



SOUTHERN INFOSYS LTD.

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

Phone : +91-11-23354236, 43045402 Email : southerninfosys@gmail.com

CIN : L67120DL1994PLC059994, Web.: www.southerninfosys.com

SIL/L&S/2019-20

Date: 30.05.2019

To, The Department of Corporate Service Bombay Stock Exchange Limited Exchange P J Towers, Dalal Street <u>Mumbai – 400001</u> BSE Code : 540174	To, Listing Department Calcutta Stock 7, Lyons Range, <u>Kolkata – 700001</u> CSE Code : 14326
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Subject: Outcome of the Board Meeting held on 30th May 2019

Dear Sir/Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Board of Directors of the Company at their meeting held today, i.e. on Thursday, the 30th May, 2019 which concluded at 7.40 P.M at its registered office inter-alia has considered and approved the audited financial results for the quarter and year ended 31st March 2019, along with auditor's report and statement on impact of Audit Qualifications thereon with modified opinion.

You are requested to take the above on your record and oblige.

Thanking you,

Yours faithfully
For Southern Infosys Limited


(Kriti Bareja)
Company Secretary & Compliance Officer
Membership No. : A51320

Statement of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2019 Amt. (In Lakhs)

Particulars	Quarter Ended			Year Ended	
	Quarter ended 31-03-2019	Preceding 3 month ended 31-12-2018	Corresponding 3 month ended 31-03-2018	Year to date figures for the Current year ended on 31-03-2019	Year to date figures for the previous year period ended on 31- 03-2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from Operations	1873.90	257.31	1563.33	2187.16	1903.50
II. Other Income	(14.03)	6.13	9.46	27.45	24.37
III. Total Income (I +II)	1859.87	263.44	1572.79	2214.61	1927.87
IV. Expenses					
Cost of Material Consumed	0.00	0.00	0.00	0.00	0.00
Purchases of Stock-in-trade	1866.38	254.62	1558.12	2170.25	1885.06
Changes in inventories of finished goods, Work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
Employee Benefits Expenses	6.54	4.53	5.79	20.32	20.12
Finance Costs	1.22	0.49	4.84	4.82	4.85
Depreciation and amortisation expenses	0.05	0.06	(0.10)	0.23	0.24
Other Expenses	6.15	1.32	20.40	13.03	30.81
Total Expenses (IV)	1880.34	261.02	1589.05	2208.65	1941.08
V. Profit/(Loss) before exceptional items and tax (III- IV)	(20.47)	2.43	(16.26)	5.96	(13.21)
VI. Exceptional Items	0.00	0.00		0.00	0.00
VII. Profit/(Loss) before tax (V-VI)	(20.47)	2.43	(16.26)	5.96	(13.21)
VIII. Tax Expense	0.36	0.33	(4.72)	7.04	(3.77)
(1) Current tax	(1.48)	0.64	(0.23)	1.23	0.72
(2) Deferred tax	2.99	(0.31)	(4.49)	6.96	(4.49)
(3) Previous Year Tax	(1.15)	0.00	0.00	(1.15)	0.00
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	(20.83)	2.10	(11.54)	(1.08)	(9.44)
X. Profit/(Loss) from discontinued operations	0.00	0.00	0.00	0.00	0.00
XI. Tax expense of discontinued operations	0.00	0.00	0.00	0.00	0.00
XII. Profit/(Loss) from Discontinued operations (after tax) (X-XI)	0.00	0.00	0.00	0.00	0.00
XIII. Profit/(Loss) for the period (IX+XII)	(20.83)	2.10	(11.54)	(1.08)	(9.44)
XIV. Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00
(A) (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
(B) (i) Items that will be classified to profit or loss	0.00	0.00	0.00	0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
XV. Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the Period)	(20.83)	2.10	(11.54)	(1.08)	(9.44)
XVI. Earnings per equity share (for continuing operation):					
(1) Basic	(0.41)	0.04	(0.23)	(0.02)	(0.19)
(2) Diluted	(0.41)	0.04	(0.23)	(0.02)	(0.19)
XVII. Earnings per equity share (for discontinued operation):					
(1) Basic	0.00	0.00	0.00	0.00	0.00
(2) Diluted	0.00	0.00	0.00	0.00	0.00
XVIII. Earnings per equity share (for discontinued & continuing operations)					
(1) Basic	(0.41)	0.04	(0.23)	(0.02)	(0.19)
(2) Diluted	(0.41)	0.04	(0.23)	(0.02)	(0.19)



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Standalone Statement of Assets and Liabilities		
(Amount in Lakhs)		
Particulars	Figures at the end of current reporting period i.e. 31/03/2019	Figures at the end of previous reporting period i.e. 31/03/2018
	(Audited)	(Audited)
ASSETS		
Non current assets		
(a) Property, Plant and Equipment	1.02	1.25
(b) Capital Work in Progress	-	-
(c) Investment Property	-	-
(d) Goodwill	-	-
(e) Other Intangible Assets	-	-
(f) Intangible assets under development	-	-
(g) Biological Assets other than bearer plants	-	-
(h) Financials Assets-		
(i) Investments	140.72	131.39
(ii) Trade Receivables	-	-
(iii) Loans	311.18	311.03
(iv) Other Financial Assets	-	-
(i) Deferred tax assets (net)	-	4.94
(j) Other non-current assets	1.15	-
Current Assets		
(a) Inventories	-	-
(b) Financials Assets		
(i) Investments	-	-
(ii) Trade receivables	1,958.55	1,003.01
(iii) Cash and cash equivalents	1.07	32.40
(iv) Bank Balance other than (iii) above	5.00	5.00
(v) Loans	-	-
(vi) Others	66.56	70.57
(c) Current Tax Assets	-	-
(d) Other Current Assets	-	-
TOTAL ASSETS	2,485.26	1,559.60



EQUITY AND LIABILITES		
Equity-		
(a) Equity Share Capital	502.00	502.00
(b) Other Equity	1.07	2.14
Liabilities		
Non -Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	-	-
(ii) Trade Payable	-	-
(iii) Other Financial liabilities (other than specified in item (b) to be specified	-	-
(b) Provisions	-	-
(c) Deffered Tax Liabilities (net)	2.02	-
(d) Other Non-Current Liabilities	-	-
Current Liabilities		
(a) Financials Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables	1,967.55	1,048.23
(iii) Other Financial liabilities (other than specified in item (c) to be specified	2.10	3.06
(b) Other current liabilities	9.65	3.63
(c) Provisions	0.86	0.54
(d) Current Tax Liabilities	-	-
TOTAL EQUITY AND LIABILITES	2,485.26	1,559.60

For Southern Infosys Limited



Rakesh Mohan Sharma
(Director)
DIN: 02459885



Date: 30-05-2019
Place : New Delhi

Notes:

- (1) Ind AS 115 Revenue from contracts from customers' mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at April, 2018. The adoption of the standard did not have any impact on the financial results.
- (2) The figures for the quarter ended March, 2019 are the balancing figures between published financial year to date figures and the first three quarters of the relevant financial year.
- (3) The above results have been reviewed by Audit Committee and taken on record by the Board of Directors at its Meeting held on 30th, May 2019. The Statutory Auditors have carried out their Audit of the above results.
- (3) The format of the above results as prescribed in SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- (4) The company is engaged in a single line of segment i.e., the Trading of "Local Computers".
- (5) The figures for the previous period/year have been regrouped/reclassified, wherever necessary, to conform to the current period/year classification.

For Southern Infosys Limited

Rakesh Mohan Sharma
(Director)
DIN: 02459885



Date: 30-05-2019
Place : New Delhi

Independent Auditors' Report

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 31st March, 2019, 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, 2019, 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, 2019; and
- (b) In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2019.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2019.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2019.

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 of Accounting Standard-1 on Significant Accounting Policies for not adhering to accrual basis as fundamental accounting assumption and Accounting Standard-15 on Employees Cost prescribed in the Companies (Accounting Standards) Rules, 2006. We are unable to ascertain the financial implication of the same. The net profit for the year, current assets cumulative net profits are overstated to that extent.



Emphasis of Matter

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 management did not have the balance confirmation of said parties. Accordingly, we directed the Company to send the confirmatory letters on its letter head requesting and asking the aforesaid various parties to confirm the balances directly to us. Few of the parties have confirmed the balances as on the date of signing the financials. Management of the company has represented to us that the same are good and have been shown as per values appearing in the books of accounts and have been treated as good for recovery/payment after considering or net-off provision for doubtful receivables. 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.

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.

- (1) **Key Audit Matter:** Adoption of Ind AS 115 "Revenue from Contract with Customers" (new revenue recognition standard)

Auditor's Response: (a) Impact of adoption of new revenue recognition standard on the company is evaluated by us.

(b) We evaluated the company's policy and design of internal controls relating to new revenue recognition standard.

(c) We selected a sample of contracts to assess the existence of distinct performance obligations, variable considerations and determination of transaction price.

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

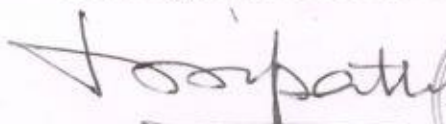
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the 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 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 Company has not paid/ provided managerial remuneration to its directors during the year, and consequently the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable.
 - 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 31st March, 2019;
- 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:- 30th May 2019

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

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, 2019.
2. The company does not hold any inventory as on 31st March 2019.
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.

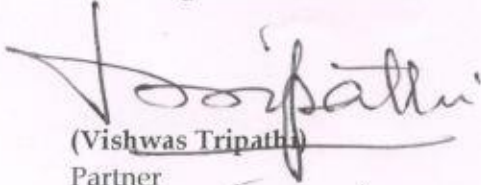


- (b) According to the information and explanations given to us, there was no undisputed amounts payable in respect of the above dues which were outstanding as at 31st March, 2019 for a period of more than six months from the date of their becoming payable.
- (c) According to the information and explanations 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, 2019.
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. The company has paid not any managerial remuneration during the year. Hence, the provisions of the clause are not applicable.
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- 1A 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:- 30th May 2019

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

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, 2019 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 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, 2019, 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:- 30th May 2019



SOUTHERN INFOSYS LTD.

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

SIL/L&S/2018-19

Date: 29.05.2018

To, The Department of Corporate Service Bombay Stock Exchange Limited Exchange P J Towers, Dalai Street Mumbai – 400001 BSE Code : 540174	To, Listing Department Calcutta Stock 7, Lyons Range, Kolkata – 700001 CSE Code : 14326
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Dear Sir,

Sub: Statement of Impact of Auditor's Qualification for the financial year 31.03.2018

Further to our letter dated 29.05.2018, informing you about the outcome of the board meeting and submission of audited financials, we now send herewith the impact of Audit Qualifications on the financials of the company for the year ended 31.03.2018.

We request you to kindly take note of the same.

Thanking You,


(Kriti Bafaja)

Company secretary

ANNEXURE I

I. Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)
			Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	192,786,666
	2.	Total Expenditure	194,107,524
	3.	Net Profit/(Loss)	193,730,496
	4.	Earnings Per Share	-0.19
	5.	Total Assets	155,960,408
	6.	Total Liabilities	155,960,408
	7.	Net Worth	50,414,210
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil
II. <u>Audit Qualification (each audit qualification separately):</u>			
Details of Audit Qualification: The Company is required to make provision for payment of gratuity by following independent actuarial valuations as per Indian Accounting standard. The company has not made any provision. The auditors are unable to ascertain the financial implication of the same.			
The net profits for the year, current assets and cumulative profits are over-stated to that extent.			
b. Type of Audit Qualification: Qualified Opinion			
c. Frequency of qualification: Repetitive since 31.03.2017			
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA			
e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
(i) Management's estimation on the impact of audit qualification: Not Ascertainable			
If management is unable to estimate the impact, reasons for the same: As on date, the gratuity Act is not applicable on the company as on date. Also, there is no one in the company in employment for more than 5 years. Hence, no provisions have been made for the same.			
(ii) However in the next financial year the company shall consider this at an appropriate time.			
(iii) Auditors' Comments on (i) or (ii) above: Nil			
III. Signatories:			
		<i>[Signature]</i>	CEO
• CEO/Managing Director			
Place: New Delhi			
Date: 29.5.2018			

2. Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	192,786,666	Not Applicable. Please refer below
	2.	Total Expenditure	194,107,524	
	3.	Net Profit/(Loss)	193,730,496	
	4.	Earnings Per Share	-0.19	
	5.	Total Assets	155,960,408	
	6.	Total Liabilities	155,960,408	
	7.	Net Worth	50,414,210	
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	
II. Audit Qualification (each audit qualification separately):				
Details of Audit Qualification: The provisions for the Bonus have not been provided in accordance with the payment of Bonus Act. The auditors are unable to ascertain the financial implication of the same				
The net profits for the year, are over-stated to that extent.				
b. Type of Audit Qualification: Qualified Opinion				
c. Frequency of qualification: First Time				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA				
e. For Audit Qualification(s) where the impact is not quantified by the auditor:				
(i) Management's estimation on the impact of audit qualification: Not Ascertainable				
(ii) If management is unable to estimate the impact, reasons for the same: As on date, the Payment of Bonus Act is not applicable on the company. Hence, no provisions have been made for the same. However in the next financial year, the company shall consider this at an appropriate time.				
(iii) Auditors' Comments on (i) or (ii) above: Nil				
III.	Signatories: 			
	• CFO			
	Place: New Delhi			
	Date: 29.5.2018			

3. Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	192,786,666	Not Applicable. Please refer below
	2.	Total Expenditure	194,107,524	
	3.	Net Profit/(Loss)	193,730,496	
	4.	Earnings Per Share	-0.19	
	5.	Total Assets	155,960,408	
	6.	Total Liabilities	155,960,408	
	7.	Net Worth	50,414,210	
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	
II.	Audit Qualification (each audit qualification separately):			
	<p>Details of Audit Qualification: The auditors directed the company to arrange the confirmation of balance as on 31st march 2018 in respect of accounts receivable, accounts payable. The auditors have directed the company to arrange the same on the letterheads of the parties and the company has sent the confirmatory letters to the parties requesting them to confirm the balance as on 31st March 2018. Many letters are received by the parties.</p> <p>Accounts receivable and payable are subject to confirmation have been shown as good. The net profits for the year, are over-stated to that extent.</p>			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: First Time			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i)	Management's estimation on the impact of audit qualification: No Impact is ascertained.		
	(ii)	If management is unable to estimate the impact, reasons for the same: All the confirmations are being received.		
	(iii)	Auditors' Comments on (i) or (ii) above: Nil		
III.	Signatories:			
		CFO	<i>Indu A</i>	
	Place:	New Delhi		
	Date:	29.5.2018		

V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS

C-593, LGF, Defence Colony
New Delhi - 110024
Tel. : +91-11- 46612531-33
Fax : +91-11- 46540520
E-Mail : vst@sahaitripathi.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SOUTHERN INFOSYS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of SOUTHERN INFOSYS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

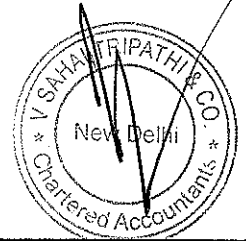
Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

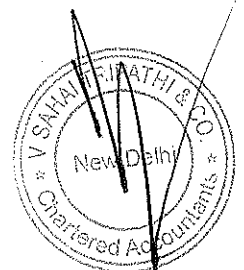
Basis for Qualified Opinion

- (i) The company is required to make provision for Gratuity in respect of its employees as required under Payment of Gratuity Act, 1965 by following accrual basis and conducting the valuation by following independent actuarial valuations as at the balance sheet date by using the project unit cost method as mandated by Indian Accounting Standard-19 on Employee Benefits prescribed in the Companies (Indian Accounting Standards) Rules, 2015. The company has not made any provision for Gratuity and the said non-provision is contravention of Indian Accounting Standard-19 on Employee Benefits and Indian Accounting Standard-1 on Significant Accounting Policies for not adhering to accrual basis as fundamental accounting assumption. We are unable to ascertain the financial implication of the same. The net profit for the year, current assets cumulative net profits are overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2018; and
- (b) In the case of Statement of Profit and Loss account, of the loss for the year ended on date March 31, 2018.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2018.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2018.

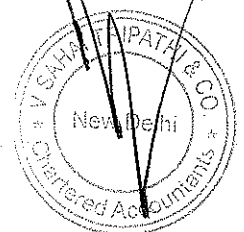


Emphasis of Matter

- (i) We draw your attention to the responsibility of the Company to arrange balance confirmations in respect of Accounts Receivable, Accounts Payable and from other receivables/payables. The management did not have the balance confirmation of lot of said parties. Accordingly we directed the Company to send the confirmatory letters on its letter head requested and asking the aforesaid various parties to confirm the balances directly to us. Confirmatory letters were sent to all such parties requesting them to confirm the account balances as on 31st March, 2018. Lot of parties have not yet confirmed the balances as on the date of signing the financials. Accordingly Accounts Receivable, Accounts Payables and other receivables/payables are subject to confirmation and have been shown as per values appearing in the books of accounts and have been treated as good for recovery/payment. Our opinion is not qualified in respect of this matter.
- (ii) The provision for Bonus has not been provided in accordance with Payment of Bonus Act. We are unable to ascertain the financial implication of the same. The net profit for the year, current assets and cumulative net profit are overstated to that extent.

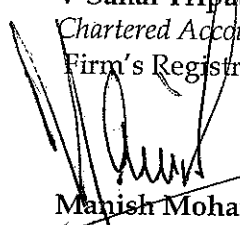
Report on Other Legal and Regulatory Requirements

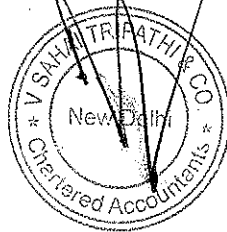
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-'A' statement on the matters specified in Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion 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. The balance sheet, the statement of profit and loss, the cash flow statement and statement of changes in equity 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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.



- e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-'B'. Our report expresses an modified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 31st March, 2018.
 - 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 & on behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration Number 000262N


Manish Mohan
Partner
M.N.-091607



Place: New Delhi
Date: 29th May, 2018

ANNEXURE-"A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of Shriram Automotive Products Limited on the financial statements for the year ended March 31, 2018)

1) In respect of Property, Plant and Equipment:-

- (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, owned Fixed Assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noted on such verification.
- (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, 2018.

2) In respect of Inventories:-

According to the information and explanations given to us, physical verification of inventories is conducted by the management at periodic intervals. These intervals are reasonable having regard to the size of the Company and the nature of its inventories. The company is maintaining proper records of inventories and discrepancies, which were not material, noticed on physical verification have been properly dealt with in the books of account. However the Company does not have any physical inventory at the reporting date, accordingly the clause is not applicable to the company during the financial year ended 31st March, 2018.

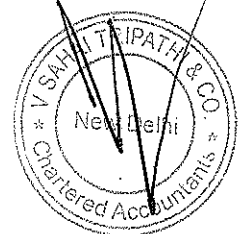
3) In respect of Loans given by the Company:

The Company has not granted loans to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2018.

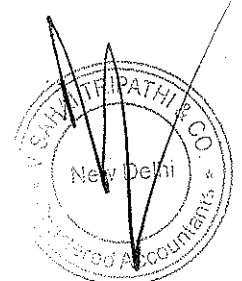
4) In respect to Loan to director and investment by the company :

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, except in case of one loan which has been given interest free. Total amount of such loan as at 31st March, 2018 is Rs 2,33,75,000.

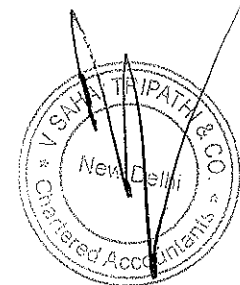
Except above, the company has not granted any loans, investments, guarantees and securities during the year in terms of provisions of Section 186 and Section 185 of Companies Act, 2013.



- 5) **In respect of Deposits:**
The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- 6) **In respect of Cost records:**
According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the company. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2018.
- 7) **In respect of statutory dues:**
- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues where outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at March 31, 2018
- 8) **In respect of Repayment of Loan:**
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) **In respect of utilization of IPO and further public offer**
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, 2018.

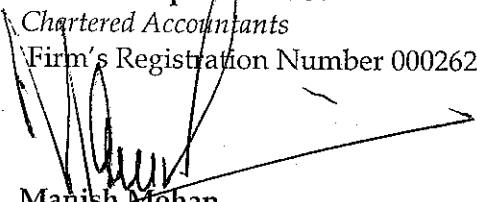


- 10) **In respect of Reporting of Fraud:**
According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year ended 31st March, 2018.
- 11) **In respect of managerial remuneration:**
According to the information and explanations given to us, no managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) **In respect of Nidhi Company:**
The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.
- 13) **In respect of Related Party Transactions:**
According to the information and explanations given to us and the records of the company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- 14) **In respect of Private Placement of Preferential Issues:**
Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) **In respect of Non-Cash Transactions:**
According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.



- 16) **In respect of registration under RBI Act, 1934:**
The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.
-

For & on behalf of
V Sahai Tripathi & CO.
Chartered Accountants
Firm's Registration Number 000262N


Manish Mohan
Partner
M.N.-09160

Place: New Delhi
Date: 29th May, 2018

