000	52,000
3.	Amount outstanding - Investments (Associate)	1,31,38,500	1,31,38,500

## 28) Fair value measurement

### i. Financial Instruments by category

	As at 31 <sup>st</sup> March 2020			As at 31 <sup>st</sup> March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Investments</b>	67,39,739	-	1,31,38,500	9,33,446	-	1,31,38,500
<b>Loans</b>	-	-	2,13,19,821	-	-	3,11,17,983
<b>Trade Receivables</b>	-	-	18,21,23,600	-	-	9,63,08,863
<b>Cash and cash equivalents</b>	-	-	32,21,480	-	-	1,07,471
<b>Other Bank Balance</b>	-	-	5,52,665	-	-	5,00,000
<b>Others</b>	-	-	65,90,948	-	-	66,56,483
<b>Borrowing</b>	-	-	-	-	-	-
<b>Trade Payable</b>	-	-	19,18,23,047	-	-	15,56,83,018
<b>Other</b>	-	-	15,000	-	-	2,10,000

ii. **Financial Instruments by hierarchy**

<b>Particulars</b>		<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>I</b>	<p><b>Financial Assets / Financial Liabilities at Amortised Cost</b></p> <p>The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except Investments for which the fair value are as follows:</p> <p>Fair value of Investments measured at amortised cost</p> <p><b>(Level 1)</b></p>	1,31,38,500	1,31,38,500
<b>II</b>	<p><b>Financial assets at Fair Value through Profit &amp; Loss</b></p> <p>Investment in Equity Shares, Mutual Funds (Level 1)</p> <p>Investment in Alternative Investment Funds (Debt), Loans (Level 3)</p>	67,39,739 2,13,19,821	9,33,446 3,11,17,983
<b>III</b>	<p><b>Financial assets at fair value through Other Comprehensive Income</b></p>	<b>NIL</b>	<b>NIL</b>

29) **Capital Management**

The Company's objective for managing capital is to ensure as under:

- a) To ensure the company's ability to continue as a going concern.
- b) Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholder's value.
- c) Maintain an optimal capital structure.
- d) Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- a) Compliance of financial covenants of borrowing facilities.
- b) Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There has been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

### 30) **Financial Risk Management**

The Company's principal financial liability comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds non-current investments measured at amortised cost. The Company is exposed to market risk, credit risk, interest risk, foreign exchange risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

#### a) **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL non-current investments.

#### b) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's availment of bank overdraft and other working capital loans.

#### c) **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

**d) Liquidity Risk**

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with bank(s) to meet the obligations.

31) The letters of confirmation have been sent by the management to parties of Accounts receivables, Accounts payables, Advances, other payables/receivables to confirm their balances as on 31st March, 2020. Balance confirmations have not been received from parties up to the date of signing of financials. The balances of such parties have been incorporated in the financial statements at the value as per the books of account. The company, to the extent stated, has considered them as good and no provisions have been made in respect of debtors/advances.

32) **Segment information for the year ended 31st March 2020**

The Company is engaged in a single segment i.e. the Trading of "Local Computers and other related services" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**Geographical Segments**

Since the company's operations & activities are within the country and considering the nature of services it deals in, the risks and returns are the same and as such, there is only one geographical segment.

<u>Particulars</u>	<u>For year ending 31st March, 2020</u>	<u>For year ending 31st March, 2019</u>
<u>Segment Revenue</u>		
- Within India	19,04,35,105	21,87,16,207

33) The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and decline in the global and Indian financial markets. Various stages of Lockdown announced by Government of India to control the spread of virus have resulted in the slowdown in the economic activities. The impact on your company is no different and the company lost some revenue in the last fortnight of March, 2020 resulting in gross turnover for the financial year 2019-20 remaining lesser by 2-3 crores.

However, with the digital communication technology, the company has been encouraging its employees to work from Home. This has enabled business continuity through remote technology.

Thus, the company believes that the current crisis will have an impact on the ability of the company to run its operation. Further, the company will remain vigilant to

monitor any material changes to future economic conditions which will be given effect in the respective future period.

- 34) (i) **Comparative Previous Year's Figures**  
Figures for the previous year are in brackets and have been re-grouped/re-classified wherever necessary to make them comparable with the figures of the current year.
- (ii) **Format as per Schedule III of Companies Act, 2013**  
The Company has prepared these Financial Statements as per the format prescribed by Schedule III to the Companies Act, 2013 ('the Schedule') issued by Ministry of Corporate Affairs, Government of India for preparation of Ind AS financials.
- (iii) **Presentation of Figures**  
The figures appearing in the Financial Statements has been prepared in Rupees.
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**For V SahaiTripathi & Co**  
Chartered Accountants  
Firm Reg. No. 000262N

**VishwasTripathi**  
Partner  
M.N.: 086897

**Sidharth Sharma**  
(Director)  
DIN 07401382

**Deepali Sharma**  
(Director)  
DIN 05133382

**Place: New Delhi**  
**Dated: 30<sup>th</sup> June 2020**

**InduAtri**  
(Chief Financial Officer)

**KritiBareja**  
(Company Secretary)

## Independent Auditors' Report

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To the Members of  
**SOUTHERN INFOSYS LIMITED**

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of **SOUTHERN INFOSYS LIMITED** ("hereinafter referred to as the Holding Company") and its associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified opinion paragraph**, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date

- (a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the Company as at March 31, 2020; and
- (b) In the case of Consolidated Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2020.
- (c) In the case of Consolidated Cash Flow Statement for the year ended on date March 31, 2020.
- (d) In the case of Consolidated Statement of changes in equity for the year ended on date March 31, 2020.

#### Basis for Qualified Opinion

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 Indian Accounting Standard-19 on Employee Benefits prescribed in the Companies (Accounting Standards) Rules, 2006 and Companies (Accounting Standards) Rules, 2016. The company has not made any provision for Gratuity and the said non-provision is contravention. 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.

### ***Emphasis of Matter***

- a) We draw your attention to the responsibility of the Company to arrange balance confirmations in respect of Accounts Receivable, Accounts Payable and other receivables/payables. The letters of confirmation have been sent by the management to parties of Accounts receivables, Accounts payables, Advances, other payables/receivables to confirm their balances as on 31st March, 2020. Balance confirmations have not been received from parties up to the date of signing of financials. The balances of such parties have been incorporated in the financial statements at the value as per the books of account. The company, to the extent stated, has considered them as good and no provisions have been made in respect of debtors/advances. Accordingly, Accounts Receivables and Payables balances and other receivables/payables are subject to confirmation and reconciliation. To that extent, we are unable to ascertain financial implication of same in the financial statements.
- b) We draw attention to **Note 33** to the financial statements, regarding management's assessment of Covid-19 impact on the future performance of the company. Our report is not modified in respect of the matter.

### **Other Matter**

The financial statements of **Disha Capital Services Limited** for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2020. The financial statements/financial information of aforesaid associate have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Report on Corporate Governance and General Shareholders Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is



materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. 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, does not required to be given in case of consolidation of financials. Accordingly report a statement on the matters specified in the paragraph 3 and 4 of the Order, are not required to be given.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. Except for the matter described in the Basis for Qualified Opinion and Emphasis of matter paragraph above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the matter described in the Basis for Qualified Opinion and Emphasis of matter paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. Except for the matter described in the Basis for Qualified Opinion and Emphasis of matter paragraphs above, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.;
  - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above , in our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules,2014 ;
  - e. \*on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. Except for the matter described in the basis for qualified opinion and Emphasis of Matter Paragraph, with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'** ; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation as on 31<sup>st</sup> March, 2020;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V Sahai Tripathi & Co.**  
Chartered Accountants  
Firms Registration No. 000262N

**(Vishwas Tripathi)**  
Partner  
Membership No. 086897

Place: New Delhi  
Date:- 30<sup>th</sup> June, 2020

## **Annexure 'A' to Independent Auditors' Report**

**Referred to in Paragraph 2 (f) under the heading of "report on other legal and regulatory requirements" of our report of even date**

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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, 2020 in conjunction with our audit of the consolidated 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 internal policies & procedures, accounting records and essential components on the internal control over financial reporting criteria established by the Company as per Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 consolidated 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:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the Company's internal policies & procedures and accounting records and implementation of essential components on the internal controls over financial reporting.

**For V Sahai Tripathi & Co.**

Chartered Accountants

Firms Registration No. 000262N

**(Vishwas Tripathi)**

Partner

Membership No. 086897

Place: New Delhi

Date:- 30<sup>th</sup> June, 2020

**SOUTHERN INFOSYS LIMITED**  
**Consolidated Balance Sheet as at 31st March 2020**

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	84,724	1,02,078
	(b) Other Intangible Assets		-	-
	(c) Financial Assets			
	(i) Investments	2	2,04,56,361	1,45,37,270
	(ii) Loans	3	2,13,19,821	3,11,17,983
	(d) Deferred Tax Asset (Net)	4	9,840	-
	(e) Other Non Current Assets	5	35,95,479	1,15,025
<b>2</b>	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Trade receivables	6	18,21,23,600	9,63,08,863
	(ii) Cash and Cash Equivalents	7	32,21,480	1,07,471
	(iii) Other Bank Balances	8	5,52,665	5,00,000
	(ii) Other Financial Assets	9	65,90,948	66,56,483
	(b) Other Current Assets	10	3,10,90,355	9,95,45,685
	<b>TOTAL ASSETS</b>		<b>26,90,45,274</b>	<b>24,89,90,860</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	11	5,02,00,000	5,02,00,000
	(b) Other Equity		16,72,776	5,72,363
<b>2</b>	<b>Liabilities</b>			
	<b>Non Current liabilities</b>			
	(a) Deferred Tax Liability (Net)	4	-	2,01,839
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables	12	19,18,23,047	15,56,83,018
	(ii) Other Financial Liabilities	13	15,000	2,10,000
	(b) Other Current Liabilities	14	2,53,34,451	4,20,37,216
	(c) Provisions	15	-	86,424
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,90,45,274</b>	<b>24,89,90,860</b>

Notes forming part of the financial statements 1 to 35

This is the Balance Sheet referred to in our report of even date

For V Sahai Tripathi & Co.

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma

Director

DIN: 07401382

Deepali Sharma

Director

DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Place : New Delhi

Date : 30th June 2020

Indu Attri

Chief Finance Officer

Kriti Bareja

Company Secretary

## SOUTHERN INFOSYS LIMITED

### Consolidated Statement of Profit and Loss for the period ended 31st March 2020

	Particulars	Note No.	For the year ending 31st March 2020	For the year ending 31st March 2019
I.	Revenue From Operations	16	19,04,35,105	21,87,16,207
II.	Other Income	17	25,08,987	27,45,139
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>19,29,44,092</b>	<b>22,14,61,346</b>
IV.	<b>Expenses:</b>			
	Purchase of Stock-in Trade	18	18,65,80,459	21,70,24,572
	Employee Benefits Expense	19	26,24,984	20,31,680
	Finance Costs	20	13,148	4,81,829
	Depreciation and Amortization Expense	1	17,354	23,417
	Other Expenses	21	26,97,986	13,03,087
	<b>Total Expenses</b>		<b>19,19,33,931</b>	<b>22,08,64,585</b>
<b>V.</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>10,10,161</b>	<b>5,96,761</b>
VI.	Exceptional Item		-	-
<b>VII.</b>	<b>Profit before tax (V - VI)</b>		<b>10,10,161</b>	<b>5,96,761</b>
VIII.	Tax expense:			
	(1) Current Tax		2,34,225	1,22,798
	(2) Deferred Tax		(2,11,679)	6,95,952
	(3) MAT Credit Entitlement		-	(1,14,817)
<b>IX</b>	<b>Profit (Loss) for the period</b>		<b>9,87,615</b>	<b>(1,07,172)</b>
<b>X</b>	<b>Share in Profit of Associates</b>		<b>1,12,798</b>	<b>1,77,050</b>
<b>XI</b>	<b>Profit (Loss) for the period</b>		<b>11,00,413</b>	<b>69,878</b>
<b>X</b>	<b>Other Comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XI</b>	<b>Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and Other Comprehensive Income for the period)</b>		<b>11,00,413</b>	<b>69,878</b>
<b>XII</b>	Earnings per equity share (for continuing operation):			
	- Basic		0.22	0.01
	- Diluted		0.22	0.01

Notes forming part of the financial statements

1 to 35

This is the Balance Sheet referred to in our report of even date

**For V. Sahai Tripathi & Co.**

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma

Director

DIN: 07401382

Deepali Sharma

Director

DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Indu Attri

Chief Finance Officer

Kriti Bareja

Company Secretary

Place : New Delhi

Date : 30th June 2020



**SOUTHERN INFOSYS LIMITED**  
**Consolidated Statement of Cash Flow for the period ended 31st March 2020**

Particulars		31.03.2020		31.03.2019	
(A)	<b>Cash flow from Operating Activities</b>				
	Profit Before Tax	10,10,161		5,96,761	
<b>Add:</b>	(Profit)/Loss on sale of Assets - Net				
	Depreciation	17,354		23,417	
	Interest Paid	-		4,78,626	
	Interest Received	(23,43,039)		(9,28,082)	
	Reversal of Provision of Loss Allowence	-		(15,99,656)	
	(Profit)/Loss on sale of Investments	(15,105)			
	Profit on Fair Valuation of Investment	(1,50,188)		(33,446)	
	<b>Operating Profits before working Capital changes</b>	<b>(14,80,817)</b>		<b>(14,62,380)</b>	
	Adjustment for:				
	Change in Trade Payable	3,61,40,029		9,19,41,970	
	Change in Other Liabilities	-1,68,97,765		5,06,476	
	Change in Trade receivable	(8,58,14,737)		(9,39,63,540)	
	Change in Loans & Advances	97,98,162		(14,564)	
	Change in Non Current Assets	-34,80,454		(208)	
	Change in Current Assets	6,85,20,866		4,00,792	
	<b>Cash generation from Operating Activities</b>	<b>67,85,284</b>		<b>(25,91,454)</b>	
<b>Less:</b>	Income Tax	3,20,649		90,783	
	<b>Net Cash generation from Operating Activities</b>		<b>64,64,635</b>		<b>(26,82,238)</b>
(B)	<b>Cash Flow from Investing Activities</b>				
	Interest Income	23,43,039		9,28,082	
	Dividend Income	-		-	
	Purchase of Investment	-60,41,000		(9,00,000)	
	Sale of Investment	4,00,000		-	
	Movement in Deposits	-52,665		-	
	<b>Net Cash from Investing Activities</b>		<b>(33,50,626)</b>		<b>28,082</b>
(C)	<b>Cash Flow from Financing Activities</b>				
	Interest Paid	-		(4,78,626)	
	<b>Net Cash flow in Financing Activities</b>		<b>-</b>		<b>(4,78,626)</b>
	<b>Net increase decrease in cash &amp; cash equaivalants</b>		<b>31,14,009</b>		<b>(31,32,782)</b>
	Cash and Cash equivalents (Opening Balance)		1,07,471		32,40,253
	<b>Cash and Cash equivalents (Closing Balance)</b>		<b>32,21,480</b>		<b>1,07,471</b>

Notes forming part of the financial statements  
This is the Balance Sheet referred to in our report of even date

1-35

**For V. Sahai Tripathi & Co.**

Chartered Accountants  
Firm Regn No. 000262N

**Siddharth Sharma**  
Director  
DIN: 07401382

**Deepali Sharma**  
Director  
DIN: 05133382

**Vishwas Tripathi**  
(Partner)  
Membership No. 086897

Place : New Delhi  
Date : 30th June 2020

**Indu Attri**  
Chief Finance Officer

**Kriti Bareja**  
Company Secretary

**SOUTHERN INFOSYS LIMITED**  
**Consolidated Statement of Change in Equity as at March 31, 2020**

**Equity Share Capital**

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the reporting period;	5,02,00,000	5,02,00,000
Changes in equity share capital during the year;	-	-
<b>Balance at the end of the reporting period</b>	<b>5,02,00,000</b>	<b>5,02,00,000</b>

**Other Equity**

Other equity consist of following :

Particulars	Reserves and Surplus			Total
	Share Application Pending Attotment	General Reserve	Retained Earnings	
<b>Balance as at 1.04.2018</b>	-	-	5,02,485	5,02,485
Profit/(loss) for the year	-	-	69,878	69,878
Other comprehensive income/(loss) for the year	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Capital Reserve	-	-	-	-
Issue of Equity Share Capital	-	-	-	-
<b>Balance at the end of the 31.03.2019</b>	-	-	5,72,363	5,72,363
Profit/(loss) for the year	-	-	11,00,413	11,00,413
Other comprehensive income/(loss) for the year	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer to Capital Reserve	-	-	-	-
Issue of Equity Share Capital	-	-	-	-
<b>Balance at the end of the 31.03.2020</b>	-	-	16,72,776	16,72,776

Notes forming part of the financial statements

1 to 35

This is the Balance Sheet referred to in our report of even date

**For V. Sahai Tripathi & Co.**

Chartered Accountants

Firm Regn No. 000262N

Siddharth Sharma  
Director  
DIN: 07401382

Deepali Sharma  
Director  
DIN: 05133382

Vishwas Tripathi

(Partner)

Membership No. 086897

Indu Attri  
Chief Finance Officer

Kriti Bareja  
Company Secretary

Place : New Delhi

Date : 30th June 2020

## 1 Property, Plant and Equipment

Property, plant and equipment consist of the following :

Particulars	Computers And Data Processing Units	Data processing machine	Data processing machine	Air conditioner	Furniture & fixture	Software	Total
<b>Year ended 31 March 2020</b>							
<i>Opening gross carrying amount</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2020</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Opening accumulated depreciation	4,647	(16,309)	20,458	-	97,498	11,467	1,17,761
Depreciation charged during the year 2019-2020	-	-	-	-	17,354	-	17,354
Depreciation on Disposals	-	-	-	-	-	-	-
Adjustment/ Reversal of Depreciation	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2020</i>	4,647	(16,309)	20,458	-	1,14,852	11,467	1,35,115
<b>Net carrying amount as at March 31, 2020</b>	<b>6,725</b>	<b>20,000</b>	<b>3,216</b>	<b>5,000</b>	<b>49,784</b>	<b>-</b>	<b>84,724</b>
<b>Year ended 31 March 2019</b>							
<i>Opening gross carrying amount</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2019</i>	11,372	3,691	23,674	5,000	1,64,636	11,467	2,19,840
Opening accumulated depreciation	4,647	(16,309)	20,458	-	74,081	11,467	94,344
Depreciation charged during the year 2018-2019	-	-	-	-	23,417	-	23,417
Depreciation on Disposals	-	-	-	-	-	-	-
Adjustment/ Reversal of Depreciation	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2019</i>	4,647	(16,309)	20,458	-	97,498	11,467	1,17,761
<b>Net carrying amount as at March 31, 2019</b>	<b>6,725</b>	<b>20,000</b>	<b>3,216</b>	<b>5,000</b>	<b>67,138</b>	<b>-</b>	<b>1,02,078</b>
<i>Deemed cost as on 01.04.2016</i>							
<i>Opening gross value as on 01.04.2015</i>	1,34,500	4,00,000	64,320	1,00,000	2,56,505	-	9,55,325
Additions	-	-	-	-	-	17,200	17,200
Disposals	-	-	-	-	-	-	-
<i>Closing gross carrying amount as at March 31, 2016</i>	1,34,500	4,00,000	64,320	1,00,000	2,56,505	17,200	9,72,525
Opening acc Dep as on 01.04.2015	1,00,984	3,96,309	-	76,309	34,375	-	6,07,977
Depreciation charged during the year	22,144	-	40,646	18,691	57,494	5,733	1,44,708
Depreciation on Disposals	-	-	-	-	-	-	-
<i>Closing accumulated depreciation as at March 31, 2016</i>	1,23,128	3,96,309	40,646	95,000	91,869	5,733	7,52,685
<b>Net carrying amount as at March 31, 2016</b>	<b>11,372</b>	<b>3,691</b>	<b>23,674</b>	<b>5,000</b>	<b>1,64,636</b>	<b>11,467</b>	<b>2,19,840</b>

## **2 Investments (Non-current)**

Investments consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Carried at market value</b>		
- Investments in Equity Shares -Quoted (Note 2A)	8,672	8,561
- Investments in Mutual Funds	67,31,067	9,24,885
- Investments in Equity Accounted Investees (Note 2B)	1,37,16,622	1,36,03,824
<b>TOTAL</b>	<b>2,04,56,361</b>	<b>1,45,37,270</b>

### **2A Investments in Equity**

Investment in Equity Shares	As at 31st March 2020	As at 31st March 2019
<b>Quoted</b>		
Arcee Industries Ltd.	4,000	1,910
Shiva Medicare Ltd.	3,900	4,537
Pasupati Acrylic Ltd.	599	1,554
Arcotech	173	560
<b>TOTAL</b>	<b>8,672</b>	<b>8,561</b>

### **2B Investments in Equity Accounted Investees**

Carrying Amount in associate	1,36,03,824	1,34,26,774
Share in profit/loss in associate	1,12,798	1,77,050
	<u>1,37,16,622</u>	<u>1,36,03,824</u>

## **3 Loans (Non-current)**

Loans consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Loans and advances	2,13,19,821	3,11,17,983
<b>TOTAL</b>	<b>2,13,19,821</b>	<b>3,11,17,983</b>

### **3A**

Particulars	As at 31st March 2020	As at 31st March 2019
Amrita*	1,31,37,399	2,59,35,483
Sunil Kumar*	-	31,82,500
SMB Holdings*	32,01,310	20,00,000
Vinod Kumar*	49,81,112	-
	<b>2,13,19,821</b>	<b>3,11,17,983</b>

\* Interest bearing advances

**Note 4: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances:

Particulars	As at 31st March 2020	As at 31st March 2019
Property, Plant and Equipment	9,840	9,461
Interest on ICD	-	(2,11,299)
Allowance for Expected Credit Loss	-	-
<b>Total</b>	<b>9,840</b>	<b>(2,01,839)</b>

Movement in Deferred Tax Assets/(Liabilities)

Particulars	Property, Plant and Equipment	Interest on ICD	Allowance for Expected Credit	Total
<b>At 31st March, 2018</b>	<b>11,460</b>	<b>70,742</b>	<b>4,11,911</b>	<b>4,94,113</b>
(Charged) / credited				
- to Statement of Profit and Loss	(2,000)	(2,82,041)	(4,11,911)	(6,95,952)
- to Other Comprehensive Income	-	-	-	-
<b>At 31st March, 2019</b>	<b>9,461</b>	<b>(2,11,299)</b>	<b>-</b>	<b>(2,01,839)</b>
(Charged) / credited				
- to Statement of Profit and Loss	380	2,11,299	-	2,11,679
- to Other Comprehensive Income	-	-	-	-
<b>At 31st March, 2020</b>	<b>9,840</b>	<b>-</b>	<b>-</b>	<b>9,840</b>

**5 Current Tax Assets (Net)**

Current Tax Assets (Net) consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
GST Input	-	208
Tax Recoverable (Net of Provision)	34,80,662	-
Mat Credit Entitlement (FY 2018-19)	1,14,817	1,14,817
<b>TOTAL</b>	<b>35,95,479</b>	<b>1,15,025</b>

**5A Status as at 31st March, 2020**

Particulars	As at 31st March 2020	As at 31st March 2019
Balance outstanding for previous year	<b>(86,424)</b>	<b>(54,409)</b>
Provision for tax	2,34,225	1,22,798
Less: TDS recoverable/tax deducted at source	37,32,661	18,809
Less: Self assessment tax	68,650	71,974
<b>Tax Refundable/(Tax Payable)*</b>	<b>34,80,662</b>	<b>(86,424)</b>

\*Previous year provision for tax have been shown net under the head Provisions.

## 6 Trade Receivables

Trade receivables consist of the following:

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good; Doubtful	18,21,23,600 -	9,63,08,863 -
	<b>18,21,23,600</b>	<b>9,63,08,863</b>
Less: Allowance for expected credit loss	-	-
<b>TOTAL</b>	<b>18,21,23,600</b>	<b>9,63,08,863</b>

The company applies the simplified and lifetime approach to provide for expected credit loss prescribed by Ind AS 109, which permits the use of expected loss provision for all trade receivables. The company uses expected credit loss model to assess the impairment loss and make allowance on doubtful debts using expected credit loss model on case to case basis.

## 7 Cash and Cash Equivalent

Cash and cash equivalents consist of the following at amortised cost:

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Cash in Hand	2,74,319	1,965
(b) Balances with banks - In Current Accounts	29,47,161	1,05,506
<b>TOTAL</b>	<b>32,21,480</b>	<b>1,07,471</b>

## 8 Other Bank Balances

Other Bank Balances consist of the following at amortised cost:

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Bank deposit <i>(deposits with original maturity more than 3 month having remaining maturity less than 12 months form Reporting date)</i>	5,52,665	5,00,000
<b>TOTAL</b>	<b>5,52,665</b>	<b>5,00,000</b>

## 9 Other Financial Assets (Current)

Other Financial Assets consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits; - Deposits for Rented Premises	65,75,000	65,75,000
Interest Receivable (Note No 9A)	15,948	81,483
<b>TOTAL</b>	<b>65,90,948</b>	<b>66,56,483</b>

### 9A Details of Interest Receivable

Particulars	As at 31st March 2020	As at 31st March 2019
Interest Recoverable on FD	15,948	18,093
Interest Recoverable on Advances	-	63,390
<b>Total</b>	<b>15,948</b>	<b>81,483</b>

## 10 Other Current Assets

Other Current Assets consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
Advance to Creditors	3,10,90,355	9,95,45,685
<b>TOTAL</b>	<b>3,10,90,355</b>	<b>9,95,45,685</b>

## 11 Share Capital

The authorised, issued, subscribed and fully paid up share capital of equity shares having a par value of Rs10 each as follows:

Share Capital	As at 31st March 2020		As at 31st March 2019	
<b>Authorised</b>				
Equity Shares of Rs 10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000
	60,00,000	6,00,00,000	60,00,000	6,00,00,000
<b>Issued, Subscribed &amp; Fully Paid</b>				
5,02,000 equity Shares of Rs 10 each	50,20,000	5,02,00,000	50,20,000	5,02,00,000
<b>Total</b>	<b>50,20,000</b>	<b>5,02,00,000</b>	<b>50,20,000</b>	<b>5,02,00,000</b>

(i) Equity Shares :- The company has one class of equity shares having a par value of Rs 10 each. Each share holder of equity is entitled to one vote per share.

(ii) In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts.

### 11A Reconciliation of number of shares

Particulars	Equity Shares			
	As at 31st March 2020		As at 31st March 2019	
Shares outstanding at the beginning of the year	50,20,000	5,02,00,000	50,20,000	5,02,00,000
Shares Issued during the year **	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	50,20,000	5,02,00,000	50,20,000	5,02,00,000

### 11B Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Name of Shareholder	Equity Shares			
	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rakesh Mohan Sharma	4,12,450	8.22%	3,78,950	7.55%
Disha Capital Services Limited	5,98,000	11.91%	5,98,000	11.91%
Disha Investment Centre Pvt Ltd	14,83,800	29.56%	14,80,800	29.50%
Mr. Tarun Sharma	3,17,120	6.32%	3,00,120	5.98%
Mr. Siddharth Sharma	3,11,010	6.20%	2,95,510	5.89%
Deepali Sharma	2,65,000	5.28%	2,49,000	4.96%
Rakesh Sharma Joint Shivani Sharma	2,47,500	4.93%	2,47,500	4.93%
Others	13,85,120	27.59%	14,70,120	29.29%
<b>Total</b>	<b>50,20,000</b>	<b>100%</b>	<b>50,20,000</b>	<b>100%</b>



**12 Trade payables consist of the following :**

Trade payables consist of the following :

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(a) Trade Payables</b>		
- Due to MSMED	-	-
- Due to others	19,18,23,047	15,56,83,018
<b>Total</b>	<b>19,18,23,047</b>	<b>15,56,83,018</b>

For year ended 31<sup>st</sup> March, 2020, Company has no dues from any party that it is covered under the Micro, Small & Medium Enterprises Development Act, 2006

**13 Other Financial Liabilities (Current)**

Other Financial Liabilities consist of the following at amortised cost:-

Particulars	As at 31st March 2020	As at 31st March 2019
- Expense payable	15,000	2,10,000
<b>Total</b>	<b>15,000</b>	<b>2,10,000</b>

**14 Other Current Liabilities (Non-Financial)**

Other current liabilities consist of the following :-

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(a) Statutory Liabilities</b>	22,60,807	1,30,556
<b>(b) Advances from customers</b>	2,26,87,640	4,10,71,776
<b>(c) Other Payables (Refer Note 14A)</b>	3,86,004	8,34,885
<b>Total</b>	<b>2,53,34,451</b>	<b>4,20,37,216</b>

**14A Other Payables :**

Particulars	As at 31st March 2020	As at 31st March 2019
Salary Payable	3,26,484	6,20,500
Imprest to Staff	59,520	2,14,385
<b>Total</b>	<b>3,86,004</b>	<b>8,34,885</b>

**15 Provision (Current)**

Provisions consist of the following :

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
(a) Provision for tax (Refer Note 15A)	-	86,424
<b>Total</b>	-	<b>86,424</b>

**15A Details of Tax Payable**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Provision for tax (F.Y.: 2018-19)-Net	-	86,424
<b>Net</b>	-	<b>86,424</b>

**16 Revenue from Operations**

Revenue from operations consist of revenues from

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products	19,04,35,105	21,87,16,207
<b>TOTAL</b>	<b>19,04,35,105</b>	<b>21,87,16,207</b>

**17 Other Income**

Other income (net) consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Income on FD	52,218	16,050
Gain On Investment	15,105	-
Interest Income on Advance	22,90,821	70,432
Sundry Balances write back	-	10,000
Reversal of Allowance for Expected Credit Loss on Debtors	-	15,99,656
Interest on Discounting of Advances	-	10,14,564
Dividend Income	-	-
Miscellaneous Income	655	991
Profit on account of Fair Valuation of Investments	1,50,188	33,446
<b>Total</b>	<b>25,08,987</b>	<b>27,45,139</b>

**18 Purchase of Stock-in Trade**

Purchase of Stock-in Trade consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trading goods	18,65,80,459	21,70,24,572
<b>Total</b>	<b>18,65,80,459</b>	<b>21,70,24,572</b>

**19 Employee Benefit Expense**

Employee benefits expenses consist of the following

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Salaries & Wages	25,04,984	19,11,000
(b) Employees Welfare expenses	1,20,000	1,20,680
<b>Total</b>	<b>26,24,984</b>	<b>20,31,680</b>

**20 Finance Cost**

Finance costs consist of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Financial charges on discounting of Advances	-	4,78,626
Interest on Late Payment of Taxes	13,148	3,203
<b>Total</b>	<b>13,148</b>	<b>4,81,829</b>

## **21 Other Expenses**

Other expenses consist of the following

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
a) Advertisement expenses	4,26,480	39,280
b) Allowance for Expected Credit Loss on Debtors	-	-
c) Fees and subscription	3,84,710	3,19,074
d) Interest charges	-	-
e) Demat Charges	-	3,199
f) Office Expenses	10,500	84,594
g) Bank Charges	4,856	2,531
h) Travelling Expenses	8,88,909	2,03,821
i) Rates & Taxes	10,360	7,050
j) Computer maintenance	-	8,838
k) Repair & Maintenance	4,000	26,700
l) Sundry Balance Written off	-	2
m) Telephone	1,15,200	97,200
n) Electricity	20,650	6,563
o) Conveyance & Car Running Exp.	1,67,100	1,39,252
p) Legal & Professional Expenses	10,000	57,500
q) Event Management Charges	6,25,000	-
r) Service charges	-	2,88,500
s) <u>Auditors Remuneration:</u>		
-Statutory/Tax Audit	15,000	15,000
t) Prior Period Expenses	6,620	3,983
u) E-Voting Charges	5,000	-
v) Tally license Renewal Charges	3,600	-
<b>Total</b>	<b>26,97,986</b>	<b>13,03,087</b>

## **22. Significant Accounting Policies**

### **I. BASIS OF CONSOLIDATION**

The Consolidated financial statements (CFS) relate to Southern Infosys Limited (the company), and its associate.

**(a) Basis of Accounting:**

- (i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as the holding company i.e. year ended March, 2020.
- (ii) The Consolidated financial statements of the company and its associate companies have been prepared in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

**(b) Principles of consolidation:**

The Consolidated financial statements have been prepared on the following basis:

- (i) Investment in Associate Companies has been accounted under equity method as per Indian Accounting Standard (Ind AS) 28- "Investments in Associates".
- (ii) On acquisition of an associate, the goodwill/capital reserve arising from such acquisition is included in the carrying amount of the investment.
- (iii) Only share of net profits/losses of associates is considered in Consolidated Statement of Profit and Loss.

The carrying amount of the investment in associates is adjusted by the share of net profits/losses in the Consolidated Balance Sheet.

### **II. Basis of preparation of Consolidated financial statements**

**A. Statement of Compliance with Ind AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

**B. Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the

Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3** -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IndAS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

All the amounts included in the financial statements are reported in Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

### **C. Basis of classification of Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

#### **D. Operating Cycle**

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 and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **E. Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

#### **F. Property, Plant and Equipment - Tangible Assets**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up-gradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Asset	Life of Asset
Computers & Peripherals	3 - 6 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

#### **Goodwill on Consolidation**

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On acquisition of an associate or joint venture, the goodwill/ capital reserve arising from such acquisition is included in the carrying amount of the investment.

Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

#### **G. Impairment of Assets**

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

#### **H. Inventories**

Inventories are stated at lower of cost and net realizable value. The cost is calculated on First in First Out method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realizable value is the estimated selling price less estimated costs for completion and sale.

#### **I. Financial Assets**

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The



transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a) **Amortised cost**, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- b) **Fair value through other comprehensive income (FVTOCI)**, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c) **Fair value through profit or loss (FVTPL)**, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise. Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- a) Amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Income Recognition:** Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

#### **J. Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortized cost. Any discount or premium on redemption/ settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are de-recognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

#### **K. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### **L. Cash Flow Statement**

Cash Flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

#### **M. Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **N. Equity Instruments**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

#### **O. Revenue**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- a) **Sale of goods:** Revenue is measured at the fair value of the consideration received or receivable for goods supplied, net of returns and discounts to customers. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax.
- b) **Interest income:** Income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.
- c) **Dividend income:** Dividend is recognised when the right to receive the payment is established (generally on shareholder's approval by the reporting date).
- d) **Other revenues:** These are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

#### P. Employee Benefits

##### **Short-term benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### Q. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset/s and the arrangement conveys a right to use the asset/s, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## **R. Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred taxation.

### **a) Current Tax**

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### **b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

### **c) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax

liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**S. Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**T. Operating Segment**

The Company operates only in single segment i.e. the Trading of "local computer" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**U. Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue. For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**V. Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

**W. Financial and Management Information Systems**

The Company's Accounting System is designed to unify the Financial Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Additional Notes to Accounts**

**23) Earnings Per Share (EPS):**

	Year ended 31-Mar-2031	Year Ended 31-Mar-19
<b>(a) Calculation of Weighted Average</b>		
<b>Number of Equity Shares of 100 each</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
Weighted Average number of Equity Shares**		
During the period	50,20,000	50,20,000
<b>(b) Net Profit/(Loss) for the period attributable to Equity Shares (in Rs.)</b>	<b>11,00,41369,878</b>	
<b>(c) Earning per share - Basic**</b>	<b>0.22</b>	<b>0.01</b>
<b>(d) Earning per share - Diluted**</b>	<b>0.22</b>	<b>0.01</b>

24) Employee Benefits Schemes such as Gratuity, Provident Fund & other staff welfare schemes are applicable on the Company during the reporting period. But no provision of gratuity has been made during the reporting period as mandated by “*IndianAccounting Standard-19 on Employees Benefits*”, issued by Institute of Chartered Accountants of India and the expense of Gratuity and Leave encashment are not booked on the basis of Actuarial Valuation certificate.

25) For year ended 31<sup>st</sup> March, 2020, Company has no dues from any party that is covered under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

26) The Company has taken certain commercial premises under cancellable operating lease arrangements. The lease rental clause provides no rental expense to be charged from lessee. Only security deposit amounting Rs. 65,75,000 is to be provided for. There is no Lock in period of aforementioned operating leases as on 31<sup>st</sup> March 2020, therefore the same are considered as cancellable operating lease.

**27) Related Parties Transactions:**

**A. List of Related parties**

SN	Description of Relationship	Name of Party
(a)	Enterprise which have significant influence over the company	Disha Investment Centre Private Limited
(b)	Associate	Disha Capital Services Limited
(c)	Key Management Personnel	KritiBareja InduAtri Rakesh Mohan Sharma Deepali Sharma Siddharth Sharma

## B. Transactions with Related Parties

	Type of Transaction	Enterprise which have significant influence over the company		Associate Company		Key Managerial Personnel		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(a)	Salary	-	-	-	-	952,520	5,97,000	952,520	5,97,000

## C. Balance Outstanding

		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1.	Amount outstanding - Receivables (Disha Investment Centre Pvt Ltd)	65,75,000	65,75,000
2.	Amount outstanding - Payables (KMP)	2,80,000	52,000

## 28) Fair value measurement

### i) Financial Instruments by category

	As at 31 <sup>st</sup> March 2020			As at 31 <sup>st</sup> March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Investments	67,39,739	-	1,37,16,622	9,33,446	-	1,36,03,824
Loans	-	-	2,13,19,821	-	-	3,11,17,983
Other Non Current Assets	-	-	35,95,479	-	-	1,15,025
Trade Receivables	-	-	18,21,23,600	-	-	9,63,08,863
Cash and cash equivalents	-	-	32,21,480	-	-	1,07,471
Other Bank Balance	-	-	5,52,665	-	-	5,00,000
Others	-	-	65,90,948	-	-	66,56,483
Borrowing	-	-	-	-	-	-
Trade Payable	-	-	19,18,23,047	-	-	15,56,83,018
Other	-	-	15,000	-	-	2,10,000



ii) **Financial Instruments by hierarchy**

Particulars		As at 31st March 2020	As at 31st March 2019
<b>I</b>	<p><b>Financial Assets / Financial Liabilities at Amortised Cost</b></p> <p>The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values except Investments for which the fair value are as follows:</p> <p>Fair value of Investments measured at amortised cost</p> <p><b>(Level 1)</b></p>	1,37,16,622	1,36,03,824
<b>II</b>	<p><b>Financial assets at Fair Value through Profit &amp; Loss</b></p> <p>Investment in Equity Shares, Mutual Funds (Level 1)</p> <p>Investment in Alternative Investment Funds (Debt), Loans (Level 3)</p>	67,39,739 2,13,19,821	9,33,446 3,11,17,983
<b>III</b>	<p><b>Financial assets at fair value through Other Comprehensive Income</b></p>	<b>NIL</b>	<b>NIL</b>

29) **Capital Management**

The Company's objective for managing capital is to ensure as under:

- a) To ensure the company's ability to continue as a going concern.
- b) Maintaining a strong credit rating and healthy debt equity ratio in order to support business and maximize the shareholders' value.
- c) Maintain an optimal capital structure.
- d) Compliance financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

- a) Compliance of financial covenants of borrowing facilities.
- b) Changes in economic conditions.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowing's facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There has been no breach in the financial covenants of any borrowing facilities in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

**30) Financial Risk Management**

The Company's principal financial liability comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds non-current investments measured at amortised cost. The Company is exposed to market risk, credit risk, interest risk, foreign exchange risk and liquidity risk. The Company's senior management oversees the management of these risks under appropriate policies and procedures.

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL non-current investments.

**b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's avilment of bank overdraft and other working capital loans.

**c) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

**d) Liquidity Risk**

Liquidity risk refers to risk that the Company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling

forecasts to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with bank(s) to meet the obligations.

31) The letters of confirmation has been sent by the management to parties of Accounts receivables, Accounts payables, advances and other payables/receivables to confirm their balances as on 31st March, 2020. Balance confirmations have not been received from certain parties upto the date of signing of financials. The balances of such parties have been incorporated in the financial statements at the value as per the books of account. The company, to the extent stated, has considered them as good and no provisions have been made in respect of debtors/advances.

32) **Segment information for the year ended 31st March 2020**

The Company is engaged in a single segment i.e. the Trading of "Local Computers and other related services" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

**Geographical Segments**

Since the company's operations & activities are within the country and considering the nature of services it deals in, the risks and returns are the same and as such, there is only one geographical segment.

<u>Particulars</u>	<u>For year ending 31st March, 2020</u>	<u>For year ending 31st March, 2019</u>
<u>Segment Revenue</u>		
- Within India	19,04,35,105	21,87,16,207

33) The **outbreak** of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and decline in the global and Indian financial markets. Various stages of Lockdown announced by Government of India to control the spread of virus have resulted in the slowdown in the economic activities. The impact on your company is no different and the company lost some revenue in the last fortnight of March, 2020 resulting in gross turnover for the financial year 2019-20 remaining lesser by 2-3 crores.

However, with the digital communication technology, the company has been encouraging its employees to work from Home. This has enabled business continuity through remote technology.

Thus, the company believes that the current crisis will have a impact on the ability of the company to run its operation. Further, the company will remain vigilant to monitor any material changes to future economic conditions which will be given effect in the respective future period.

34) **Statement of Net Assets and Profit or (loss), Other Comprehensive Income and Total Comprehensive income attributable to owners**

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in other Comprehensive Income		Share in Total Comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive income	Amount
<b>Parent Company (Indian)</b>								
Southern Infosys Limited	98.89	5,12,94,654	89.75	9,87,615	-	-	89.75	9,87,615
<b>Associates (Indian)</b>								
Disha Capital Services Limited	1.11	5,78,122	10.25	1,12,798	-	-	10.25	1,12,798
<b>Total</b>	<b>100</b>	<b>5,18,72,776</b>	<b>100</b>	<b>11,00,413</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>11,00,413</b>

35) (i) **Comparative Previous Year's Figures**

Figures for the previous year are in brackets and have been re-grouped/re-classified wherever necessary to make them comparable with the figures of the current year.

(ii) **Format as per Schedule III of Companies Act, 2013**

The Company has prepared these Financial Statements as per the format prescribed by Schedule III to the Companies Act, 2013 ('the Schedule') issued by Ministry of Corporate Affairs, Government of India for preparation of Ind AS financials.

(iii) **Presentation of Figures**

The figures appearing in the Financial Statements has been prepared in Rupees.

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**For V SahaiTripathi & Co**

Chartered Accountants

Firm Reg. No. 000262N

**VishwasTripathi**  
Partner  
M.N.: 086897

**Siddharth Sharma**  
(Director)  
DIN 07401382

**Deepali Sharma**  
(Director)  
DIN 05133382

Place: New Delhi  
Dated: 30<sup>th</sup> June 2020

**InduAtri**  
(Chief Financial Officer)

**KritiBareja**  
(Company Secretary)



**SOUTHERN INFOSYS LIMITED**