

**31<sup>ST</sup>  
ANNUAL REPORT  
2014 - 2015**

**SOURCE INDUSTRIES  
(INDIA) LIMITED**



## **31<sup>st</sup> Annual General Meeting**

Monday, 28th Day of September, 2015,

AT 2.00 P. M.,

Madhav Reddy Community Hall, Near

Victoria Anglo School, Chaitanyapuri,

Hyderabad - 500 036

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**COMPANY INFORMATION****BOARD OF DIRECTORS**

SRI JAYA MAHADEV YERRAMSETTI	:	Chairman
SRI LALIT KUMAR GUPTA	:	Managing Director
SRI Y MALLIKHARJUNA RAO	:	Director
SMT LAKSHMI NEKKANTI SATYASRI	:	Director
SRI RITESH KUMAR GUPTA	:	Director (upto 28.05.2015)
SRI GAJANAND GUPTA	:	Director (upto 28.05.2015)
SRI VENUBABU MUNDURI	:	CFO

**REGISTERED OFFICE**

D.No: 4-1-969/1-2, 3rd Floor, B.  
Shankarlal Building, Abids,  
Hyderabad-500001  
E-Mail-source.investors@gmail.com  
Website:www.sourceindustriesindia.com  
CIN-L45400TG1984PLC004777

**REGISTRARS AND TRANSFER AGENTS**

Bigshares Services Private Limited  
Flat No. 306, Right wing, 3rd floor,  
Amrutha Ville Apt., Opp.Yashodha Hospital,  
Raj Bhavan Road, Somajiguda,  
Hyderabad-500082

**STATUTORY AUDITORS**

M/S Rakesh S Jain and Associates  
Chartered Accountants  
Hyderabad

**INTERNAL AUDITOR**

VNS SRINIVAS RAO  
Chartered Accountants  
Hyderabad

**LISTED AT**  
BSE LIMITED

**BOARD COMMITTEES****AUDIT COMMITTEE:**

SRI Y MALLIKHARJUNA RAO (Chairman)  
SMT LAKSHMI NEKKANTI SATYASRI  
SRI JAYA MAHADEV YERRAMSETTI

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

SRI Y MALLIKHARJUNA RAO (Chairman)  
SMT LAKSHMI NEKKANTI SATYASRI  
SRI JAYA MAHADEV YERRAMSETTI

**NOMINATION AND REMUNERATION COMMITTEE:**

SRI Y MALLIKHARJUNA RAO (Chairman)  
SMT LAKSHMI NEKKANTI SATYASRI  
SRI JAYA MAHADEV YERRAMSETTI

## NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of the Company will be held on **Monday, 28th September, 2015 at 2.00 P.M** at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad-500 036 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Kumar Gupta (DIN – 01791575) who retires by rotation, being eligible offers himself 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 Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, and pursuant to the recommendation of the Audit Committee and resolution passed by the members in the 30th Annual General Meeting, the appointment of M/S Rakesh S Jain and Associates., Chartered Accountant, Hyderabad (Registration No. 010129S) who were appointed as the Statutory Auditors of the Company to hold the office till the conclusion of 33rd Annual general meeting be and is hereby ratified and Board of Directors be and hereby authorized to fix the remuneration, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2016.”.

### **SPECIAL BUSINESS**

4. **ADOPTION OF NEW SETS OF ARTICLES OF ASSOCIATION OF THE COMPANY CONTAINING REGULATIONS IN CONFORMITY WITH THE COMPANIES ACT, 2013:**

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 provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

## 5. APPOINTMENT OF SMT LAKSHMI NEKKANTI SATYASRI AS WOMEN DIRECTOR

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 149, 150, 152, 160 read with all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Smt Lakshmi Nekkanti Satyasri (DIN: 07223878), who was appointed as Additional Director and holds the office till the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for a period of Five(5) consecutive years from the ensuing Annual General Meeting”.

BY ORDER OF THE BOARD  
SOURCE INDUSTRIES (INDIA) LIMITED

Sd/-

**LALIT KUMAR GUPTA**  
MANAGING DIRECTOR

Place: Hyderabad  
Date: 12th August 2015

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
3. The Register of members and share transfer books of Company shall remain closed from **TUESDAY 22nd SEPTEMBER, 2015 TO MONDAY 28TH SEPTEMBER, 2015 (both days inclusive)**. for the purpose of 31st AGM

4. Members are requested to notify any change in their addresses to the Company immediately.
5. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. Bigshare Services Private Limited, Flat No. 306, right wing, 3rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082

**7. Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL):

Commencement of e - voting: From 09.00 Hours Friday, 25th September, 2015 to 17.00 Hours on Sunday, 27th September, 2015

E-voting shall not be allowed beyond 17.00 Hours on Sunday 27th September, 2015. During the e-voting period, shareholders of the Company, holding shares either in physical form, may cast their vote electronically.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached in the Annual Report.

The Company has appointed Mr. Yellareddy Vootkuri, Practicing Chartered Accountant, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner

BY ORDER OF THE BOARD  
**SOURCE INDUSTRIES (INDIA) LIMITED**

Sd/-  
**LALIT KUMAR GUPTA**  
MANAGING DIRECTOR

Place: Hyderabad  
Date: 12th August 2015

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item no. 4

The Articles of Association (“AOA”) of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the present Companies Act, 2013.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on Table ‘F’ of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

The proposed new draft AOA is being uploaded on the Company’s website for perusal by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Your Directors recommend the Resolution for your approval as Special Resolution.

### Item no. 5

Smt Lakshmi Nekkanti Satyasri (DIN: 07223878) who was appointed as an Additional Director of the company w.e.f. 30th June, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013, holds office up to the date of this Annual General Meeting of the company and is eligible for appointment. In terms of Section 160 of the Companies Act, 2013, the company has received a notice in writing along with a deposit of requisite amount from a Member signifying his intention to propose the candidature of Smt Lakshmi Nekkanti Satyasri for the office of Director.

Further, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, the Board of Directors has reviewed the declaration made by Smt Lakshmi Nekkanti Satyasri and under Clause 49 of the Listing Agreement Smt Lakshmi Nekkanti Satyasri possesses appropriate skills, experience and knowledge, inter alia, in the field of finance that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of up to five years. In view of the above provisions, the proposal for the appointment of Smt Lakshmi Nekkanti Satyasri as Independent Director, not liable to retire by rotation, for a period of five years has been put up for the approval of shareholders.



Accordingly, your Directors recommend the Resolution for the approval of the shareholders appointing Smt Lakshmi Nekkanti Satyasri as an Independent Director of the company, not liable to retire by rotation, for a period of five years.

Save and except Smt Lakshmi Nekkanti Satyasri and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD  
**SOURCE INDUSTRIES (INDIA) LIMITED**

Sd/-

**LALIT KUMAR GUPTA**  
MANAGING DIRECTOR

Place: Hyderabad  
Date: 12th August 2015

# Source Industries (India) Limited

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## Information in respect of directors seeking appointment/re-appointment as required under clause 49 VIII (E)(1) of the listing agreement

<b>Name of the Directors</b>	<b>Y MALLIKARJUNA RAO</b>
<b>Date of first appointment</b>	01/04/2009
<b>Date of birth/age</b>	10/08/1965
<b>Expertise in specific functional areas</b>	<b>FINANCE</b>
<b>Educational qualification</b>	<b>B.Com.,</b>
<b>Chairman/member of the committees of board of Directors of the company</b>	<ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> <li>• Nomination Remuneration Committee - Chairman</li> <li>• Stakeholder Relationship Committee - Chairman</li> </ul>
<b>List of Directorships, Committee Chairmanship, Membership held in other companies as on date</b>	Sainaren Properties Private limited Task People Food and Services Private Limited Vertical Industries Limited Nylofiles India Limited

<b>Name of the Directors</b>	<b>LAKSHMI NEKKANTI SATYASRI</b>
<b>Date of first appointment</b>	<b>30/06/2015</b>
<b>Date of birth/age</b>	<b>27/05/1980</b>
<b>Expertise in specific functional areas</b>	<b>Software</b>

<b>Educational qualification</b>	<b>MCA</b>
<b>Chairman/member of the committees of board of Directors of the company</b>	<ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Nomination Remuneration Committee - Member</li> <li>• Stakeholder Relationship Committee - Member</li> </ul>
<b>List of Directorships, Committee Chairmanship, Membership held in other companies as on date</b>	<b>Nil</b>

**DIRECTOR'S REPORT**

To  
The Members,

Your Directors have pleasure in presenting the **THIRTY FIRST ANNUAL REPORT** together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2015.

**FINANCIAL RESULTS:**

(Rs In Lakhs)

Particulars	For the Year ended 2015	For the Year ended 2014
Sales	6.91	4.66
Other Income	0.02	-
Total Income	6.93	4.66
Expenditure	12.62	13.78
<b>Gross Profit / (Loss)</b>	<b>(5.69)</b>	<b>(9.12)</b>
Less: Depreciation	-	-
Less: Finance Cost	-	1.09
<b>Loss for the year before tax</b>	<b>(5.69)</b>	<b>(10.21)</b>
Income tax	-	-
Deferred Tax	-	-
<b>Profit / (Loss) after tax</b>	<b>(5.69)</b>	<b>(10.21)</b>

**OPERATIONS:**

The Company has recorded a nominal turnover when compared to the last fiscal, as the Company has decided to change the existing line of business and exploring on the new activity.

The Company is planning to enter into new segment this fiscal.

**DIVIDEND:**

Due to inadequate profits your Directors do not recommend any dividend for the Financial Year 2014-15

**DIRECTORS**

Mr. Lalit Kumar Gupta, Managing Directors of your Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, co-opted Smt. LAKSHMI NEKKANTI SATYASRI (DIN : 07223878), as an Additional Director of the Company with effect from 30th June, 2015, subject to the approval of the members, at the ensuing Annual General Meeting.

The Company has received requisite notice in writing from the members along with requisite fees proposing Smt Lakshmi Nekkanti Satyasri for appointment as Director

The company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. .

## **FIXED DEPOSITS**

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2014-15 have been prepared on a going concern basis.
- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to the provisions of section 177 (9) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (meetings of board and its powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company

## **RISK MANAGEMENT**

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement the Risk management is Not applicable to the Company

## **AUDITORS:**

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, the Statutory Auditor M/s. Rakesh S Jain & Associates, Chartered Accountant, Hyderabad, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 2 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting. The Company is in receipt of confirmation from the Statutory Auditor that in the event of his re-appointment as Statutory Auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 141 of the Companies Act, 2013.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications in the report of the statutory auditors for the year 2014-15.

## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per Clause 49 of the Listing Agreement for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is referred in Notes to Accounts.

## **INTERNAL AUDITOR:**

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. VNS Srinivasa Rao, Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

A Statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is enclosed as **Annexure A**.

## **MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to the provision of clause 49 of the listing agreement a report on Management Discussion & Analysis is set out as an **Annexure B**.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed K.Malleshwari Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure C**" to this report.

## **CORPORATE GOVERNANCE:**

The Company has been making every endeavor to bring more transparency in the conduct of business. As per the requirements of Listing Agreement with the Stock Exchanges, a compliance report on corporate Governance for the year 2014-2015 and a certificate from the Auditors of the Company are furnished as a part of this Annual Report "**Annexure D**".

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT - 9 is annexed herewith as "**Annexure E**" to this report.

## **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as '**Annexure F**' to this report and Rule 5 (2) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, No employee of your company is in receipt of remuneration exceeding Rs.5, 00,000 per month or Rs. 60, 00,000 per annum during the Financial Year

## **LISTING FEE:**

Your Company's shares are presently listed and traded on the BSE Limited; Your Company is regular in paying the listing fee to the BSE Limited.

## **BOARD MEETINGS:**

The Company has conducted 6 board meetings during the year on following dates with a gap not exceeding 4 months between any two meetings 30.05.2014, 14.08.2014, 29.09.2014, 13.11.2014, 13.02.2015, 31.03.2015

## **ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation and gratitude for the continuous support and assistance extended by all the Statutory Authorities. The Board also extends its heartfelt gratitude to the Creditors and Shareholders for the confidence reposed by them in the Company. Your Directors also place on record their sincere appreciation for the continued contributions made by the employees at all levels.

By order of the Board  
**FOR SOURCE INDUSTRIES (INDIA) LIMITED**

Sd/-  
LALIT KUMAR GUPTA  
Managing Director

Place: Hyderabad  
Date: 12th August 2015

## ANNEXURE A

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

**A) CONSERVATION OF ENERGY**

a) Energy conservation measures taken :

Proper control points are set up at all levels to identify the wastage in power & fuel consumption and to take/initiate corrective steps.

b) Additional investments and proposals if any, being implemented for reduction of conservation of energy : NIL

c) Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods : N.A

**B) TECHNOLOGY ABSORPTION****Research and Development (R&D)**

1.	Specific areas in which R&D carried out by the Company	NIL
2.	Benefits derived as a result of the above R&D	NIL
3.	Future plans of action	
4.	Expenditure on R&D	
	Capital	NIL
	Recurring	NIL
	Total	NIL
	Total R&D Expenditure as % of total turnover	NIL

**Technology Absorption, Adaptation and Innovation**

1.	Efforts made towards technology absorption adaptation and innovation	NIL
2.	Benefits derived as a result of above efforts	NIL
3.	Information about imported technology	
	a. Technology imported	:
	b. Year of Import	NIL
	c. Whether Technology fully absorbed	
	d. If not fully absorbed, areas and reasons for future plans actions	

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign exchange earnings and outgo:	2014-15
Foreign exchange earnings	NIL
Foreign exchange outgo	Nil



## MANAGEMENT DISCUSSION ANALYSIS REPORT

## ANNEXURE B

### INFRASTRUCTURE OVERVIEW:

A strong infrastructure sector is vital to the development of a country's economy. Here, the Indian government has played an important role. Just recently, it allowed 100 per cent foreign direct investment (FDI) under the automatic route for port development projects. The government has also, this year, decided to convert roads into national highways, and has sought collaboration with Sudan in the field of renewable energy.

India's Planning Commission has projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five-Year Plan (2012–17), with 40 per cent of the funds coming from the country's private sector. India's focus on infrastructure since the turn of the millennium has helped make it the second fastest growing economy in the world. The country's constant growth gives investors, domestic and foreign tremendous opportunity for investment in its infrastructure sector.

### GOVERNMENT INITIATIVES:

Some of the Indian government's recent initiatives in the infrastructure sector are summarised below:

The Union Cabinet in February 2014 gave its approval for declaration of around 7,200 km of State Roads as new national highways. Other road development projects in the pipeline include existing national highways network totaling 21,271 km, which are not covered under any programmes/schemes as of now.

Also, in a move to enhance energy efficiency of the Indian Railways, a web-based Electrical Energy Management System, RAILSAYER, was inaugurated by Mr Kul Bhushan, Member Electrical, Railway Board, in April 2014. The portal will be used for tackling the challenges of global warming and sustainability of the environment.

In another development, the Indian government has facilitated 100 per cent FDI under the automatic route for port development projects. A 10-year tax holiday has been accorded to enterprises that are engaged in the business of developing, maintaining and operating ports, inland waterways and inland ports.

The country is also looking to collaborate with foreign partners. India and Sudan have good potential for enhancing cooperation in promoting renewable energy, as per Dr Farooq Abdullah, Union Minister of New and Renewable Energy, Government of India. The Minister has also offered Indian assistance for developing renewable energy resources in Sudan.

### INDUSTRY OUTLOOK:

India Ratings & Research (Ind-Ra) has maintained an overall negative outlook for the infrastructure sector for FY16. While several availability-based road projects and the rated airports are likely to display stable credit characteristics through FY15, the outlook remains negative for toll roads under construction as well as those in early stages of operations along with minor seaports. Thermal power projects will continue to face stress on account of unresolved off-take and fuel supply issues and hence carry a negative outlook; on the other hand, the agency expects renewable power projects (wind and solar in particular) to be largely stable.

## **OPPORTUNITIES & THREATS:**

### **Opportunities:**

- The growth in population and economy leading demand for infrastructure and its opportunity to provide better infrastructure
- The government estimates that \$1 trillion of investments will be required for developing India's infrastructure in the 12th plan period.
- Drawing up medium- and long-term strategies, based on expected growth in the sector
- Benchmarking current and expected IRRs with those projected by industry
- Understanding the impact of the regulatory environment on business

### **Threats:**

- Uncertainty, especially Mining sector due to delay in resolving environmental and social issues.
- Demand for higher capacity equipment, in line with the global market trend.
- High expectations of contractor segment.
- Increasing pressure on reducing ownership costs.
- Improved technology for operational cost to stay ahead in business.
- Innovative marketing strategies to counter competition from MNCs by
- Uncertainty in Defense business.
- Attrition in skilled manpower.
- Project imports at nil duty.
- Opening up of Defense purchases to private sector increasing further competition.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an internal control system designed to provide high degree of assurance regarding optimization and safeguarding of resources, quality and reliability of financial and operational information, compliance with applicable statutes and corporate policies. It is the Company's Endeavour to align all its processes and controls with global best practices

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations. The internal audit department performs risk based audits, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. The Audit Committee reviews audit reports submitted by the internal auditors and follow up on the implementation of corrective actions periodically.

## **FUTURE OUTLOOK**

As members are aware that the Company has entered in the infrastructure and construction business recently and has shown performance of the Company was satisfactorily for the FY 2014-2015.

**Form No MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
M/s SOURCE INDUSTRIES (INDIA) LIMITED,  
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s SOURCE INDUSTRIES (INDIA) LIMITED (hereinafter called the company) having its registered office at D NO. 4-1-969/1-2, 3rd Floor, B Shankerlal Building, Abids, Hyderabad- 500001, Telangana. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company 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 on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (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;
- (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; (not applicable during the audit period)

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (not applicable during the audit period)
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable as the company did not issue any security during the financial year under review;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the company has not granted any options to its employees during the financial year under review
- 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 debt securities during the financial year under review
- 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable during the audit period); Not applicable as the company has not bought back any of its securities during the financial year under review

We have also examined compliance with the applicable clauses of the following:

- i. The Listing Agreements entered into by the Company with Stock Exchange and
- ii. Secretarial Standards issued by the Institute of Company Secretaries of India (Not Notified during the audit period and hence not applicable).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following

*Observations:*

\* The Company is in the process of appointment of Company Secretary under Section 203 and Rules made thereunder under Companies Act, 2013.

### **We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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

19 seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.
- There were no such specific events/ actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Place: Hyderabad  
Date: 12.08.2015

Sd/-  
**K. Malleshwari**  
Company Secretary  
M NO: 37210  
C P No: 14686

## CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz. Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronizes and synergies their efforts in their growth along with the growth of their company.

## 2. BOARD OF DIRECTORS:

- Composition of Board of Directors**

At present, the strength of the Board is 4 Directors. The Board comprises of 1 Executive and 3 Non-Executive Independent Directors

- Board meeting and attendance**

The Board met 6 times in the financial year 2014-15 on the following dates, with a gap not exceeding 4 months between any two meetings:

30.05.2014	14.08.2014	29.09.2014	13.11.2014	13.02.2015	31.03.2015
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 28.09.2014	Attendance in Board Meeting		Other Boards		
				He ld	Atte nded	Direct orship	Committee chairman	Committee member ship
1	Gajanand Gupta (upto 28.05.2015)	Non- Executive Non Independent Chairman	Yes	6	6	Nil	Nil	Nil
2	Lalit Kumar Gupta	Managing Director Promoter	Yes	6	6	1	Nil	Nil
3	Ritesh Kumar Gupta (upto 28.05.2015)	Executive Director Promoter	Yes	6	6	1	Nil	Nil
4	Sri Jaya Mahadev Yerramsetti	Non Executive & Independent Director	Yes	6	6	Nil	Nil	Nil
5	Y Mallikharjuna Rao	Non Executive & Independent Director	Yes	6	6	2	Nil	2
6	Sri. Y Shyam Singh Mathur (Expired on 31.12.2014)	Non Executive & Independent Director	Yes	6	4	Nil	Nil	Nil

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, memberships/ chairmanships of Audit Committees and Stakeholders Relationship Committees in all public Limited companies excluding Source Industries (India) Limited have been considered.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors.

None of the Directors serve as an Independent Director in more than 7 listed companies.

### **3. BOARD COMMITTEE:**

Currently, there are three Board Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

#### **AUDIT COMMITTEE:**

The Company has a Qualified and Independent Audit Committee comprising of 3 Non-Executive Independent Directors, constituted in accordance with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Clause 49 and Section 177 of the Companies Act, 2013 and acts in terms of reference and directions if any given by the Board from time to time.

#### **Terms of reference**

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with Stock Exchanges read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

i) Powers of the Audit Committee include:

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

ii) Role of the Audit Committee includes:

- Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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
  - changes, if any, in accounting policies and practices and reasons for the same
  - major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings.
  - compliance with listing and other legal requirements relating to financial statements
  - disclosure of any related party transactions
  - review of draft Auditors Report, in particular qualifications / remarks / observations made by the
  - Management Discussion and Analysis of financial conditions and results of operations
- Review of Statement of significant related party transactions submitted by the management.
- Review of management letters / letters of internal control weaknesses issued by the statutory auditors.
- Review of internal audit reports relating to internal control weaknesses.
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Review of the financial statements of subsidiary Companies
- Review and monitor the auditor's independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors
- 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.



- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- 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
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the risk management policies, practices and 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
- 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.
- To review the functioning of the Whistle Blower Mechanism
- Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

• Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee  
The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.

The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to provide any clarification on queries from shareholders.

◆ **COMPOSITION**

The Audit Committee of the Company comprise of the following Independent Directors:

Name of the Director	Designation
Y MALLIKHARJUNA RAO	Chairman
LAKSHMI NEKKANTI SATYASRI	Member
JAYA MAHADEV YERRAMSETTI	Member

◆ **MEETINGS AND ATTENDANCE DURING THE FINANCIAL YEAR:**

**Meetings:**

The Audit committee of the Board met five times during the year, the meetings was held for approval of Un- Audited Financial Results and Audited Financial results of the Company i.e. on:

30.05.2014	14.08.2014	29. 09.2014	13.11.2014	13.02.2015
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**Attendance:**

Name	No of Meetings Held	No of Meetings Attended
Y MALLIKHARJUNA RAO (Chairman)	5	5
JAYA MAHADEV YERRAMSETTI	5	5
Y SHYAM SINGH MATHUR (up to 13.12.2014)	5	4
GAJANAN GUPTA	1	1

The un-audited financial results for each quarter are approved by the Audit Committee before passed on to the Board of Directors for approval and adoption.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been formed in compliance of Clause 49 of the Listing Agreement and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Non Executive Independent Director.

**Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as under:

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc.
- Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
- Payment / revision of remuneration payable to Managerial Personnel.
- While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time. The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company,

## **Nomination and Remuneration Policy:**

### **1. Introduction**

Source Industries (India) Limited, believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, the company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. Source Industries (India) Limited aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

The Company also recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **2. Scope:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a Director appointed to the Board of a Company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by Source Industries (India) Limited Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.
- 3.4 "Key Managerial Personnel" means
  - (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole-time Director;

(iv) The Chief Financial Officer; and

(v) Such other officer as may be prescribed under the Companies Act, 2013

#### 4. Selection of Directors and determining Directors independence:

##### 4.1 Qualifications and criteria

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

1. General understanding of the Company's business dynamics, global business and social perspective;
2. Educational and professional background Standing in the profession;
3. Personal and professional ethics, integrity and values;
4. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, The Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

##### 4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity

Listing Agreement is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.
  - (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) A Firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; Or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (v) Is a material supplier, service provider or customer or a lessor or lessee of the company?

- f. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
  - g. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - h. Who is not less than 21 years of age.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- 4.3 Other directorships / committee memberships
- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.
5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees:
- 5.1.1 The Board, on the recommendation of the Nominaton and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
- (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retrial benefits
  - (v) Annual Performance Bonus

- 5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.
- 5.2 Remuneration to Non-Executive Directors
- 5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 5.3 Remuneration to other employees
- 5.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

◆ Composition

Remuneration Committee of the Company consists of following non-executive Independent Directors, which is as follows:

Name of the Director	Designation
Y MALLIKHARJUNA RAO (Chairman)	Chairman
JAYA MAHADEV YERRAMSETTI	Member
LAKSHMI NEKKANTI SATYASRI	Member

◆ Remuneration paid to Directors during the Financial Year:

Director	Designation	Remuneration for Financial Year 2014-15 (in Rs.)	
		Salary & Perks	Total
Nil	Nil	Nil	Nil

**STAKEHOLDER RELATION SHIP COMMITTEE:**

The Stakeholders Relationship Committee has been formed in compliance of Clause 49 of the Listing agreement and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Non – Executive independent Directors.

### ◆ Composition

The Committee comprises of the following members:

Name of the Director	Designation
Y MALLIKHARJUNA RAO (Chairman)	Chairman
JAYA MAHADEV YERRAMSETTI	Member
LAKSHMI NEKKANTI SATYASRI	Member

The Stakeholders Relationship Committee met four times during the previous year. The said committee met on the following dates:

30.05.2014	14.08.2014	13.11.2014	13.02.2015
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The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer, to approve share transfers / transmissions and comply with other formalities in relation thereto.

There were no complaints pending for redressed during the year under review. There was no pending transfer as on 31st March, 2015.

### Terms of reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

- i) Redressed of grievances of shareholders, debenture holders and other security holders
- ii) Transfer and transmission of securities
- iii) Dealing with complaints related to transfer of shares, non-receipt of declared dividend, no receipt of Balance Sheet etc.
- iv) Issuance of duplicate shares certificates
- v) Review of dematerialization of shares and related matters
- vi) Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, Listing Agreement with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority.

The Committee, along with the Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.



Name & Designation of the Compliance Officer	Sri Lalit Kumar Gupta Managing Director
No. of shareholders complaints received during the Financial Year	7
No. of complaints solved to the satisfaction of the share holders	7
No. of pending complaints	NIL

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The Whistle Blower Policy of the Company is also posted on the website of the Company.

#### **MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on 13th February, 2015, inter alia, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

#### **PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:**

Year	Date	Location	Time
2013-2014	29.09.2014	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	10.00 A.M
2012-2013	28.09.2013	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	10.00 A.M
2011-2012	22.11.2012	FAPCCI, Surana Hall Federation House, Red Hills, Hyderabad	12.00 Noon

No Special Resolution is passed in the Annual General Meeting conducted on 22nd November 2012 and 28th September 2013. Special resolutions moved at the AGMs conducted on 29th September, 2014 were passed through e-voting and poll.

**DISCLOSURES:**

- a. Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – NIL –
- b. Details on non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.: - NIL -
- c. The Company has posted the Code of Conduct for Directors and Senior Management on its website.
- d. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as entered with the Stock Exchanges.

**MEANS OF COMMUNICATION:**

- The Quarterly results are usually published in the (in English) and (in regional language) dailies.

**SHAREHOLDER INFORMATION:**

- AGM: The 31st Annual General Meeting of the Company will be held on Monday, 28th September 2015 at the Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad-500036
- Financial Year: 1st April 2015 to 31st March 2016

## CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited (Provisional) Financial Results	Second week of August, 2015
Second Quarter un-audited (Provisional) Financial Results	Second week of November 2015
Third Quarter un-audited (Provisional) Financial Results	Second week of February 2016
Fourth Quarter audited Financial Results	Last week of May 2016

- Book Closure Date: From Tuesday 22nd September 2015 to Monday 28th September 2015 (both days inclusive).

- Listing on Stock Exchanges : The shares of the Company are listed at BSE Limited

The company has paid the listing fees to the above Stock Exchange

- Dividend Payment Date : NA
- Stock Exchange Code : BSE Limited : 521036
- Demat ISIN Number

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL

INE695C01015

- **MARKET PRICE DATA:** During the financial year 2014-15

Month	BSE Limited	
	High (in .Rs)	Low (in .Rs)
Apr 14	22.50	18.05
May 14	23.50	19.00
Jun 14	26.25	22.35
July 14	26.00	22.75
Aug 14	25.90	19.90
Sep 14	25.20	15.55
Oct 14	16.55	9.95
Nov14	10.5	8.13
Dec 14	12.09	8.89
Jan 15	12.06	7.40
Feb 15	7.77	6.14
Mar 15	7.03	4.09

- REGISTRAR AND TRANSFER AGENTS:**

Bigshare Services Private Limited  
 Flat No. 306, Right wing, 3rd floor, Amrutha Ville,  
 Opp. Yashoda Hospital, Somajiguda,  
 Rajbhavan Road, Hyderabad – 500 082

- SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. . Bigshare Services Private Limited, Hyderabad. The Company's shares are being traded in compulsory Demat form. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System.

- DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2015:**

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	28687	98.19	3243990	28.45
2	5001 - 10000	309	1.06	254398	2.23
3	10001 - 20000	87	0.3	127558	1.12
4	20001 - 30000	20	0.07	48957	0.43
5	30001 - 40000	9	0.03	31008	0.27
6	40001 - 50000	11	0.04	53101	0.47
7	50001 - 100000	34	0.12	264392	2.32
8	100001 and above	58	0.19	7379706	64.71
	<b>TOTAL</b>	<b>29215</b>	<b>100.00</b>	<b>11403110</b>	<b>100.00</b>

# Source Industries (India) Limited

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• **SHAREHOLDING PATTERN AS ON 31ST MARCH 2015:**

SI No	Category	No. of Shares Held	% of Shareholding
<b>SHAREHOLDING OF PROMOTERS &amp; PROMOTER GROUP</b>			
<b>INDIAN</b>			
A1	Individuals/Hindu Undivided Family	2066210	18.12
	Central Government /State Government(s)	-	-
	Bodies Corporate	-	-
	Financial Institutions/Banks	-	-
	<b>Sub Total of A1</b>	<b>2066210</b>	<b>18.12</b>
<b>FOREIGN</b>			
A2	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	<b>Sub Total of A2</b>		
<b>TOTAL PROMOTERS SHAREHOLDING ( A1 +A2)</b>		<b>2066210</b>	<b>18.12</b>
<b>B</b>	<b>Public Shareholdings</b>		
<b>1</b>	<b>Institutions</b>		
	Mutual Funds and UTI	-	-
	Banks/Financial Institutions	-	-
	Central Government/State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institution Investor	-	-
	Foreign Venture Capital Investors	-	-
	Any Other (Specify)	-	-
	<b>Sub Total B1</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Non Institutions</b>		
	Bodies Corporate	3083421	27.04
	Individuals		
	Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs	3861207	33.86
	Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs	2391996	20.98
	Any Other (Specify)		
	NRIs/OCBs	200	0
	Clearing Members	76	
	<b>Sub Total B2</b>	<b>9336900</b>	<b>81.88</b>
<b>TOTAL OF PUBLIC SHAREHOLDING (B1+B2)</b>		<b>9336900</b>	<b>81.88</b>
<b>C</b>	<b>Shares held by Custodian and against which Depository Receipts have been issued</b>	<b>-</b>	<b>-</b>
<b>TOTAL A+B+C</b>		<b>11403110</b>	<b>100</b>

- **Dematerialization of shares and liquidity:** Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.
- **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** NIL
- **Address for correspondence** : SRI LALIT KUMAR GUPTA  
Managing Director  
SOURCE INDUSTRIES (INDIA) LIMITED  
D.No: 4-1-969 / 1-2, 3rd Floor,  
B. Shankarlal Building, Abids, Hyderabad.  
Phone: 040 – 24761134  
Email Id: source.investors@gmail.com  
Website: www.sourceindustriesindia.com
- **CEO & CFO certification** : The CFO of the Company gives annual certificates on financial reporting and internal controls to the board in terms of clause 49.
- **Share Transfer System** : The Share transfers are affected within one month from the date of lodgment for transfer, Transmission, sub-division consolidation, renewal etc. Such modified share certificates are delivered to the shareholders immediately.
- **Compliance Certificate** : Certificate from the Statutory Auditors of the Company M/s Rakesh S Jain & Associates., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the Directors' Report and forms part of this 31st Annual Report

## **DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS**

SOURCE INDUSTRIES (INDIA) LIMITED has adopted Code of Business Conduct and Ethics ("the code") which applied to all the employees and Director of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I hereby certify that the Board members and senior management personnel of SOURCE INDUSTRIES (INDIA) LIMITED have affirmed compliance with the Code for the Financial Year 2014-2015.

Place: Hyderabad  
Date: 12th August 2015

Sd/-  
**LALIT KUMAR GUPTA**  
Managing Director

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificates:

I, Venubabu Munduri, Chief Financial Officer of M/s Source Industries (India) Limited to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2015
2. To the best of our knowledge and belief:
  - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
  - a) There has not been any significant change in internal control over financial reporting during the year under reference;
  - b) There has not been any significant changes in accounting policies during the year under reference; and
  - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date:12th August 2015

Sd/-  
**Venubabu Munduri**  
Chief Financial Officer



# Source Industries (India) Limited

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Annexure E

**FormNo.MGT-9**  
**EXTRACT OF ANNUAL RETURN AS**  
**ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2015**  
**[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	L45400TG1984PLC004777
<b>Registration Date</b>	12-06-1984
<b>Name of the Company</b>	SOURCE INDUSTRIE (INDIA) LIMITED
<b>Category/Sub-Category of the Company</b>	Public Company / Limited by Shares
<b>Address of the Registered office and contact details</b>	D No. 4-1-969/1-2, 3rd Floor, B Shankerlala Building, Abids, Hyderabad
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	M/s. Bigshare Services Private Limited, Flat No. 306, right wing, 3rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Manufacturing of Textile	131	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

<b>Sr. No.</b>	<b>Name And Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary /Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
-	-	-	-	-	-

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
A. Category-wise Share Holding									
Category of	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year theyear				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter									
Indian									
Individual/ HUF	0	2066210	2066210	18.12	0	2066210	2066210	18.12	0
Central Govt									
State Govt (s)									
Bodies Corp									
Banks / FI									
Any Other									
Sub-total(A)(1):-	0	2066210	2066210	18.12	0	2066210	2066210	18.12	0
Foreign									
NRIs-Individuals									
Other-Individuals									
Bodies Corp.									
Banks / FI									
Any Others	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
Public Shareholding									
Institutions									
Mutual Funds									
Banks / FI									
Central Govt									
State Govt(s)									
Venture Capital Funds									
Insurance Companies									
FIIIs									
Foreign Venture Capital Funds									
Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>									
Bodies Corp.	29057	3012000	3041057	26.67	26721	3056700	3083421	27.04	-0.37
Individual									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	339417	3568911	3908328	34.27	311196	3550011	3861207	33.86	0.41
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1290825	1096590	2387415	20.94	1355506	1036490	2391996	20.98	-0.04
Others (NRI)	0	100	100	0	100	100	200	0	0
Clearing Member	0	0	0	0	76	0	76	0	0
Sub-total(B)(2)	1659299	7677601	9336900	81.88	1693599	7643301	9336900	81.88	0
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	1659299	9743811	11403110	100	1693599	9709511	11403110	100	0

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## B. Shareholdings of Promoters:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total	No of Shares	% of total Shares of the company	% of Shares Pledges/ encumbered to total shares	
1	Lalit Kumar Gupta	156100	1.37	0	156100	1.37	0	0
2	Ritesh Kumar Gupta	380310	3.34	0	380310	3.34	0	0
3	Lakshmi Gupta	325300	2.85	0	325300	2.85	0	0
4	Akshay Kumar Gupta	315400	2.77	0	315400	2.77	0	0
5	Adarsh Kumar Gupta	309100	2.71	0	309100	2.71	0	0
6	A Sai Krishna	90000	0.79	0	90000	0.79	0	0
7	E Rama Rao	240000	2.10	0	240000	2.10	0	0
8	K Vidya Sagar	150000	1.32	0	150000	1.32	0	0
9	Y Srinivas	100000	0.88	0	100000	0.88	0	0

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2066210	18.12	2066210	18.12
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE MADE DURING THE YEAR			
	At the end of the year	2066210	18.12	2066210	18.12

# Source Industries (India) Limited

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## D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	SPAN ALLIED INDUSTRIES LIMITED	1200000	10.52	01.04.2014		Nil Movement during the year		
					0			
		1200000	10.52	31.03.2015				
2	SAINAREN PROPORTIES PRIVATE LIMITED	1180000	10.35	01.04.2014		Nil Movement during the year		
					0			
		1180000	10.35	31.03.2015				
3.	PGC HYDRO POWER PVT LTD.	670000	5.88	01.04.2014		Nil Movement during the year		
					0			
		670000	5.88	31.03.2015				
4	JWALA PERSHAD GUPTA	261200	2.29	01.04.2014		Nil Movement during the year		
					0			
		261200	2.29	31.03.2015				
5	D V V PRASAD CHADALAWADA	246425	2.16	01.04.2014		Nil Movement during the year		
					0			
		246425	2.16	31.03.2015				

# Source Industries (India) Limited

6	D KISHORE	227000	1.99	01.04.2014		Nil Movement during the year		
					0			
		227000	1.99	31.03.2015				
7	LAKSHMI SATYASRI NEKKANTI	200000	1.75	01.04.2014		Nil Movement during the year		
					0			
		200000	1.75	31.03.2015				
8	N VERA VENKATA LAKSHMI	200000	1.75	01.04.2014		Nil Movement during the year		
					0			
		200000	1.75	31.03.2015				
9	SATISH KUMAR TONDAPU	200000	1.75	01.04.2014		Nil Movement during the year		
					0			
		200000	1.75	31.03.2015				
10	CHADALAWADA SATYA KUMAR	199900	1.75	01.04.2014		Nil Movement during the year		
					0			
		199900	1.75	31.03.2015				

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## E. Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	LALIT KUMAR GUPTA	156100	1.37	01.04.2014	0	Nil Movement during the year	156100	1.37
	Brought during The Year	-	-	-	0		-	-
	Sold During The year	-	-	-	0		-	-
	At the End of the Year	156100	1.37	31.03.2015	0		156100	1.37
2	LAKSHMI NEKKANTI SATYASRI	200000	1.75	01.04.2014	0	Nil Movement during the year	200000	1.75
	Brought during The Year	-	-	-	0		-	--
	Sold During The year	-	-	-	0		-	--
	At the End of the Year	200000	1.75	31.03.2015	0		200000	1.75
3	JAYMAHADEV YERRAMSHETTI	None of the Directors hold shares in the Company						
4	MALLIKARJUNA RAO YERAPPAGADDA							

# Source Industries (India) Limited

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<b>V) INDEBTEDNESS -</b>				
Indebtedness of the Company including interest outstanding / accrued but not due for payment.				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition			<b>NIL</b>	
* Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-</b>			
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>			
SN.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary	Executive Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	<b>Total (A)</b>		
	Ceiling as per the Act		

# Source Industries (India) Limited

<b>B. Remuneration to other directors</b>			
SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board committee meetings Commission Others, please specify		
	<b>Total (1)</b>		
2	<b>Other Non-Executive Directors</b>		
	Fee for attending board committee meetings Commission		
	Others, please specify		
	<b>Total (2)</b>		
	<b>Total (B)=(1+2)</b>		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**NIL**

## C. Remuneration to key managerial personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit others, specify...				
5	Others, please specify				
	<b>Total</b>				

**NIL**



# Source Industries (India) Limited

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**NIL**

**Information pursuant to Section 197 of the Act  
Read with Rule 5(1) of the Companies (Appointment and Remuneration of  
Managerial Personnel) Rules, 2014.**

- A. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year 2014-15 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:**

Not Applicable Since no director, Chief Financial Officer, Chief Executive Officer, Company Secretary drawing any remuneration during the financial year

*Note: The median remuneration of employees of the Company during the financial year was Rs.5,000*

- B. The percentage increase in the median remuneration of employees in the financial year: Nil**
- C. The number of permanent employees on the rolls of company: 3**
- D. The explanation on the relationship between average increase in remuneration and company performance:**

The average increase in the employee remuneration effected during the year 2014-15 is based on the individual performance and Company's performance during the previous financial year 2013-14. The other factors considered for revision in remuneration is based on market survey, functional expertise, industry standards etc.

- E. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Not Applicable Since no Key Managerial Personnel drawing any remuneration during the financial year.

- F. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:**

Particular	As at March 31, 2015	As at March 31, 2014	Variation
Market Capitalisation (in ₹ Crores)	4.66	22.92	(79.67)%
Market Price	4.09	20.10	(79.67)%
EPS	(0.05)	(0.09)	44.44%
Price Earnings Ratio	(81.8)	(223.3)	63.37%

- G. 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 average increase in the salaries of employees other than the managerial personnel in 2014-15 was NIL. The Percentage increase in the managerial remuneration for the same financial year was NIL.

- H. Comparison of each remuneration of the Key Managerial Personnel against the performance of the company:**

Not Applicable Since no Key Managerial Personnel drawing any remuneration during the financial year.

- I. The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable as the directors does not avail any variable component of remuneration.

- J. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not Applicable as no employee is receiving remuneration in excess of the highest paid Director.

- K. Affirmation that the remuneration is as per the remuneration policy of the company.**

It is hereby affirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

By order of the Board  
For SOURCE INDUSTRIES (INDIA) LIMITED

Sd/-  
**LALIT KUMAR GUPTA**  
Managing Director

Place: Hyderabad  
Date: 12-08-2015

## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,  
The Members  
Source Industried (India) Limited  
Hyderabad

I have examined the compliance of the conditions of Corporate Governance by SOURCE INDUSTRIES (INDIA) LIMITED for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination, conducted in the manner described in the guidance note on 'Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RAKESH S JAIN AND ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 010129 S

Sd/-  
**(B. RAMESH KUMAR)**  
PARTNER  
M. No. 200304

Place: Hyderabad  
Date: 12th August 2015

## INDEPENDENT AUDITOR'S REPORT

To  
THE MEMBERS,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
HYDERABAD

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SOURCE INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India under Section 143(10) the Act. Those Standards require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2015 ("the order") issued by the Central Government of India in terms of Sub-Section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper Books of Accounts, as required by law, have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the Directors, as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in the terms of Section 164(2) of the Act.

- f) With respect to the other matters to be included in Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors), 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 litigations which would impact its financial position
- (ii) In our opinion and as per information and explanations provides to us, the company has not entered into any long term contracts including derivatives contracts requiring provisions under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **RAKESH S JAIN & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Registration Number: 010129S

Sd/-  
**(B. RAMESH KUMAR)**  
 PARTNER  
 MEMBERSHIP NO. 200304

Place : Hyderabad  
 Date : 28-05-2015

**ANNEXURE TO THE  
INDEPENDENT AUDITOR'S REPORT  
SOURCE INDUSTRIES (INDIA) LIMITED**

[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

1. According to the information and explanations furnished to us, the company does not have any Fixed Assets. Hence the provision of clauses (i) (a )and (b ) are not applicable.
2. According to the information and explanations furnished to us, the company does not have any Inventory. Hence the provision of clauses (ii) (a ) (b) and (c ) are not applicable.
3. According to the information and explanations given to us, the company has not granted any loans secured or Unsecured to Companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, The Company has not accepted any deposits in terms of Directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. During the year Company has not carried any manufacturing operations, hence as informed to us The maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable
7. a.) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund,, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, Value Added tax , cess and any other material statutory dues applicable to it and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.  
b.) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Wealth tax, Service tax, Custom Duty , Excise duty, Value Added tax and cess which are not deposited on account of dispute.  
c.) According to the information and explanations given to us , there are no amounts required to be transferred to the investor education and protection fund by the Company.
8. In our opinion, the company has accumulated losses as at 31.03.2015 which is more than 50% of its net worth. It has incurred cash losses in the financial year ended on that date and also in the immediately preceding financial year.

9. According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. According to information and explanations given to us, no term loan were obtained during the year under audit.
12. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For RAKESH S JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 010129S

Sd/-  
**(B. RAMESH KUMAR)**  
PARTNER  
MEMBERSHIP NO. 200304

Place : Hyderabad  
Date : 28-05-2015



# Source Industries (India) Limited

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BALANCE SHEET AS ON 31 <sup>ST</sup> MARCH, 2015		(Amount in Rs.)	
Particulars	Notes	As on 31.03.2015	As on 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	114,031,100	114,031,100
Reserves and Surplus	3	(60,629,989)	(60,060,537)
<b>Current Liabilities</b>			
Trade Payables	4.1	773,999	4,939,790
Other Current Liabilities	4.2	13,350,000	28,625,000
<b>TOTAL</b>		<b>67,525,110</b>	<b>87,535,353</b>
<b>Non-Current Assets</b>			
Non Current Investments	5	-	36,570,840
<b>Current Assets</b>			
Trade Receivables	6.1	32,692,614	23,742,774
Cash and Cash Equivalents	6.2	885,996	718,867
Short term Loans and Advances	6.3	33,946,500	26,501,001
Other Current Assets	6.4	-	1,871
<b>TOTAL</b>		<b>67,525,110</b>	<b>87,535,353</b>
Summary of significant accounting policies 1			
Notes on Financial statements	12		
<p>This is the Balance Sheet referred to in our report of even date</p> <p><b>For RAKESH S JAIN &amp; ASSOCIATES</b></p> <p>Chartered Accountants</p> <p>Firm Registration Number: 010129S</p>			
<b>For and on behalf of the Board</b>			
Sd/-	Sd/-	Sd/-	
<b>(B. RAMESH KUMAR)</b>	<b>LALIT KUMAR GUPTA</b>	<b>JAYA MAHADEV YERRAMSETTI</b>	
Partner	Managing Director	Director	
Membership No. 200304			
Place : Hyderabad		Sd/-	
Date : 30-05-2015		<b>VENUBABU MUNDURI</b>	
		CFO	

# Source Industries (India) Limited

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## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Amount in Rs.)

Particulars	Note No.	As on 31.03.2015	As on 31.03.2014
<b>Revenue</b>			
Revenue from Operations	7	690,680	465,750
Other Income	8	1,979	-
<b>Total Revenue</b>		<b>692,659</b>	<b>465,750</b>
<b>Expenses</b>			
(Increase)/Decrease in stock		-	-
Raw material consumption	9	-	-
Employee Benefits expense	10	180,000	180,000
Finance Costs	11	11,598	108,705
Depreciation & Amortisation Expense		-	-
Other expenses	12	1,070,513	1,198,030
<b>Total Expenses</b>		<b>1,262,111</b>	<b>1,486,735</b>
Profit before Exceptional, Extraordinary items & Taxation		(569,452)	(1,020,985)
Exceptional items		-	-
Profit before Extraordinary items & Taxation		(569,452)	(1,020,985)
		-	-
<b>Profit before Taxation</b>		<b>(569,452)</b>	<b>(1,020,985)</b>
Tax Expense:			
Current Tax			
Deferred Tax Charge / (Credit)		-	-
<b>Profit for the period</b>		<b>(569,452)</b>	<b>(1,020,985)</b>
Basic / Diluted Earnings Per Share (Face value of Rs.10 each)		(0.05)	(0.09)
<b>Summary of significant accounting policies</b>	<b>1</b>		
<b>Notes on Financial Statements</b>	<b>13</b>		
The accompanying notes are an integral part of the financials statements.			
This is the Profit & Loss Statement referred to in our report of even date			
<b>For RAKESH S JAIN &amp; ASSOCIATES</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Registration Number: 010129S			
Sd/-	Sd/-	Sd/-	
<b>(B. RAMESH KUMAR)</b>	<b>LALIT KUMAR GUPTA</b>	<b>JAYA MAHADEV YERRAMSETTI</b>	
Partner	Managing Director	Director	
Membership No. 200304		Sd/-	
Place : Hyderabad		<b>VENUBABU MUNDURI</b>	
Date : 30-05-2015		CFO	

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

S.No	PARTICULARS	AMOUNT RS	
		31.03.2015	31.03.2014
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(569,452)	(1,020,985)
	Adjustments for:		
	Less: 1. Depreciation(Net)	-	-
	2. Raw Material written off	-	-
	3 Interest Income	(188)	-
	<b>Cash Profit/(Loss) before Working Capital Changes</b>	<b>(569,640)</b>	<b>(1,020,985)</b>
	Adjustments for Working Capital		
	1. Inventories	-	-
	2. Debtors	(8,949,840)	-
	3. Loans & Advances	(7,445,499)	(10,996,171)
	4. Other Current Assets	1,871	(1,871)
	5. Short term Borrowings	-	-
	6. Trade Payables	(4,165,791)	(12,000)
	7. Other Current Liabilities	(15,275,000)	12,258,526
	<b>Cash Generated from Operating activities</b>	<b>(36,403,899)</b>	<b>227,499</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Interest Income	188	-
	Cash Generated from Investing Activities	188	-
<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Decrease in Investments	36,570,840	-
	Cash Generated from Financing Activities	-	-
	<b>NET FLOW OF CASH(I+II+III)</b>	<b>167,129</b>	<b>227,499</b>
	<b>Cash &amp; Equivalent at the beginning of the year</b>	<b>718,867</b>	<b>491,368</b>
	<b>Cash &amp; Equivalent at the end of the year</b>	<b>885,996</b>	<b>718,867</b>

This is the Cashflow Statement referred to in our report of even date

**For RAKESH S JAIN & ASSOCIATES**

Chartered Accountants

Firm Registration Number: 010129S

**For and on behalf of the Board**

Sd/-  
**(B. RAMESH KUMAR)**  
Partner  
Membership No. 200304

Sd/-  
**LALIT KUMAR GUPTA**  
Managing Director

Sd/-  
**JAYA MAHADEV YERRAMSETTI**  
Director

Place : Hyderabad  
Date : 30-05-2015

Sd/-  
**VENUBABU MUNDURI**  
CFO

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of Accounting:

The Financial Statements are prepared under historical cost convention on an accrual basis, except as stated otherwise and are in accordance with the requirements of the Companies Act, 2013.

### 1.2 Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimate and assumption to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

### 1.3 Inventories:

The raw materials, stores and spares, packing material, consumables and finished goods are valued at cost or net realizable value whichever is lower.

### 1.4 Recognition of Income and Expenditure:

Items of Incomes and Expenditure are recognised on accrual basis.

### 1.5 Foreign Exchange:

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currency are translated at year end rate or at the rates of exchange fixed under contractual arrangements. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense.

### 1.6 Investments:

Long term Investments are stated at cost. Provision, if any, is made for permanent diminution in the value of Investments.

### 1.7 Retirement Benefits for Employees:

Company does not have any employees within the purview of PF / Gratuity.

### 1.8 Prior Period and Extraordinary items;

Income and Expenditure pertaining to prior period as well as extraordinary items wherever material are disclosed separately.

### 1.9 State investment subsidy:

State investment subsidy is shown under Capital Reserve.

### 1.10 Earning per Share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares in to equity shares.

Notes to Accounts for the year ended March 31, 2015		AMOUNT IN `	
Note No		As on 31-03-2015	As on 31-03-2014
2.	<b>Share Capital</b>		
	<b>Authorised</b>		
	12000000 Equity Shares of Rs.10/- each	120,000,000	120,000,000
	(Previous year 12000000 Equity Shares of Rs.10/- each )	120,000,000	120,000,000
	<b>Issued, Subscribed and Paid-up</b>		
	11403110 Equity Shares of Rs.10/- each fully paid up.	114,031,100	114,031,100
	(Previous Year 11403110 Equity Shares of Rs.10/- each fully paid up.)		
		<b>114,031,100</b>	<b>114,031,100</b>

**A. Reconciliation of the number of shares outstanding**

**Equity shares**

	No. of Shares	31-03-2015	No. of Shares	31.03.2014
Number of equity shares at the beginning of the Year	11,403,110	114,031,100	11,403,110	114,031,100
Equity shares issued during the year (considered retrospectively as envisaged in Court Scheme)	-	-	-	-
Less Shares bought back during the year	-	-	-	-
<b>Number of equity shares at the end of the Year</b>	<b>11,403,110</b>	<b>114,031,100</b>	<b>11,403,110</b>	<b>114,031,100</b>

**B. Details of shareholders holding more than 5% shares in the company**

NIL

**C. All equity shares issued by the company carry equal voting and participatory rights**

Notes to Accounts for the year ended March 31 <sup>ST</sup> 2015		AMOUNT IN `	
Note No	Particulars	As on 31-03-2015	As on 31-03-2014
3.	<b>Reserves and Surplus</b>		
	Capital Reserve - Investment Subsidy	2,000,000	2,000,000
	Other Reserves:		
	Share Premium	5,702,700	5,702,700
	Investment allowance Reserve	2,280,000	2,280,000
	Surplus as per Profit and Loss account		
	As per last Balance Sheet	(70,043,237)	(69,022,252)
	Add: Profit / (Loss) for the year	(569,452)	(1,020,985)
		<b>(60,629,989)</b>	<b>(60,060,537)</b>
Note No	Particulars	As on 31-03-2015	As on 31-03-2014
4.	<b>Current Liabilities</b>		
	<b>4.1. Trade Payables</b>		
	Dues to Micro and Small Enterprises	-	-
	Trade Payables	773,999	4,939,790
		<b>773,999</b>	<b>4,939,790</b>
	<b>4.2. Other Current Liabilities</b>		
	Other Liabilities	13,350,000	28,625,000
		<b>13,350,000</b>	<b>28,625,000</b>
Note No	Particulars	As on 31-03-2015	As on 31-03-2014
5.	<b>Non Current Assets</b>		
	Unquoted		
	Investments in Shares of Wholly owned		
	Subsidiary Company - Aksharalaya Enterprises Ltd	-	36,570,840
		<b>-</b>	<b>36,570,840</b>

Notes to Accounts for the year ended March 31 <sup>ST</sup> 2014		AMOUNT IN `	
Note No	Particulars	As on 31-03-2015	As on 31-03-2014
6.	<b>Current Assets</b>		
	<b>6.1. Trade Receivables</b> (Unsecured, considered good unless stated otherwise) Exceeding six months: Others	32,692,614 -	23,742,774 -
		<b>32,692,614</b>	<b>23,742,774</b>
	<b>6.2. Cash and Cash Equivalents</b> Balances with Banks: On Current accounts On Deposit account Cash on Hand	867,524 - 18,472	65,089 - 653,778
		<b>885,996</b>	<b>718,867</b>
	<b>6.3. Short Term Loans and Advances</b> (Unsecured, considered good unless stated otherwise) Advances recoverable in cash or kind or for value to be received	33,946,500	26,501,001
		<b>33,946,500</b>	<b>26,501,001</b>
	<b>6.4 Other Current Assets</b> TDS Receivable	-	1,871
		-	1,871
7.	<b>Revenue from Operations</b> Receipts from Contracts Services	690,680	465,750
		<b>690,680</b>	<b>465,750</b>
8.	<b>Other Income</b> Interest Income (on Income Tax Refund) Other Income	188 1,791	- -
		<b>1,979</b>	<b>-</b>

Notes to Accounts for the year ended March 31 <sup>ST</sup> 2015		AMOUNT IN `	
Note No	Particulars	As on 31-03-2015	As on 31-03-2014
9.	<b>Cost of material consumed / Contract payments</b>		
	Opening Stock		
	Contracts	-	-
		-	-
	Add : Purchases	-	-
	<b>TOTAL A</b>	-	-
	Less : Closing Stock		
	Contracts	-	-
	<b>TOTAL B</b>	-	
	Cost of material consumed {TOTAL( A - B ) }	-	<b>20,250,000</b>
10.	<b>Employee Benefits Expenses</b>		
	Salaries and Wages	180,000	300,000
		<b>180,000</b>	<b>300,000</b>
11.	<b>Finance Cost</b>		
	Bank Charges	11,598	14,044
	Interest	-	94,661
		<b>11,598</b>	<b>108,705</b>
12.	<b>Other Expenses</b>		
	Secretarial charges	948,635	793,151
	Travelling Expenses	-	165,485
	Legal and Professional	10,000	140,450
	Office Maintenance	19,136	10,995
	Selling and administrative	62,742	57,949
	Auditor's Remuneration:		
	Audit Fees	30,000	30,000
		<b>1,070,513</b>	<b>1,198,030</b>



# Source Industries (India) Limited

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Notes to Accounts for the year ended March 31 <sup>ST</sup> 2014			AMOUNT IN ₹		
Note No	Particulars	As on 31-03-2015	As on 31-03-2014		
13.1	<b>CONTINGENT LIABILITIES</b>	Nil	Nil		
		Nil	Nil		
13.2	<p><b>RELATED PARTY DISCLOSURES:</b>            a) Disclosures of Related parties and relationship between parties:            1. Key Management Personnel : Lalith Kumar Gupta            Ritesh Kumar Gupta            2. Relatives : Lakshmi Bai Gupta            Adarsh Kumar Gupta            Madhulika Gupta            Akshay Gupta            Babita Gupta            Niharika Gupta            3. Subsidiary Company : Aksharalaya Enterprises Ltd (Upto 31.03.2015)</p>				
	Particulars	Opening Bal.	Transactions during the year Dr	Transactions during the year Cr.	Closing Bal.
	Transactions with Subsidiary company Account Receivable	-	-	-	-
	Transactions with key management personnel and their relatives Advance against Investments etc	15,900,000	1,340,000	13,061,000	27,621,000
13.3	<b>EARNING PER SHARE (EPS)</b>				
				<b>2013-14</b>	<b>2012-13</b>
	The computation of EPS is set out below:				
	<b>Earning</b>				
	Net Profit for the period			(569,452)	(1,020,985)
	Shares				
	Other Current Assets			11,403,110	7,773,110
	Add: Shares issued during the period			-	3,630,000
	Total number of equity shares outstanding at the end of the period			11,403,110	11,403,110
	Weighted average number of equity shares outstanding during the period			11,403,110	11,403,110
	<b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b>			<b>(0.05)</b>	<b>(0.09)</b>

13.4 Directors Remuneration:	2014-15	2013-14
Salaries	NIL	NIL
Directors Sitting fees	NIL	NIL

**13.5 Micro, Small and Medium Enterprises Development Act, 2006**

- i. Amount Due to Micro, Small and Medium Enterprises - NIL
- ii. Interest - NIL  
the above information is given based on the information available with the Company.

13.6 The balances shown under Trade Payable, other current liabilities, Trade receivables, Loans and Advances are subject to confirmation/reconciliation.

13.7 Previous year's figures have been regrouped/reclassified/rearranged/modified wherever consider necessary

13.8 The Company's operation mainly consist of only one segment i.e. Infrastrucutre and therefore the figures relate to that segment only.

13.9 During the year Company has sold the shares of Aksharayala Enterprises ( Subsidiary Co).

13.10 Earning in foreign currency Rs. Nil (Previous year Rs. Nil.)  
Expenditure in foreign currency(traveling, etc) Rs. NIL (Previous year Rs.165485)

**E-VOTING****Process and manner for members opting for e-voting are as under:**

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on Friday 25th September, 2015 at 09.00 Hours and ends on Sunday, 27th September, 2015 at 5.00 Hours. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "SOURCE INDUSTRIES (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (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 Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the 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) Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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 they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
- 15. The Company has appointed Mr. Yellareddy Vootkuri, Practicing Chartered Accountant, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting

# Source Industries (India) Limited

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## ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder / proxy / representative for the registered shareholder(s) of M/s. Source Industries (India) Limited.

I hereby record my presence at the 31st Annual General Meeting of the shareholders of Source Industries (India) Limited to be held on Monday 28th September, 2015 at 2.00 P.M. at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri Hyderabad-500036, Telengana.

DP ID*	Reg.folio no.
Client ID*	No of shares

\*Applicable if shares are held in electronic form

Name and Address of Member

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Signature of Shareholder / Proxy /  
Representative (Please Specify)



# Source Industries (India) Limited

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<b>Form No. MGT-11</b> <b>Proxy form</b> <b>[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]</b>	
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CIN	L45400TG1984PLC004777
Name of the Company	SOURCE INDUSTRIES (INDIA) LIMITED
Registered Office	D. No: 4-1-969/1-2, 3rd Floor, B. Shankarlal Building, Abids, Hyderabad, Telengana - 500001
Name of the Member	
Registered Address	
Email ID	
Folio No/ Client ID	DP ID.:

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

1	Name:		
	Address		
	Email ID		Signature
	Or failing him		
2	Name:		
	Address		
	Email ID		Signature
	Or failing him		
3	Name:		
	Address		
	Email ID		Signature
	Or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on the ..... day of..... At..... a.m. / p.m. at..... (Place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolutions	For	Against
1	Consider and adopt audited financial statements , reports of the board of Directors and Auditors		
2	Re-appointment of Sri Lalit Kumar gupta, as Director who retires by rotation		
3	Appointment of statutory auditor and fix their remuneration		
4	Adoption of new sets of articles of association of the company containing regulations in conformity with The Companies Act, 2013		
5	Appointment of Smt. Lakshmi Nekkanti Satyasri Women Director (Independent Director)		

Signed this \_\_\_ day of \_\_\_\_\_, 2015

Signature of shareholder: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

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

**SOURCE INDUSTRIES (INDIA) LIMITED**

D. No. 4-1-969/ 1-2, 3rd Floor, B. Shankarlal  
Building, Abids, Hyderabad.