

# SOURCE INDUSTRIES (INDIA) LIMITED

**CIN: L45400TG1984PLC004777**

Flat No-301, DBN Padmavathi Arcade, 6-3-709/A/10/A, Punjagutta Officers Colony,  
Punjagutta, Hyderabad, Telangana - 500 082  
Phone No. 040-42014389, Email Id: sourceinvestors@gmail.com

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*Date: 06<sup>th</sup> September, 2022*

To  
Corporate Relationship Department  
BSE LIMITED  
P J Towers, Dalal Street,  
Mumbai-400001

Dear Sir,

*Sub: - Submission of Annual Report for the Financial Year 2021-22  
Scrip code: 521036*

*Ref: Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015*

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing here with, 38<sup>th</sup> Annual Report of the Company along with Notice of 38<sup>th</sup> Annual General Meeting of the Company for the Financial Year 2021-22.

This is for your information and records.

Kindly take the same on record and acknowledge.

Yours truly,

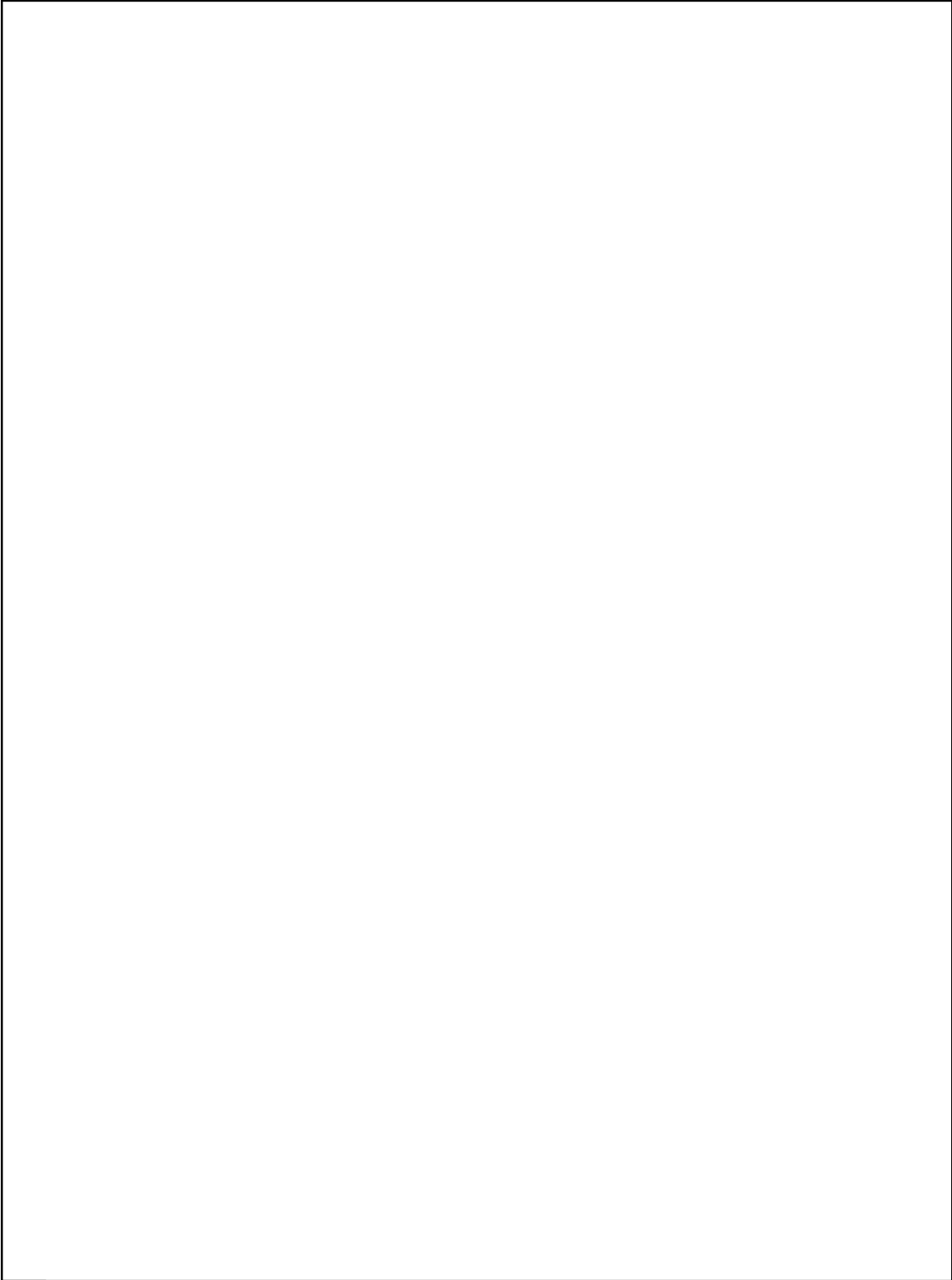
For SOURCE INDUSTRIES (INDIA) LIMITED

**SUDHAKAR N** Digitally signed  
by SUDHAKAR N  
Date: 2022.09.06  
17:05:48 +05'30'

**N SUDHAKAR**  
Managing Director  
DIN: 06785232

**38<sup>th</sup>**  
**ANNUAL REPORT**  
**2021 - 2022**

**SOURCE INDUSTRIES**  
**(INDIA) LIMITED**



**38<sup>th</sup> Annual General Meeting**

Friday 30<sup>th</sup> September, 2022

at 10.30 A.M

at Hotel Inner Circle, Raj Bhavan Rd,

Somajiguda, Hyderabad,

Telangana 500082

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**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Mr. SUDHAKAR NAVATH : MANAGING DIRECTOR  
Mr. JAYA MAHADEV YERRAMSETTI : INDEPENDENT DIRECTOR  
Mr. Y MALLIKHARJUNA RAO : INDEPENDENT DIRECTOR  
Mrs. LAKSHMI NEKKANTI SATYASRI : NON EXECUTIVE AND NON INDEPENDENT  
DIRECTOR  
Mr. RAJSHREE KAPOOR : COMPANY SECRETARY  
Mr. VISWESWARA RAO KOTHAPALLI : CFO

CIN-L45400TG1984PLC004777

**LISTED AT**  
BSE Limited

**REGISTERED OFFICE**

Flat No-301, DBN Padmavathi arcade, 6-3-709/  
A/10/A, Punjagutta officers colony, Punjagutta,  
Hyderabad-500082, Telangana.

Phone: 040 - 42014389

Email Id: source.investors@gmail.com

Website: www.sourceindustriesindia.com

**SHARE TRANSFER AGENTS**

M/s. Bigshare Services Private Limited,  
Flat No. 306, Right wing,  
3rd floor, Amrutha Ville,  
Opp: Yashodha Hospital,  
Somajiguda, Rajbhavan Road,  
Hyderabad-500082

**INTERNAL AUDITOR**

VNS SRINIVAS RAO  
Chartered Accountants  
Hyderabad

**STATUTORY AUDITORS**

M/S. Ramasamy Koteswara Rao & Co.LLP.,  
#8-2-293/82/JIII/573/M, 1st Floor, Road No.82,  
Jubilee Hills, Hyderabad, -500033

**BOARD OF COMMITTEES**

**AUDIT COMMITTEE:**

Mr. Y MALLIKHARJUNA RAO (Chairman)  
Mrs. LAKSHMI NEKKANTI SATYASRI  
Mr. JAYA MAHADEV YERRAMSETTI

**STAKEHOLDERS  
RELATIONSHIP COMMITTEE:**

Mr. Y MALLIKHARJUNA RAO (Chairman)  
Mrs. LAKSHMI NEKKANTI SATYASRI  
Mr. JAYA MAHADEV YERRAMSETTI

**NOMINATION AND REMUNERATION COMMITTEE:**

Mr. Y MALLIKHARJUNA RAO (Chairman)  
Mrs. LAKSHMI NEKKANTI SATYASRI  
Mr. JAYA MAHADEV YERRAMSETTI

**NOTICE**

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the members of the Company will be held on Friday 30<sup>th</sup> September 2022 at 10.30 A.M at Hotel Inner Circle, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2022 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 Mrs. Lakshmi Satyasri Nekkanti (DIN - 07223878) who retires by rotation, being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of 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, M/s. M N Rao & associates, Chartered Accountants, Hyderabad (Registration No. 005386S) be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting for a period of 5 years and on such remuneration as may be agreed upon by the Board of Directors and the Auditors, 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 March 31, 2023.”

**By order of the Board  
For Source Industries (India) Limited**

**Sd/-  
Sudhakar Navath  
Managing Director  
(DIN: 06785232)**

Place: Hyderabad  
Date : 29.08.2022

## Source Industries (India) Limited

### **NOTES:**

1. Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of him/her and such proxy need not be a member of the Company. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Proxies in order to be effective must be delivered at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Corporate members intending to send their authorised 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.
6. The Company has notified closure of Register of Members and Share Transfer Books from Saturday 24th September 2022 to Friday 30th September 2022, for the purpose of ensuing Annual General Meeting of the held on Friday 30th September 2022.
7. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate. In case you are holding Company's shares in physical form, please inform Company's STA viz. M/s. Bigshare Services Private Limited, Flat No. 306, right wing, 3rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082. by enclosing a photocopy of blank cancelled cheque of your bank account.
8. M/s. Bigshare Services Private Limited, Flat No. 306, right wing, 3rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082 Phones 040 4014 4967 Email: bsshyd@bigshareonline.com is the Registrar & Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
9. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
10. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.
12. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes from the scheduled time of the commencement of the meeting.

13. The annual report for the financial year 2021-22 is being sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. [www.sourceindustriesindia.com](http://www.sourceindustriesindia.com). The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2021-22, free of cost, upon sending a request to the Compliance officer.
14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents of the Company i.e., M/s. Bigshare Services Private Limited.
15. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
16. Section 108 of the Companies Act, 2013, read with rules made there under and Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015, requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings. Accordingly, the Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically.
17. In case a Member desires to exercise his/her/its vote by using e-voting facility then he/she/it has to carefully follow the instructions as given for E-Voting. He/she/it can use the facility and log in any number of times till he/she/it has voted on the Resolution or till the end of the voting period whichever is earlier. The detailed instructions for E-Voting are given as part of this Notice.
18. Since E-Voting facility is provided to the Members pursuant to Sub-regulation (1) of Regulation 44 of SEBI (LODR) Regulations, 2015 and pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, as amended, the chairman shall call for voting by poll at the meeting and upon such call being made, the voting by show of hands will not be allowed at the meeting.
19. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer's report shall be placed on the website of the Company.
20. The members of the Company, holding shares either in physical form or in dematerialized form, as on, Friday 23rd September 2022, being the cutoff date, may cast their vote (for or against) electronically.
21. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.
22. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
23. Mr. Jineshwar Kumar Sankhala, Practising Company Secretary has been appointed by the Board as Scrutinizer for the purpose of ascertaining the requisite majority for all the businesses in a fair



## Source Industries (India) Limited

and transparent manner. The results declared along with the scrutinizer's report shall be placed on the website of the Company.

24. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief profile of the Directors proposed to be appointed, re-appointed, is annexed to this notice.
25. The Proxy Form and the Attendance slip are enclosed with this notice.

**By order of the Board  
For Source Industries (India) Limited**

**Sd/-  
Sudhakar Navath  
Managing Director  
(DIN: 06785232)**

Place: Hyderabad  
Date : 29.08.2022

**EXPLANATORY STATEMENT :**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

Members of the Company at the Thirty Third Annual General Meeting approved the appointment of M/S. Ramasamy Koteswara Rao & Co.LLP., #8-2-293/82/JIII/573/M, 1st Floor, Road No.82, Jubilee Hills, Hyderabad, -500033, Chartered Accountants ("Retiring Auditors") as the Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual General Meeting till the conclusion of the sixth Annual General Meeting from the said Annual General Meeting. M/S. Ramasamy Koteswara Rao & Co.LLP will complete their present term on conclusion of this Annual General Meeting.

The Board of Directors of the Company ("the Board"), considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company appointment of M/s. M N Rao & associates, Chartered Accountants, Hyderabad (Registration No. 005386S), as Auditors of the Company in place of the Retiring Auditors, for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company.

M N Rao & associates, Chartered Accountants, Hyderabad have consented to their appointment as Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. Statement / Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Act.

None of the 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. 3 of the Notice for approval by the Members.

## Source Industries (India) Limited

### ADDITIONAL INFORMATION ON DIRECTOR RECOMMENDED FOR APPOINTMENT /RE-APPOINTMENT

Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)

Name of the Director	LAKSHMI SATYASRI NEKKANTI
Date of appointment on the Board	30/06/2015
Date of birth/age	27/05/1980
Expertise in specific functional areas	She has an experience of 10 years in the Finance and Secretarial departments
Educational qualification	Graduate
Chairman/member of the committees of board of Directors of the company	NIL
List of Directorships, Committee Chairmanship, Membership held in other companies as on date (except Pvt. Ltd. Companies)	2
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Nil
Shareholding in the Company as on 31.03.2022	2,00,000 Shares
Relationship between Directors inter-se/ Manager and KMPs	No Relation
Number of Meetings of the Board attended during the year	5

**DIRECTORS' REPORT**

To  
The Members

Your Directors have pleasure in presenting the **THIRTY EIGHTH ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2022 .

**FINANCIAL HIGHLIGHTS****(Amount in Lakhs)**

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2022</b>	<b>YEAR ENDED 31.03.2021</b>
Revenue	4.53	4.78
Other Income	0.02	0.28
Total Income	4.55	5.06
Expenditure	23.42	16.75
<b>Profit/Loss for the year before tax</b>	<b>(18.87)</b>	<b>(11.69)</b>
Income tax	-	-
Deferred Tax	-	-
<b>Profit / (Loss) after tax</b>	<b>(18.87)</b>	<b>(11.69)</b>

**OPERATIONS:**

During the financial year under review the overall performance of the company was Declined when compared to previous financial year; the Overall turnover of the Company was 4.55 lakhs as compared to last year turnover of Rs 5.06 Lakhs and the Net loss is Rs. (18.87) Lakhs for financial year 2021-22 when compared to a Net loss of Rs. (11.69) Lakhs during the previous year

**DIVIDEND:**

Due to inadequate profits your Directors do not recommend any dividend for the Financial Year 2021-22.

**TRANSFER TO RESERVES:**

The Company did not transfer any amount to the Reserves for the Financial Year ended March 31, 2022.

**SUBSIDIARIES**

The Company did not have any subsidiary or joint venture or associate company.

**DIRECTORS/KMP**

Mrs. Lakshmi Satyasri Nekkanti, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Mr. Visweswara Rao Kothapalli is appointed as CFO of the Company.

For Directors seeking appointment/re-appointment in the forth coming Annual General Meeting of the Company; the particulars as required to be disclosed in accordance with Regulations 17 to 27 and para C, D & E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) 2015, forms part of Corporate Governance Report.

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 SEBI (LODR) 2015.

## Source Industries (India) Limited

### 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 its member and public during the Financial Year.

### BOARD MEETINGS:

The Company has conducted 5 board meetings during the year on following dates and All the Directors attended the all the meetings.

24 <sup>th</sup> June 2021	12 <sup>th</sup> August 2021	31 <sup>st</sup> August 2021
12 <sup>th</sup> November 2021	10 <sup>th</sup> February 2022	

### COMPOSITION OF BOARD COMMITTEES

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

The Present Composition of various Committees of the Board is hereunder:

#### Audit Committee

Mr. Y Mallikarjuna Rao	-	Chairman
Mrs. Lakshmi Nekkanti Satyasri	-	Member
Mr. Jaya Mahadev Yerramsetti	-	Member

#### Nomination and Remuneration Committee

Mr. Y Mallikharjuna Rao	-	Chairman
Mrs. Lakshmi Nekkanti Satyasri	-	Member
Mr. Jaya Mahadev Yerramsetti	-	Member

#### Stakeholders Relationship Committee

Mr. Y Mallikharjuna Rao	-	Chairman
Mrs. Lakshmi Nekkanti Satyasri	-	Member
Mr. Jaya Mahadev Yerramsetti	-	Member

### BOARD EVALUATION

The performance evaluation of all the Directors and that of the Board as a whole and its committees was conducted based on the criteria and framework adopted by the board. The Nomination and Remuneration Committee carried out independent evaluation of every Director's performance. The outcome of the board evaluation for the FY 2021-22 was discussed by the said committee as well as by the Board.

The manner in which the formal annual evaluation has been made by the Board and other related details are enumerated in the Corporate Governance Report, which is annexed to the Boards' Report. None of our Independent Directors is due for reappointment.

### POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION, ETC.,

The following policies are attached herewith as part of Corporate Governance as mentioned in "Annexure-D".

1. Policy for selection of Directors and determining Directors Independence; and evaluation mechanism.
2. Remuneration Policy for Directors, Key managerial Personnel and other employees.

## **INTERNAL FINANCIAL CONTROL SYSTEMS**

We have adopted policies and procedures which enables implementation of appropriate internal financial controls across the organization and also ensures the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanism, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. Internal Financial Controls are an integrated part of the Risk Management Process, addressing financial and financial reporting risks. The Internal Financial Controls have been documented, digitized and embedded in the business process

Assurance on the effectiveness of the Internal Financial Controls is obtained through our management reviews; control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the Internal Auditor during the course of audits. We believe that these systems provide reasonable assurance that our Internal Financial Controls are commensurate with the requirements of our organization.

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:**

We strongly support the rights of all our employees to work in harassment - free environment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

We further confirm that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **CORPORATE SOCIAL RESPONSIBILITY**

Since our Company does not fall within any of the parameters specified under the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, reporting pursuant to Section 134(3) (o) is Not Applicable.

## **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 2021-22 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 2021-22 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.

## Source Industries (India) Limited

### **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 Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) 2015, 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 Regulation 21 of SEBI (Listing Obligations & Disclosure Requirements) 2015, the Risk management is Not applicable to the Company.

### **AUDITORS:**

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, **M/s. M N Rao & associates, Chartered Accountants, Hyderabad (Registration No. 005386S)** appointed as Statutory Auditors of the Company for a period 5 years from the conclusion of 38<sup>th</sup> Annual General Meeting to till the conclusion of 43<sup>rd</sup> Annual General Meeting at such remuneration as decided by the Board.

### **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 Regulation 23 of SEBI (Listing Obligations & Disclosure Requirement) 2015, 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**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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

**MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to the provision of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) 2015, a report on Management Discussion & Analysis is set out as an "**Annexure B**".

**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 2021-2022 and a certificate from the Secretarial Auditors of the Company are furnished as a part of this Annual Report "**Annexure C**".

**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 M/s. P.S Rao & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure D**" to this report.

**ANNUAL RETURN**

In accordance with Section 134 (3) (a) of the Companies Act, 2013, a copy of Annual Return in the prescribed format i.e. Form MGT-7 is placed on the website of the Company and may be accessed at Link: [www.sourceindustriesindia.com](http://www.sourceindustriesindia.com)

**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. 8, 50,000 per month or Rs. 1, 02, 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.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

No application was made or any proceedings pending under the IBC, 2016 during the year ended on 31st March, 2022.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

Not Applicable



## Source Industries (India) Limited

### **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/-  
Sudhakar Navath  
Managing Director  
(DIN: 06785232)**

**Sd/-  
Lakshmi Nekkanti Satyasri  
Director  
(DIN: 07223878)**

Place: Hyderabad  
Date : 29.08.2022

**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                                | : NIL |
| a. Technology imported  | :     |
| b. Year of Import   | :     |
| 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: (on receipts and payments basis)

<b>Foreign exchange earnings and outgo:</b>	<b>2021-22</b>
Foreign Exchange Earnings	NIL
Foreign Exchange Outgo	NIL

## MANAGEMENT DISCUSSION ANALYSIS REPORT

### 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 12<sup>th</sup> 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:

1. The growth in population and economy leading demand for infrastructure and its opportunity to provide better infrastructure
2. The government estimates that \$1 trillion of investments will be required for developing India's infrastructure in the 12th plan period.
3. Drawing up medium- and long-term strategies, based on expected growth in the sector

4. Benchmarking current and expected IRRs with those projected by industry
5. Understanding the impact of the regulatory environment on business

**Threats:**

1. Uncertainty, especially Mining sector due to delay in resolving environmental and social issues.
2. Demand for higher capacity equipment, in line with the global market trend.
3. High expectations of contractor segment.
4. Increasing pressure on reducing ownership costs.
5. Improved technology for operational cost to stay ahead in business.
6. Innovative marketing strategies to counter competition from MNCs by
7. Uncertainty in Defense business.
8. Attrition in skilled manpower.
9. Project imports at nil duty.
10. 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 2021-2022.

**By order of the Board  
For Source Industries (India) Limited**

**Sd/-  
Sudhakar Navath  
Managing Director  
(DIN: 06785232)**

**Sd/-  
Lakshmi Nekkanti Satyasri  
Director  
(DIN: 07223878)**

Place: Hyderabad  
Date : 29.08.2022

**CORPORATE GOVERNANCE REPORT**

(In compliance with SEBI (Listing Obligations &amp; Disclosure Requirements) Regulations 2015.

**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.

**BOARD OF DIRECTORS:****• Composition of Board of Directors**

At present, the strength of the Board is 4 Directors. The Board comprises of 1(one) Executive, 2(two) Non-Executive Independent Directors and 1(one) Non-Executive Non-Independent Director.

**• Board meeting and attendance**

The Board met 5 times in the financial year 2021-22 on the following dates:

24 <sup>th</sup> June 2021	12 <sup>th</sup> August 2021	31 <sup>st</sup> August 2021
12 <sup>th</sup> November 2021	10 <sup>th</sup> February 2022	

The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 30.09.2021	Attendance in Board Meeting		Other Boards Except Pvt Ltd		
				Held	Attendance	No. of Other directorships	Committee chairmanship	Committee membership
1.	Sudhakar Navath	Managing Director	Yes	5	5	Nil	Nil	Nil
2.	Jaya Mahadev Yerramsetti	Non-Executive & Independent Director	Yes	5	5	Nil	Nil	Nil
3.	Y Mallikharjuna Rao	Non-Executive & Independent Director	Yes	5	5	3	3	0
4.	Smt Lakshmi Satya Nekkaanti	Non-Executive & Non-Independent Director	Yes	5	5	2	Nil	3

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 Regulations of SEBI (Listing Obligations & Disclosure Regulations) 2015, 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.

**No. Of Meetings of the Board of Directors held and dates on which held:**

During the financial year 2021-2022, 5 (Six) Board Meetings were held on the following dates:

24-06-2021	12-08-2021	31-08-2021
12-11-2021	10-02-2022	

**Familiarization Programme for Independent Directors:**

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company by conducting training programmes.

The Familiarisation Programme is posted on the company's website and can be accessed at on the Company's Website at the link: [www.sourceindustriesindia.com](http://www.sourceindustriesindia.com)

**Relationship among Directors:**

No relation among Directors.

**Number of shares held by directors**

Sr. No.	Name of Director	Nature/ Category of Directorship	No. of Shares held
1	SUDHAKAR NAVATH	Chairman and Managing Director	Nil
2	YERRAPRAGADA MALLIKARJUNA RAO	Independent Director	Nil
3	JAYA MAHADEV YERRAMSETTI	Independent Director	Nil
4	LAKSHMI SATYASRI NEKKANTI	Non Executive Non Independent Director	2,00,000

**Skills / expertise / competencies of the board of Directors**

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company

## Source Industries (India) Limited

- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business.

### **CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTORS FULFIL THE CONDITIONS SPECIFIED IN THESE REGULATIONS AND ARE INDEPENDENT OF THE MANAGEMENT:**

The Board of Directors hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

### **BOARD COMMITTEE:**

Currently, there are three Board Committees - Audit Committee, Nomination and Remuneration Committee and 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 2 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director, constituted in accordance with the provisions of Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulation 18 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 Regulation 18 read with Part C of Schedule II of SEBI (LODR) 2015 and 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.



## Source Industries (India) Limited

### COMPOSITION

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

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

24-06-2021	12-08-2021	31-08-2021	12-11-2021	10-02-2022
------------	------------	------------	------------	------------

#### Attendance:

Name	No of Meetings Held	No of Meetings Attended
Y MALLIKHARJUNA RAO (Chairman)	5	5
JAYA MAHADEV YERRAMSETTI	5	5
LAKSHMI SATYASRI NEKKANTI	5	5

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 Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 3 Non Executive 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 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.

## Source Industries (India) Limited

### 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 Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015.
- 3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) 2015.
- 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:
1. Shall possess a Director Identification Number;
  2. Shall not be disqualified under the Companies Act, 2013;
  3. Shall give his written consent to act as a Director;
  4. Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, The Committee Meetings;
  5. 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 Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) 2015 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—

- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (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;
- ii. 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;
- iii. 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;
- iv. who, neither himself nor any of his relatives-
  - (i) holds or 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

## Source Industries (India) Limited

- (v) Is a material supplier, service provider or customer or a lessor or lessee of the company?
  - v. 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.
  - vi. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - vii. 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 Nomination 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
JAYA MAHADEV YERRAMSETTI	Member
LAKSHMI NEKKANTI SATYASRI	Member

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

**Meetings:**

The Remuneration committee of the Board met 3 times during the year, i.e., on:

24-06-2021	12-08-2021	31-08-2021
------------	------------	------------

**Attendance:**

Name	No of Meetings Held	No of Meetings Attended
Y MALLIKHARJUNA RAO (Chairman)	3	3
JAYA MAHADEV YERRAMSETTI	3	3
LAKSHMI SATYASRI NEKKANTI	3	3

**STAKEHOLDER RELATION SHIP COMMITTEE:**

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of 2 Non - Executive independent Directors and 1 Non-Executive Non Independent.

## Source Industries (India) Limited

### Composition

The Committee comprises of the following members:

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

The Stakeholders Relationship Committee met 3 times during the previous year. The said committee met on

24-06-2021	12-08-2021	31-08-2021
------------	------------	------------

### Attendance:

Name	No of Meetings Held	No of Meetings Attended
Y MALLIKHARJUNA RAO (Chairman)	3	3
JAYA MAHADEV YERRAMSETTI	3	3
LAKSHMI SATYASRI NEKKANTI	3	2

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

In accordance with Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) 2015, 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, 2022.

### 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	:	RAJSHREE KAPOOR (Company Secretary)
No. of shareholders complaints received during the Financial Year	:	0
No. of complaints solved to the satisfaction of the share holders	:	0
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 10<sup>th</sup> February, 2022, 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 SEBI (LODR) 2015, 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.

**REMUNERATION OF DIRECTORS**

**(a) All pecuniary relationship or transactions of the non-executive directors**

Non-Executive Directors including Independent Directors are entitled to sitting fee for the Board and Committee meetings attended by them and Commission not exceeding 1% of of the net profits of your



## Source Industries (India) Limited

Company computed in the manner laid down in Section 198 of the Companies Act, 2013, which is approved by the shareholders.

### (b) Criteria of making payments to non-executive directors

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the non-executive directors in the supervision and control of your Company and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

(c) Disclosures with respect to remuneration (in addition to disclosures required under the Companies Act, 2013):

(i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2021-22:

Name of Director	Relationship	Salary Received	Perquisites & allowances
SUDHAKAR NAVATH	Managing Director	Nil	Nil
YERRAPRAGADA MALLIKARJUNA RAO	Independent Director	Nil	Nil
JAYA MAHADEV YERRAMSETTI	Independent Director	Nil	Nil
LAKSHMI SATYASRI NEKKANTI	Non Executive Non Independent Director	Nil	Nil

(ii) Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives.

(iii) Service contracts, notice period, severance fees: A separate contract of employment was entered with each of the Executive Directors with terms and conditions of appointment as per the HR Policy of the Company and approved by the Board.

(iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options.

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

Year	Day, Date and Time	Location	Special Resolution
2020-2021	Wednesday, 30.09.2021 at 10:30 AM	Hotel Inner Circle, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082	1.To Appoint Mr. Jaya Mahadev Yerramsetty as independent Director of the company. 2. To Appoint Mr. Sudhakar Navath as Managing Director of the company
2019-2020	Thursday, 26.09.2020 At 10:00 AM	Hotel Inner Circle, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082	NA
2018-2019	Thursday, 29.09.2019 At 11:00. AM	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	1. Appointment of Sri. Yerrapragada Mallikarjuna Rao (DIN 00905266) As Non executive, Independent Director of the company

Mr. Jineshwar Kumar Sankhala, Company Secretary in Practice (M/s. P. S. Rao & Associates), conducted the remote e-voting and e-voting process during the previous Annual General Meeting.

The Company had not conducted any postal ballot during the previous 3 financial years.

There are no Special Resolutions Moved in the year 2019-2020.

**MEANS OF COMMUNICATION:**

The quarterly, half yearly and annual results are generally published in widely circulating national and local dailies such as Business standard and Nava Telangana from time to time within 48 Hours from time of Board Meeting. These are not sent individually to the shareholders.

The financial results are displayed on the website of the Company – [www.sourceindustriesindia.com](http://www.sourceindustriesindia.com) and also in the websites of BSE Limited. The Company's website also displays official press releases and other disclosures submitted to stock exchanges.

The Company has not made any presentation to institutional investors or to analysts.

**GENERAL SHAREHOLDER INFORMATION:**

<b>AGM</b>	The 38 <sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30 <sup>th</sup> September 2022 at the Hotel Inner Circle Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082.
<b>Financial Year</b>	<b>1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</b>
<b>Book Closure Date</b>	<b>24<sup>th</sup> September 2022 to 30<sup>th</sup> September 2022</b>
<b>Listing on Stock Exchanges</b>	The shares of the Company are listed at BSE Limited (The company has paid the listing fees to the above Stock Exchange)
<b>Dividend Payment Date</b>	<b>NA</b>
<b>Scrip Code</b>	<b>521036</b>
<b>Demat ISIN Number</b>	Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL <b>INE695C01015</b>
<b>Registrar and Transfer Agents</b>	M/s. Bigshare Services Private Limited, Flat No. 306, right wing 3rd floor, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Rajbhavan Road, Hyderabad-500082
<b>Share Transfer System</b>	All the physical share transfers received are processed by the Share Transfer Agents <b>M/s. Bigshare Services Private Limited</b> , 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.
<b>Performance in comparison to broad-based indices such as BSE sensex, CRISIL index etc</b>	NA
<b>Commodity Price Risk and Commodity Hedging Risk</b>	NA
<b>List of Credit Rating obtained during the year for all debt instrument</b>	NA

## Source Industries (India) Limited

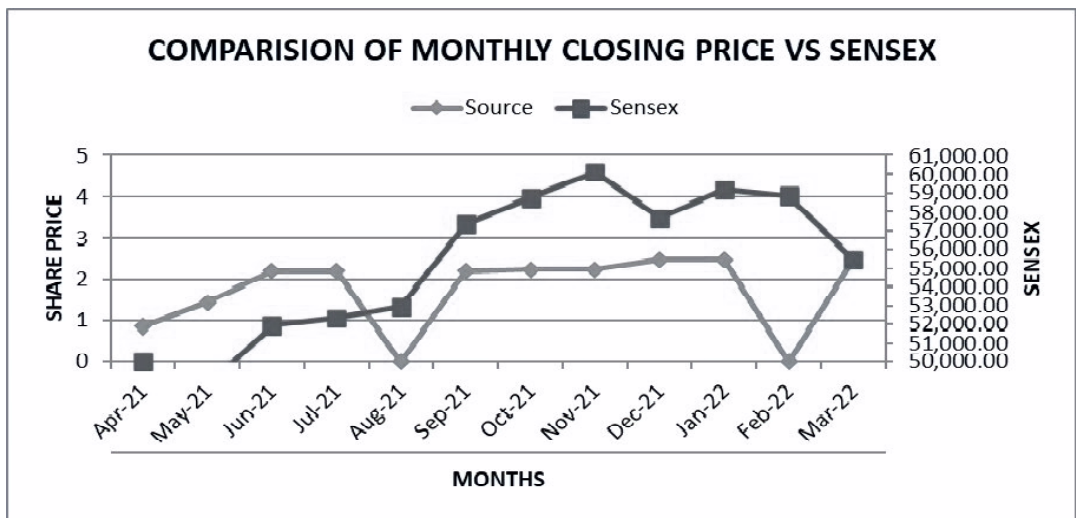
**Market Price Data:** High, Low (Based on the closing prices) and number of shares traded during each month in the last financial year on the BSE Limited:-

Month	BSE Limited		
	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
Apr-21	0.85	0.78	300
May-21	1.45	0.89	4872
Jun-21	2.2	1.45	6109
Jul-21	2.2	2.09	4269
Aug-21	0	0	0
Sep-21	2.2	2.2	10
Oct-21	2.25	2.09	2682
Nov-21	2.25	2.25	2213
Dec-21	2.5	2.36	6200
Jan-22	2.5	2.5	100
Feb-22	0	0	0
Mar-22	2.5	2.5	2842

The securities of the Company are not suspended from trading during the financial year ended March 31, 2022.

### Share Price Performance:

#### Comparison with BSE Sensex



Distribution of Shareholding (as on March 31, 2022):

SI No	Category No. of Shares	No. of share-holders	% to Capital	Share Amount (In Rs)	% of Total Accounts
1	1 - 500	28457	98.29	32195300	28.23
2	501 - 1000	302	1.04	2485520	2.17
3	1001 - 2000	87	0.30	1271090	1.11
4	2001 - 3000	21	0.07	513680	0.45
5	3001 - 4000	9	0.03	310080	0.27
6	4001 - 5000	12	0.04	582020	0.51
7	5001 - 10000	23	0.07	1677180	1.47
8	10001 and above	39	0.01	74996230	65.76
	<b>TOTAL:</b>	<b>28950</b>	<b>100</b>	<b>114031100</b>	<b>100</b>

## Source Industries (India) Limited

### ➤ SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH 2022:

Sl. No	Category	No. of Shares Held	%of Shareholding
<b>A1</b>	<b>SHAREHOLDING OF PROMOTERS &amp; PROMOTER GROUP</b>		
	<b>INDIAN</b>		
	Individuals/Hindu Undivided Family	14,86,210	13.03
	Central Government /State Government(s)	-	-
	Bodies Corporate	-	-
	Financial Institutions/Banks	-	-
	<b>Sub Total of A1</b>	<b>14,86,210</b>	<b>13.03</b>
<b>A2</b>	<b>FOREIGN</b>		
	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	Sub Total of A2	-	-
	<b>TOTAL PROMOTERS SHAREHOLDING ( A1 +A2)</b>	<b>14,86,210</b>	<b>13.03</b>
<b>B</b>	<b>PUBLIC SHAREHOLDINGS</b>		
	1Institutions		
	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>Non Institutions</b>		
	Bodies Corporate	-	-
<b>B</b>	<b>Individuals</b>		
<b>2</b>	Individuals share holders holdings nominal share capital upto Rs. 2 Lakhs	3872343	33.96
	Individual Shareholding holding nominal share capital in excess of Rs. 2 Lakhs	4828823	42.35
	Any Other (Specify)	1215734	10.66
	<b>Sub Total B2</b>	<b>9916900</b>	<b>86.97</b>
	<b>TOTAL OF PUBLIC SHAREHOLDING (B1+B2)</b>	<b>9916900</b>	<b>86.97</b>
<b>C</b>	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	<b>TOTAL (B1+B2)</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**
- Securities suspended from trading: **Not applicable**
- Share Transfer System: The Share transfers are effected within 15 days from the date of lodgment for transfer, Transmission sub-division, Consolidation, renewal etc., if the documents are in order in all respects, in line with Schedule VII to the Listing Regulations and such modified share Certificates are delivered to the shareholders immediately.
- Compliance Certificate: Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 38<sup>th</sup> Annual Report
- **Address for correspondence : Mr. N.Sudhakar**  
Managing Director  
**Source Industries (India) Limited**  
Flat No-301, DBN Padmavathi arcade, 6-3-709/A/10/A,  
Punjagutta officers colony, Punjagutta, Hyderabad-500082,  
Telangana, Phone: 040 – 42014389  
Email Id: source.investors@gmail.com  
Website: www.sourceindustriesindia.com

**DISCLOSURES:**

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest. The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the weblink
- b. There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, 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. No person has been denied access to the Chairman of the Audit Committee. 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.
- d. The Whistle Blower Policy of the Company is also posted on the website of the Company.
- e. The Company has posted the Code of Conduct for Directors and Senior Management on its website.
- f. The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) 2015.

## Source Industries (India) Limited

- g. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations.
- h. Disclosure of commodity price risks and commodity hedging activities- NA
- i. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - The Company has not raised any funds during the year under review
- j. Policy on dealing with Related Party Transactions and Policy for determining material subsidiaries may be accessed on our website.
- k. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.
- l. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.
- m. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part - Rs.85,000
- n. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:  
  
The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action. The Company has not received any complaint on sexual harassment during the year
- o. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:  
  
No Loans and Advances given/taken Loans and advances in the nature of loans to firms/ companies in which directors are interested.
- p. Disclosure with respect to demat suspense account/ unclaimed suspense account: N.A
- q. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the Regulations and the same may be referred at point no. 10 hereunder.
- r. Non-compliance of any requirement of corporate governance report, with reasons thereof:  
  
All the corporate governance requirements are complied with.

**s. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

• Discretionary Requirements:

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

**i. The Board:**

Maintenance of Office to the Non-Executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.

**ii. Shareholders' rights:**

All the quarterly financial results are placed on the Company's website, : i.e., sourceindustries india.com apart from publishing the same in the Newspapers.

**iii. Modified opinion(s) in audit report:**

There are no modified opinions in the Audit Reports.

**iv. Reporting of Internal Auditor:**

The Internal Auditor reports to the Chairman of the Audit Committee directly.

**Compliance Certificate:** Certificate from P S Rao & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 38<sup>th</sup> Annual Report.

- **CEO & CFO certification:** The Executive Director & the CFO of the Company gives annual certificates on financial reporting and internal controls to the board in accordance with Part B Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015.

**Secretarial Audit:**

- a) M/s P S Rao & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on yearly basis, by M/s P S Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- c) M/s P S Rao & Associates, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- d) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details follow:



## Source Industries (India) Limited

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

### 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 2021-2022.

**Sd/-**  
**N.Sudhakar**  
**Managing Director**  
**DIN: 06785232**

Place: Hyderabad  
Date : 29.08.2022

**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER OR MANAGING DIRECTOR  
CERTIFICATE:**

I, N.Sudhakar, Managing Director 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 31.03.2022.
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 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 volatile of the Company's code of conduct.
4. We 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.

**Sd/-  
N.Sudhakar  
Managing Director  
DIN: 06785232**

**Sd/-  
Visweswara Rao Kothapalli  
CFO**

Place: Hyderabad  
Date : 29.08.2022

Form No. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2022

[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 Flat No-301, DBN Padmavathi arcade, 6-3-709/A/10/A, Punjagutta officers colony, Punjagutta, Hyderabad-500082, 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 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the audit period**);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the audit period**);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not applicable to the Company during the audit period**)
  - 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, 2021 (**Not applicable to the Company during the audit period**); and

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**
- i) The SEBI (Listing obligation and Disclosure Requirements) Regulations 2018 **As applicable**

The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on the sector/industry, are:

1. Shops and Establishment Act

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India; **As Applicable.**

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

**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 has taken 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 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.

**P.S. Rao & Associates  
Company Secretaries**

**Sd/-  
Jineshwar Kumar Sankhala  
Company Secretary  
M No: 21697  
C P No: 18365  
UDIN: A021697D000867071**

Place: Hyderabad  
Date : 29.08.2022

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]

To  
The Members,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
**Hyderabad**

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**P.S. Rao & Associates**  
**Company Secretaries**

**Sd/-**  
**Jineshwar Kumar Sankhala**  
**Company Secretary**  
**M No: 21697**  
**C P No: 18365**  
**UDIN: A021697D000867071**

Place: Hyderabad  
Date : 29.08.2022

**CERTIFICATE REGARDING CORPORATE GOVERNANCE**

To  
The Members,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
Hyderabad

We have examined the compliance of the conditions of Corporate Governance by **SOURCE INDUSTRIES (INDIA) LIMITED** (hereinafter referred to as "the Company") for the year ended March 31, 2022, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation 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.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2022.

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

For **P.S. Rao & Associates**  
Company Secretaries

**Sd/-**  
**Jineshwar Kumar Sankahala**  
Company Secretary  
ACS No.: 21697  
C.P. No.: 18365  
**UDIN: A021697D000867124**

Date :29.08.2022  
Place: Hyderabad

## Source Industries (India) Limited

### CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To  
The Members,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
Hyderabad

We have examined the relevant records, forms, returns and disclosures received from the directors of **SOURCE INDUSTRIES (INDIA) LIMITED** having CIN: L45400TG1984PLC004777 and having registered office at Flat No-301, DBN Padmavathi arcade, 6-3-709/A/10/A, Punjagutta officers colony, Punjagutta, Hyderabad-500082, Telangana (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para C of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal mca.gov.in) as considered necessary and the explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company for the financial year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority.

Sr. No.	Name of Director	Nature/ Category of Directorship	DIN
1	Sudhakar Navath	Managing Director	06785232
2	Lakshmi Satyasri Nekkanti	Non-Executive Director	07223878
3	Yerrapragada Mallikarjuna Rao	Independent Director	00905266
4	Jaya Mahadev Yerramsetti	Independent Director	06661103

Ensuring eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **P.S. Rao & Associates**  
Company Secretaries

**Sd/-**  
**Jineshwar Kumar Sankahala**  
Company Secretary  
ACS No.: 21697  
C.P. No.: 18365  
UDIN: A021697D000867124

Date: 29.08.2022  
Place: Hyderabad

**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 2021-22 and Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22:**

Name of the Director/ Key Managerial Personnel	Remuneration of Director KMP for the financial year 2021-22	% increase in Remuneration in the financial year of 2021-22	Ratio of the remuneration to the median the employees
Rajshree Kapoor	1,80,000	-	-

Note: The median remuneration of employees of the Company during the financial year was Rs. 21000/-

- B. The percentage increase in the median remuneration of employees in the financial year: 12%
- C. The number of permanent employees on the rolls of company: 5
- D. 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 decrease in the salaries of employees other than the managerial personnel in 2021-22 was 9.23%. The Percentage increase in the managerial remuneration for the same financial year was Nil.

- E. 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/-  
Sudhakar Navath  
Managing Director  
(DIN: 06785232)**

**Sd/-  
Lakshmi Nekkanti Satyasri  
Director  
(DIN: 07223878)**

Place: Hyderabad  
Date : 29.08.2022



**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**Source Industries (India) Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Source Industries (India) Limited** ("the Company"), which comprise the Balance Sheet as on March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

## Source Industries (India) Limited

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) During the year, the company has no branch offices hence reporting under section 143(8) of the act is not applicable to the company.
  - d) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 of the Act, as amended:

In our opinion and based upon the audit procedures performed and the information and explanation given by the management, the provisions of section 197 read with Schedule V to the Act is complied by the company.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether , directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries ") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. During the year the company has not declared any dividend. Therefore compliance with section 123 of the act was not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Ramasamy Koteswara Rao and Co LLP,**  
Chartered Accountants  
Firm Registration Number: 010396S/S200084

**(Murali Krishna Reddy Telluri)**  
Partner  
Membership No.223022  
UDIN: 22223022AJXSSH8789

Place: Hyderabad  
Date : 30-05-2022

## Source Industries (India) Limited

### **Annexure-A to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of "Source Industries (India) Limited" for the year ended March 31, 2022)**

On terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- i. (a) As the Company does not hold any property, plant and equipment, bearer plants, capital work-in-progress, investment properties and relevant details of right-of-use assets, intangible assets, reporting under clause 3(i) of the Order is not applicable to the company.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the company.  
(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable to the company.
- iv. Based on the records examined by us in the normal course of audit, the company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. Therefore the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. Based on the records examined by us in the normal course of audit, the Company has not accepted any deposits from the public or accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for any of the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. (a) Based on the records examined by us in the normal course of audit, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, Provident Fund, Employees 'State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
(b) Based on the records examined by us in the normal course of audit, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax outstanding on account of disputes.
- viii. Based on the records examined by us in the normal course of audit, Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) Loans amounting to Rs. 25,88,335/- outstanding as at 31 March 2022 are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded

for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) Based on the records examined by us in the normal course of audit, the Company has not taken any term loans during the year hence reporting under clause 3(ix) (c) of the Order is not applicable.
  - (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the company.
  - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, the company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all the details of the related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv. (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, Provisions of section 192 of the Act, are not applicable and accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a),(b) and (c) of the Order is not applicable to the Company.

## Source Industries (India) Limited

- (b) There is no Core Investment Company as a part of the group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses amounting to Rs.18,86,750/- during the financial year covered by our audit and Rs. 11,69,404/- in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios as per note :16 , ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the company.

**For Ramasamy Koteswara Rao and Co LLP,**  
Chartered Accountants  
Firm Registration Number: 010396S/S200084

**sd/-**  
**(Murali Krishna Reddy Telluri)**  
Partner  
Membership No.223022  
UDIN: 22223022AJXSSH8789

Place: Hyderabad  
Date : 30-05-2022

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOURCE INDUSTRIES (INDIA) LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of **Source Industries (India) Limited**

We have audited the internal financial controls over financial reporting of **Source Industries (India) Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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



## Source Industries (India) Limited

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ramasamy Koteswara Rao and Co LLP,**  
Chartered Accountants  
Firm Registration Number: 010396S/S200084

**sd/-**  
**(Murali Krishna Reddy Telluri)**  
Partner  
Membership No.223022  
UDIN:2223022AJXSSH8789

Place: Hyderabad  
Date: 30-05-2022

**Source Industries (India) Limited**

**Balance Sheet as at 31st March 2022**

(Amount in INR)

Particulars	Notes	March 31, 2022	March 31, 2021
<b><u>I. ASSETS</u></b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Other assets		-	-
(d) Financial Assets			
(i) Investments		-	-
(iii) Loans and advances	2	1,81,60,000	1,96,40,000
(e) Deferred tax assets (net)		-	-
(f) Other non-current assets		-	-
<b>Total non current assets</b>		<b>1,81,60,000</b>	<b>1,96,40,000</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Trade receivables	2	1,50,00,000	1,50,00,000
(ii) Cash and cash equivalents	3	7,91,523	4,87,842
(b) Other current assets	5	1,43,00,000	1,46,21,438
<b>Total current assets</b>		<b>3,00,91,523</b>	<b>3,01,09,280</b>
<b>TOTAL ASSETS</b>		<b>4,82,51,524</b>	<b>4,97,49,280</b>
<b><u>II. EQUITY AND LIABILITIES</u></b>			
<b>(1) Equity</b>			
(a) Equity share capital	6	11,40,31,100	11,40,31,100
(b) Other equity	7	(6,88,97,720)	(6,70,10,970)
<b>Total equity</b>		<b>4,51,33,380</b>	<b>4,70,20,130</b>
<b>(3) Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	8	25,88,335	22,12,203
(b) Deferred tax liability		-	-
(c) Provisions		-	-
(d) Other liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>25,88,335</b>	<b>22,12,203</b>
<b>(4) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables		-	-
(ii) Other financial liabilities	9	72,000	60,000
(b) Other current liabilities	10	4,57,809	4,56,947
(c) Short-term provisions		-	-
(d) Liabilities for current tax (net)		-	-
<b>Total Current liabilities</b>		<b>5,29,809</b>	<b>5,16,947</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,82,51,524</b>	<b>4,97,49,281</b>

Notes forming part of the financial statements

1-18

As per our report of even date attached

**For Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants

Firm Regn. No. 010396S/S200084

**For and on behalf of the Board of Directors**

**Source Industries (India) Limited**

**Sd/-**  
**Murali Krishna Reddy Telluri**  
Partner  
Membership No. 223022  
UDIN: 22223022AJXSSH8789

**Sd/-**  
**Sudhakar Navath**  
Director  
DIN 06785232

**Sd/-**  
**Lakshmi SatyaSri Nekkanti**  
Director  
DIN: 07223878

Place: Hyderabad  
Date : 30-05-2022

**Sd/-**  
**Rajshree Kapoor**  
Company Secretary

**Sd/-**  
**Visweswara Rao Kothapalli**  
CFO

## Source Industries (India) Limited

<b>Statement of Profit and Loss for the year ended 31st March 2022</b>			
			(Amount in INR)
<b>Particulars</b>	<b>Notes</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Revenue</b>			
I. Revenue from Operations	11	4,52,600	4,77,800
II. Other income	12	2,356	27,845
<b>III. Total Income (I+II)</b>		<b>4,54,956</b>	<b>5,05,645</b>
<b>IV. Expenses</b>			
Cost of raw materials consumed		-	-
Employee Benefits Expenses	13	4,32,000	3,90,000
Depreciation and Amortization Expenses		-	-
Finance costs	14	2,467	14,006
Other Expenses	15	19,07,239	12,71,043
<b>Total Expenses (IV)</b>		<b>23,41,706</b>	<b>16,75,049</b>
<b>V. Profit/(loss) before Tax (III - IV)</b>		<b>-18,86,750</b>	<b>-11,69,404</b>
<b>VI. Tax expense:</b>			
1. Current tax			-
2. Deferred tax		-	-
3. MAT credit			-
<b>VII. Profit/(Loss) for the year</b>		<b>-18,86,750</b>	<b>-11,69,404</b>
<b>VIII. Other comprehensive income</b>			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurement of Investments		-	-
Remeasurements of leave encashment on employee benefits		-	-
(ii) Items that will be reclassified to profit or loss		-	-
Foreign currency translation differences		-	-
B (i) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income net of taxes		-	-
<b>IX. Total comprehensive income for the period</b>		<b>-18,86,750</b>	<b>-11,69,404</b>
<b>X. Earnings per equity share</b>			
1. Basic		-0.17	-0.10
2. Diluted		-0.17	-0.10
Notes forming part of the financial statements	1-18		
As per our report of even date attached			
<b>For Ramasamy Koteswara Rao and Co LLP</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants		<b>Source Industries (India) Limited</b>	
Firm Regn. No. 010396S/S200084			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>Murali Krishna Reddy Telluri</b>	<b>Sudhakar Navath</b>	<b>Lakshmi SatyaSri Nekkanti</b>	
Partner	Director	Director	
Membership No. 223022	DIN 06785232	DIN: 07223878	
UDIN: 22223022AJXSSH8789			
Place: Hyderabad	<b>Sd/-</b>	<b>Sd/-</b>	
Date : 30-05-2022	<b>Rajshree Kapoor</b>	<b>Visweswara Rao Kothapalli</b>	
	Company Secretary	CFO	

## Cash Flow Statement For The Year Ended 31-03-2022

(Amount in INR)

Particulars	March 31, 2022	March 31, 2021
<b>A. Cash Flows From Operating Activities:</b>		
Net Profit before tax	(18,86,750)	(11,69,404)
Adjustments for:		
Less: 1. Depreciation(Net)	-	-
2. Raw Material written off	-	-
<b>Changes in current assets and liabilities</b>	<b>(18,86,750)</b>	<b>(11,69,404)</b>
Adjustments for Working Capital		
Inventories		
Debtors	-	-
Loans & Advances	-	(5,60,000)
Other Current Assets	3,21,438	15,82,975
Short term Borrowings	-	-
Trade Payables	12,000	30,000
Other Current Liabilities	862	2,27,203
<b>Cash used(-)/(+)generated from operating activities (a)</b>	<b>3,34,300</b>	<b>12,80,178</b>
<b>B. Cash Flows From Investing Activities:</b>		
(Increase)/Decrease in Investments	-	-
<b>Cash used(-)/(+)generated in investing activities (b)</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flows From Financing Activities:</b>		
Increase/(Decrease) in Borrowings	18,56,132	-
<b>Cash used(-)/(+)generated in financing activities (c )</b>	<b>18,56,132</b>	<b>-</b>
<b>D. Net increase(+)/decrease (-) in cash and cash equivalents (d=a+b+c)</b>	<b>3,03,682</b>	<b>1,10,774</b>
<b>E. Cash &amp; Equivalent at the beginning of the year (e )</b>	<b>4,87,842</b>	<b>3,77,068</b>
<b>F. Cash &amp; Equivalent at the end of the year (f = d+e)</b>	<b>7,91,524</b>	<b>4,87,842</b>
<b>Cash &amp; Cash Equivalents comprise:</b>		
Cash in Hand	6,53,639	3,01,551
Balance with Banks in Current A/c	1,37,885	1,86,292
Balance with Banks in Deposit A/c	-	-
<b>Total Cash &amp; Cash Equivalents :</b>	<b>7,91,524</b>	<b>4,87,843</b>

As per our Report of even date

**For Ramasamy Koteswara Rao and Co LLP**Chartered Accountants  
Firm Regn. No. 010396S/S200084sd/-  
**Murali Krishna Reddy Telluri**  
Partner  
Membership No. 223022  
UDIN: 22223022AJXSSH8789Place: Hyderabad  
Date : 30-05-2022**For and on behalf of the Board of Directors**  
**Source Industries (India) Limited**Sd/-  
**Sudhakar Navath**  
Director  
DIN 06785232Sd/-  
**Rajshree Kapoor**  
Company SecretarySd/-  
**Lakshmi SatyaSri Nekkanti**  
Director  
DIN: 07223878Sd/-  
**Visweswara Rao Kothapalli**  
CFO

**Statement of changes in equity**

**A. Equity share capital**

<b>Particulars</b>	<b>Number</b>	<b>in Rs.</b>
Balance as on 1 April 2020	1,14,03,110	11,40,31,100
Changes in equity share capital during the year	-	-
Balance as on 31 March 2021	1,14,03,110	11,40,31,100
Changes in equity share capital during the year	-	-
Balance as on 31 March 2022	1 1,14,03,110	11,40,31,100

**B. Other Equity**

Particulars	General Reserve	Investment subsidy	Securities Premium Reserve	Retained Earnings	Total Other Equity attributable to Equity holders
<b>Opening Balance as at 1 April 2020</b>	<b>42,80,000</b>	-	<b>57,02,700</b>	<b>(7,58,24,266)</b>	<b>(6,58,41,566)</b>
Profit for the Year	-	-	-	(11,69,404)	(11,69,404)
Other Comprehensive income	-	-	-	-	-
Dividend tax and Interim Dividend	-	-	-	-	-
<b>Closing Balance as at 31 March 2021</b>	<b>42,80,000</b>	-	<b>57,02,700</b>	<b>(7,69,93,670)</b>	<b>(6,70,10,970)</b>
Balance as at 1 April 2021	42,80,000	-	57,02,700	(7,69,93,670)	(6,70,10,970)
Profit for the Year	-	-	-	(18,86,750)	(18,86,750)
Other Comprehensive income	-	-	-	-	-
Dividend tax and Interim Dividend	-	-	-	-	-
<b>Ind AS Closing Balance as at 31 March 22</b>	<b>42,80,000</b>	-	<b>57,02,700</b>	<b>(7,88,80,420)</b>	<b>(6,88,97,720)</b>

As per our report attached

**For Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants

Firm Regn. No. 010396S/S200084

**For and on behalf of the Board of Directors****Source Industries (India) Limited**

**sdl/-**  
**Murali Krishna Reddy Telluri**  
 Partner  
 Membership No. 223022  
 UDIN: 22223022AJXSSH8789

**Sdl/-**  
**Sudhakar Navath**  
 Director  
 DIN 06785232

**Sdl/-**  
**Lakshmi SatyaSri Nekkanti**  
 Director

Place: Hyderabad  
 Date : 30-05-2022

**Sdl/-**  
**Rajshree Kapoor**  
 Company Secretary

**Sdl/-**  
**Visweswara Rao Kothapalli**  
 CFO

## Source Industries (India) Limited

<b>Notes forming part of financials statements</b>		
<b>Note 2</b>	(Amount in INR)	
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Trade Receivables</b>		
<b>Unsecured</b>		
Considered good	1,50,00,000	1,50,00,000
Considered doubtful	1,50,00,000	1,50,00,000
Less:		
Allowances for doubtful debts	-	-
<b>Total</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>
<b>5A. Ageing Schedule of Trade receivables:</b>		
	(Amount in INR)	
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>A) Undisputed Receivables considered good</b>		
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	1,50,00,000	1,50,00,000
<b>B) Undisputed Receivables considered doubtful</b>	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
Less : Provision for doubtful Debts	-	-
<b>C) Disputed Receivables considered good</b>	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
<b>D) Disputed Receivables considered doubtful</b>	-	-
Less than 6 months	-	-
6 months to 1 Year	-	-
1 Year to 2 Years	-	-
2 Year to 3 Years	-	-
More than 3 years	-	-
<b>E) Unbilled dues</b>	-	-
<b>Total</b>	<b>1,50,00,000</b>	<b>1,50,00,000</b>

**Source Industries (India) Limited**

<b>Note 3</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Cash and cash equivalents</b>		
(a) Balances with Banks		
- Current Accounts	1,37,885	1,86,292
- Deposit Accounts	-	-
- Cash on Hand	6,53,639	3,01,551
<b>Total</b>	<b>7,91,524</b>	<b>4,87,843</b>
<b>Note 4</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Financial Assets - Current Loans and Advances Unsecured, Considered Good</b>		
(i) Loans to employees	-	-
(ii) Advance for capital goods	1,81,60,000	1,96,40,000
<b>Total</b>	<b>1,81,60,000</b>	<b>1,96,40,000</b>
<b>Note 5</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current assets</b>		
Other receivables	1,43,00,000	1,46,17,774
Prepaid expenses	-	-
TDS Receivable	-	3,664
<b>Total</b>	<b>1,43,00,000</b>	<b>1,46,21,438</b>



## Source Industries (India) Limited

<b>Note 6</b>		(Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
<b>Equity Share Capital</b>				
(i) Authorised 1,20,00,000 Equity shares of Rs 10 each	12,00,00,000		12,00,00,000	
(ii) Issued Subscribed and fully paid up: 1,14,03,110 Equity Shares of Rs 10 each fully paid-up	11,40,31,100		11,40,31,100	
<b>Total</b>	<b>11,40,31,100</b>		<b>11,40,31,100</b>	
<b>i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>				
<b>Particulars</b>	<b>31-03- 2022</b>		<b>31-03- 2021</b>	
	<b>Number of Shares</b>	<b>Value of shares</b>	<b>Number of Shares</b>	<b>Value of shares</b>
Equity Shares:				
Shares outstanding at the beginning of the year	1,11,40,311	11,14,03,110	1,11,40,311	11,14,03,110
Add: Issued and allotted during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,11,40,311</b>	<b>11,14,03,110</b>	<b>1,11,40,311</b>	<b>11,14,03,110</b>
ii) Terms/Rights and restrictions attached to the equity shares:				
The Company has only one class of equity shares having a face value of Rs. 10/-. Each share holder is eligible for one vote per share held.				
<b>iii) The details of shareholder holding more than 5% shares in the Company:</b>				
<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	<b>No. of Shares</b>	<b>in %</b>	<b>No. of Shares</b>	<b>in %</b>
D V V Prasad Chandalawada	6,46,425	5.67%	6,46,425	5.67%
Sainaren Properties Private Limited	11,80,000	10.35%	11,80,000	10.35%
<b>c) Details of the Promoters holding equity shares in the company</b>				
<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	<b>No. of Shares</b>	<b>in %</b>	<b>No. of Shares</b>	<b>in %</b>
<b>Equity shares of Rs. 10/- each fully paid up</b>				
D V V Prasad Chandalawada	6,46,425	5.67%	6,46,425	5.67%
Sainaren Properties Private Limited	11,80,000	10.35%	11,80,000	10.35%

**Source Industries (India) Limited**

<b>Note 7</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other Equity</b>		
(i) Capital Reserve	-	-
(ii) General Reserve	-	-
Opening balance	42,80,000	42,80,000
Transferred from retained earnings	-	-
<b>Total General Reserve</b>	<b>42,80,000</b>	<b>42,80,000</b>
(iii) Investment subsidy	-	-
(iv) Securities Premium Reserve	57,02,700	57,02,700
(v) Reserve for forfeited shares	-	-
(v) Other Reserves - Investment allowance Reserve	-	-
(vi) Retained Earnings		
Opening	(7,69,93,670)	(7,58,24,266)
Profit for the year	(18,86,750)	(11,69,404)
Less: Interim dividend for the year	-	-
Dividend tax	-	-
	(7,88,80,420)	(7,69,93,670)
<b>Total</b>	<b>(6,88,97,720)</b>	<b>(6,70,10,970)</b>
<b>Note 8</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Financial liabilities - borrowings</b>		
<b>Unsecured Loan</b>		
Loans From Related Parties		
From Directors	-	-
From Others	25,88,335	22,12,203
<b>Total</b>	<b>25,88,335</b>	<b>22,12,203</b>
<b>Note 9</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other financial liabilities</b>		
Other Loans & Advances	72,000	60,000
<b>Total</b>	<b>72,000</b>	<b>60,000</b>
<b>Note 10</b> (Amount in INR)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Other current liabilities</b>		
Statutory Liabilities	3,68,447	3,75,085
Audit fees payable	89,362	81,862
<b>Total</b>	<b>4,57,809</b>	<b>4,56,947</b>

## Source Industries (India) Limited

<b>Note 11</b> (Amount in INR)		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Revenue from Operations</b>		
Sale of Services	4,52,600	4,77,800
<b>Total</b>	<b>4,52,600</b>	<b>4,77,800</b>
<b>Note 12</b> (Amount in INR)		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Other Income</b>		
Interest Income	2,356	27,845
<b>Total</b>	<b>2,356</b>	<b>27,845</b>
<b>Note 13</b> (Amount in INR)		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Employee benefit expense</b>		
Salaries & Wages	4,32,000	3,90,000
Contribution to Provident and Other Funds	-	-
Managerial Remuneration	-	-
<b>Total</b>	<b>4,32,000</b>	<b>3,90,000</b>
<b>Note 14</b> (Amount in INR)		
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Finance costs</b>		
Bank Charges	2,467	14,006
<b>Total</b>	<b>2,467</b>	<b>14,006</b>

**Source Industries (India) Limited**

<b>Note 15</b>			(Amount in INR)
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>	
<b>Other Expenses</b>			
Listing fee	5,67,228	5,96,900	
AGM & Secretarial charges	8,25,200	1,30,800	
Printing & Stationery	-	-	
Legal and Professional	3,00,000	3,12,000	
Office Maintenance	15,970	21,640	
Audit Fees	88,500	88,500	
Conveyance Exp	60,000	65,000	
Advertisement Charges	29,039	29,274	
Miscellaneous Expenses	12,690	16,940	
Postage & Telegram Expenses	5,725	8,219	
Telephone Expenses	-	-	
Website Maintainance Charges	-	-	
Interest on TDS	2,887	1,770	
<b>Total</b>	<b>19,07,239</b>	<b>12,71,043</b>	

## Source Industries (India) Limited

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% variance	Reason for Variance more than 25%
Current ratio	Current Assets	Current Liabilities	56.80	56.83	-0.06%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.06	0.05	21.89%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	NA	
Return on Equity ratio	Net Profits after taxes – preference Dividend	Average Shareholder's Equity	-0.04	-0.02	66.69%	Note A
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	NA	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	-	-	NA	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	-	-	NA	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	-	-	NA	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-	-	NA	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-0.04	-0.02	68.25%	Note A
Return on Investment	Interest (Finance Income)	Investment	NA	NA	NA	

Note A: Due to increase in operational expenses

**Note.16 Disclosure of related party transactions and balances for the year ended 31<sup>st</sup> March, 2022**

**A. Related Party transactions**

Sr. No.	Name of the Related Party	Relationship
1	Mr. Sudhakar Navath	Managing Director (Key Managerial Person)
2	Mrs. Jaya Mahadev Yerramsetti	Independent Director
3	Mr. Yerrapragada Mallikarjuna Rao	Independent Director
4	Mr. Lakshmi Satyasri Nekkanti	Non-Executive Non Independent Director
5	Mr. Rajshree Kapoor	Company Secretary

**B. Related party Transactions for the year ended March 31, 2022:**

Amount In Rs.

S.No.	Nature of transaction/ relationship/ major parties Particulars	Transactions		Balance Outstanding	
		2021-2022	2020-2021	2021-2022	2020-2021
		Amount	Amount	Amount	Amount
1	Nil	-	-	-	-

**C. List of Transactions with directors and key management personnel**

Sl. No	Particulars	Nature of transaction	Amount in Rs.	
			FY 2021-22	FY 2020-21
1.	Sudhakar Navath	Conveyance	20,000	25,000
2.	Rajshree Kapoor	Remuneration	180,000	90,000

**Remuneration paid to non-executive directors and independent directors**

Sl. No	Particulars	Nature of transaction	Amount in Rs.	
			FY 2021-22	FY 2020-21
1.	Yerrapragada Mallikarjuna Rao	Conveyance	20,000	20,000
2.	Lakshmi Satyasri Nekkanti	Conveyance	20,000	20,000

**Note 17 Earning per share**

(Amount in Rs.)

Particulars	2021-22	2020-21
Profit (Loss) for the year	(18,86,750)	(11,69,404)
Weighted average no.of Equity shares	1,11,40,311	1,11,40,311
Basic earning per share	(0.17)	(0.10)
Diluted earning per share	(0.17)	(0.10)

## Source Industries (India) Limited

### Note No. 18

Previous year figures have been regrouped and rearranged wherever considered necessary in order to make them comparable with those of the current year.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

#### For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Firm Regn. No. 010396S/S200084

For and on behalf of the Board of Directors

Source industries (India) Limited

Sd/-

**Murali Krishna Reddy Telluri**

Partner

Membership No. 223022

UDIN:22223022AJXSSH8789

Sd/-

**Sudhakar Navath**

Managing Director

DIN 06785232

Sd/-

**Lakshmi SatyaSri Nekkanti**

Director

DIN: 07223878

Place: Hyderabad

Date : 30-05-2022

Sd/-

**Rajshree Kapoor**

Company Secretary

Sd/-

**Visweswara Rao Kothapalli**

CFO

## Corporate information

Source Industries (India) Limited ('the company') is having the business of Textile. The Company was incorporated on 12<sup>th</sup> June, 1984 in Hyderabad and listed on BSE dated 22<sup>nd</sup> January, 2001.

The Financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 30<sup>th</sup> May, 2022.

### 1 Significant Accounting Policies

#### 1.1 Basis of preparation of financial statements

These Financial statements have been prepared in accordance Indian Accounting Standards (Ind As) according to the notification issued by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('the act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### 1.2 Use of Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial Statements, the reported amount of revenues and expenses during the reported period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### 1.3 Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Interest Income is recognised on an accrual basis.

#### 1.4 Property, plant and equipment & Capital work-in-progress

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Capital work-in-progress comprises the cost of the fixed assets that are not yet ready for their intended use at the balance sheet date.

#### 1.5 Depreciation and Goodwill

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The useful lives of assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Assets costing Rs. 5,000/-and below are depreciated over a period of one year.



## Source Industries (India) Limited

### 1.6 Foreign Currency Transactions

The company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the income or expenses.

### 1.7 Taxes on Income

Income tax comprises current income tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**a) Current income tax:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**b) Deferred tax:** Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 1.8 Earning Per Share (EPS)

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares used in outstanding during the period.

### 1.9 Investments

Long term unquoted investments are stated at cost & all other investments are carried at lower of cost or fair value.

### 1.10 Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount from non financial assets may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash generating unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

**1.11 Provisions and Contingent Liabilities**

A Provision is recognized if, as a result of past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the present obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**1.12 Financial Instruments**

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity of another entity.

**Initial Recognition**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Subsequent Measurement****Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved both by collection contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding and selling financial assets.

**Financial assets at fair value through Profit and Loss**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on DE recognition is also recognised in statement of profit and loss.

### **De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for DE recognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management.

### **1.13 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**INTRUCTIONS TO SHAREHOLDERS FOR E-VOTING**

- (i) The voting period begins on Tuesday, 27<sup>th</sup> September 2022 at 9:00 AM and ends on Thursday, 29<sup>th</sup> September, 2022 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 23<sup>rd</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.  2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/

## Source Industries (India) Limited

	<p>LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact aat 1800225533.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

## Source Industries (India) Limited

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [www.sourceindustriesindia.com](mailto:www.sourceindustriesindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no.1800 22 55 33.



## Source Industries (India) Limited

### 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 38<sup>th</sup> Annual General Meeting of the shareholders of M/s. Source Industries (India) Limited on Friday 30<sup>th</sup> September, 2022 at 10.30 A.M at Hotel Inner Circle, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082, Telangana.

DP ID*	REG.FOLIO NO.
CLIENT ID*	NO OF SHARES

\*Applicable if shares are held in electronic form

Name and Address of Member

\_\_\_\_\_  
Signature of Shareholder  
Representative (Please Specify)

## FORM NO. MGT-11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L45400TG1984PLC004777		
Name of the Company	SOURCE INDUSTRIES (INDIA) LIMITED		
Registered Office	Flat No-301, DBN Padmavathi arcade, 6-3-709/A/10/A, Punjagutta officers colony, Punjagutta, Hyderabad-500082, Telangana		
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 38th Annual general meeting of the company, to be held on the Friday, 30<sup>th</sup> Day of September 2022 At 10:30 A.M at Hotel Inner Circle, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolutions	For	Against
1	To approve and adopt the Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2022 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 Mrs. Lakshmi Satyasri Nekkanti (DIN - 07223878) who retires by rotation, being eligible offers himself for re-appointment.		
3.	To appoint M/s. M N Rao & associates, Chartered Accountants, Hyderabad (Registration No. 005386S) as Statutory Auditor of the company.		

Affix  
Revenue  
Stamp

Signed this \_\_\_\_ day of \_\_\_\_\_ 2022.

Signature of shareholder:

Signature of Proxy holder(s):

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

# Source Industries (India) Limited

**Form No. MGT-12**

## **POLLING PAPER**

**[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]**

### **SOURCE INDUSTRIES (INDIA) LIMITED**

**(CIN: L45400TG1984PLC004777)**

Registered Office: Flat No-301, DBN Padmavathi arcade, 6-3-709/A/10/A, Punjagutta officers colony,  
Punjagutta, Hyderabad-500082, Telangana

### **BALLOT PAPER**

1. Name of the First Named Shareholder (in block letters) .....
2. Postal address: .....
3. Registered Folio No./\*Client ID No. ....  
(\*Applicable to investors holding shares in dematerialized form)
4. Class of Share(s) .....

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

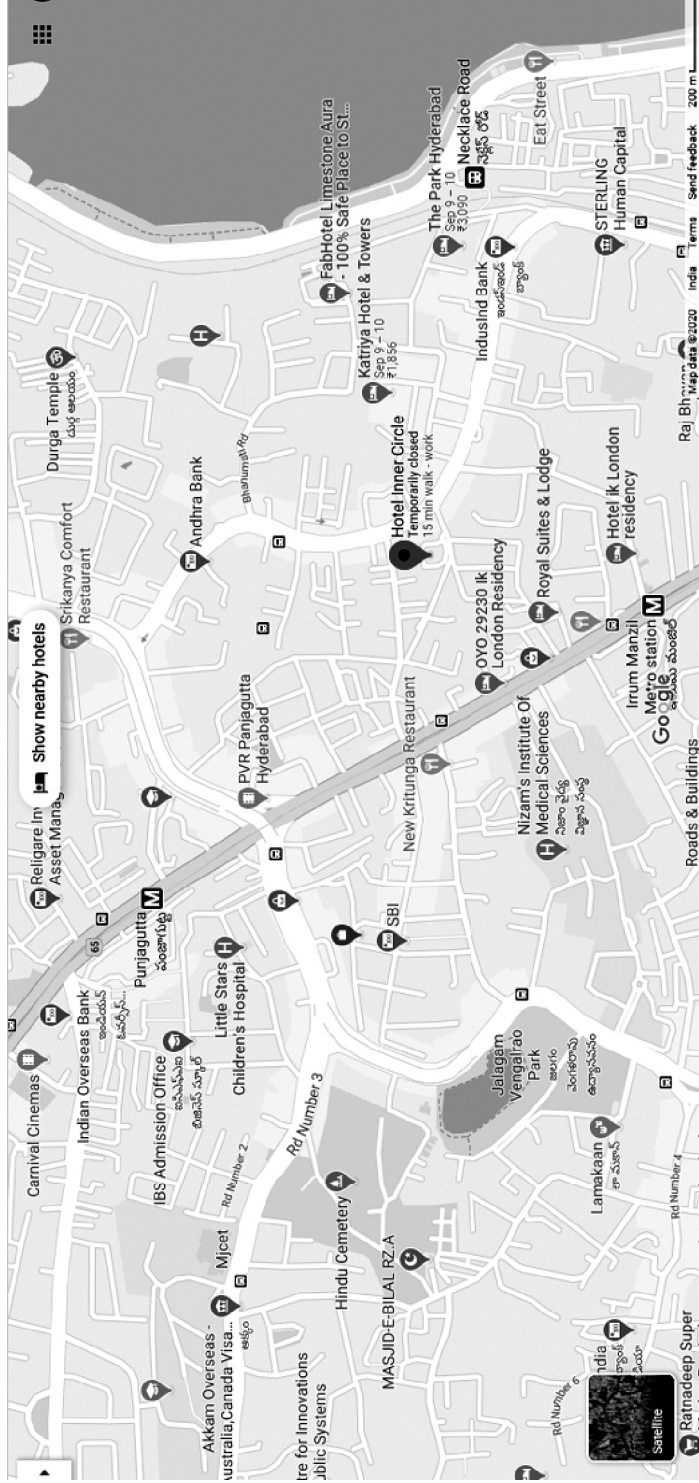
Sl. No	Resolutions	Shares held	For	Against
1	To approve and adopt the Audited Balance Sheet of the Company as at 31 <sup>st</sup> March, 2022 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.			
2.	To appoint a director in place of Mrs. Lakshmi Satyasri Nekkanti (DIN - 07223878) who retires by rotation, being eligible offers himself for re-appointment.			
3.	To appoint M/s. M N Rao & associates, Chartered Accountants, Hyderabad (Registration No. 005386S) as Statutory Auditor of the company.			

(Signature of the Shareholder)

Place:

Date:

# ROUTE MAP



**SOURCE INDUSTRIES (INDIA) LIMITED**

Registered Office

Flat No-301, DBN Padmavathi arcade, 6-3-709/A/  
10/A, Punjagutta officers colony, Punjagutta,  
Hyderabad-500082, Telangana