

CORPORATE GOVERNANCE REPORT

(In compliance with SEBI (Listing Obligations & 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 4 times in the financial year 2017-18 on the following dates, with a gap not exceeding 4 months between any two meetings:

06.06.2017	30.08.2017	14.11.2017	08.02.2018
------------	------------	------------	------------

The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 28.09.2016	Attendance in Board Meeting		As on Date		
				Held	Attendance	No. of Other director ships	Committee chairmanship	Committee membership
1.	Sudhakar Navath (Appointed w.e.f. 14.11.2017)	Managing Director	NA	2	2	Nil	Nil	Nil
2	Sri Jaya Mahadev Yerramsetti	Non-Executive Director	Yes	4	4	Nil	Nil	Nil
3	Y Mallikharjuna Rao	Non-Executive & Independent Director	Yes	4	4	2	4	5
4	Smt Lakshmi Satya Nekkaanti	Non-Executive & Independent Director	Yes	4	4	1	Nil	3
5	Lalit Kumar Gupta (Resigned w.e.f. 06.06.2017)	Chairman	NA	0	0	0	Nil	Nil
6	M.Srikanth (Resigned w.e.f. 14.11.2017)	Managing Director	YES	2	2	NIL	Nil	Nil

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

In accordance with 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.

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.

◆ 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 four 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:

06.06.2017	30.08.2017	14.11.2017	08.02.2018
------------	------------	------------	------------

Attendance:

Name	No of Meetings Held	No of Meetings Attended
Y MALLIKHARJUNA RAO (Chairman)	4	4
JAYA MAHADEV YERRAMSETTI (Appointed w.e.f. 06.06.2017)	NA	NA
LAKSHMI SATYASRI NEKKANTI	4	4
LALIT KUMAR GUPTA (Resigned w.e.f 06.06.2017)	4	4

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 the Company, trend in the industry, qualification, experience and past performance of the appointee.
- The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
- Any other functions / powers / duties as may be entrusted by the Board from time to time.

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company.

Nomination and Remuneration Policy:

1. Introduction

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

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

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

2. Scope:

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

3. Terms and References:

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

- 3.1 "Director" means a Director appointed to the Board of a Company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by Source Industries (India) Limited Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and 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:

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

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

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

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

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

4.2 Criteria of Independence

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

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and 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—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.
 - (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) A Firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; Or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; o
 - (v) Is a material supplier, service provider or customer or a lessor or lessee of the company?
- f. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. Who is not less than 21 years of age

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.
5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees:
- 5.1.1 The Board, on the recommendation of the 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

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

◆ Remuneration paid to Directors during the Financial Year:

Director	Designation	Remuneration for Financial Year 2017-18 (in Rs.)	
		Salary & Perks	Total
NIL	NIL	NIL	NIL

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.

◆ 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 four times during the previous year. The said committee met on the following dates:

06.06.2017	30.08.2017	14.11.2017	08.02.2018
------------	------------	------------	------------

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, 2018.

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	:	Sangita Bastawadi (Company Secretary)
No. of shareholders complaints received during the Financial Year	:	5
No. of complaints solved to the satisfaction of the share holders	:	5
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 8th February, 2018, 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.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the year, the Independent Directors were regularly apprised with the Company's overview and its operations by the Senior Management team. Further, the business unit heads make presentation to the Board during the Board meeting on a quarterly basis pertaining to the performance and future strategy of their respective business units. The Board was also regularly apprised of all regulatory and policy changes. Our Familiarization Programme may be accessed on our Website.

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.

LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:

Year	Date	Location	Time
2016-2017	28.09.2017	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	10.00 A.M
2015-2016	28.09.2016	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	02.00 P.M
2014-2015	28.09.2015	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	02.00 P.M

Special resolutions moved at the AGM conducted on 28th September, 2015 were passed through e-voting and poll, and Special resolution moved at the AGM conducted on 28th September, 2016 were passed through e-voting and poll. Special resolution moved at the AGMs conducted on 28th September, 2017 were passed through e-voting and poll

DISCLOSURES:

- a. Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – NIL –
- b. Details on non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.: - NIL -
- c. The Company has posted the Code of Conduct for Directors and Senior Management on its website.
- d. The Company has complied with the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) 2015.

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION:

AGM	The 34th Annual General Meeting of the Company will be held on Thursday 27th September 2018 at the Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad
Financial Year	1st April 2016 to 31st March 2018
Book Closure Date	From Friday 21st September, 2018 to Thursday 27th September, 2018 (both days inclusive)
Listing on Stock Exchanges	The shares of the Company are listed at BSE Limited (The company has paid the listing fees to the above Stock Exchange)
Dividend Payment Date	NA
Scrip Code	521036
Demat ISIN Number	Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL INE695C01015
Registrar and 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
Share Transfer System	All the physical share transfers received are processed by the Share Transfer Agents M/s. Bigshare Services Private Limited , Hyderabad. The Company's shares are being traded in compulsory Demat form. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System.

Source Industries (India) Limited

- **MARKET PRICE DATA:** During the financial year 2017-18

Financial Year 2017-2018	BSE Limited		
	High (in .Rs)	Low (in .Rs)	Volume (No. of Shares)
April 2017	1.40	1.35	200
May 2017	1.36	1.27	600
June 2017	1.44	1.32	2711
July 2017	1.52	1.45	500
August 2017	1.51	1.51	100
September 2017	1.58	1.51	369
October 2017	1.46	1.40	200
November 2017	1.33	1.27	300
December 2017	1.21	1.15	149
January 2018	1.10	1.10	1036
February 2018	1.10	1.10	100
March 2018	1.05	1.05	200

• **DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2018:**

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	29030	99.69	3748622	32.87
2	5001 - 10000	32	0.11	251117	2.20
3	10001 - 20000	14	0.05	198900	1.74
4	20001 - 30000	9	0.03	239530	2.10
5	30001 - 40000	4	0.01	153000	1.34
6	40001 - 50000	8	0.03	379900	3.33
7	50001 - 100000	8	0.03	612045	5.37
8	100001 -500000	15	0.05	5819996	51.05
TOTAL		29120	100.00	11403110	100.00

• **SHAREHOLDING PATTERN AS ON 31ST MARCH 2018:**

Sl. No	Category	No. of Shares Held	% of Shareholding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP		
	INDIAN		
	Individuals/Hindu Undivided Family	2066210	18.12
	Central Government /State Government(s)	-	-
	Bodies Corporate	-	-
	Financial Institutions/Banks	-	-
	Sub Total of A1	2066210	18.12
A2	FOREIGN		
	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	Sub Total of A2	-	-
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)	2066210	18.12

B	PUBLIC SHAREHOLDINGS		
1	Institutions		
	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)	-	-
	Sub Total B1	-	-
	Non Institutions	-	-
B	Bodies Corporate	-	-
2	Individuals	-	-
	Individuals share holders holdings nominal share capital upto Rs. 2 Lakhs	3876708	34
	Individual Shareholding holding nominal share capital in excess of Rs. 2 Lakhs	2378823	20.86
	Any Other (Specify)	3080769	27.02
	NRI/OCBs	200	0.00
	Clearing Members	400	0.00
	Sub Total B2	9336900	81.88
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	9336900	81.88
C	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	TOTAL A+B+C	11403110	100

- Dematerialization of shares and liquidity: Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.
- Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : **NIL**
- Address for correspondence :
Mr. N.Sudhakar
Managing Director
Source Industries (India) Limited
H.No.6-3-668/10/20, First Floor,
Durganagar Colony Punjagutta,

Near Balaji Temple Hyderabad-500082
Phone: 040 – 42014389
Email Id: source.investors@gmail.com
Website: www.sourceindustriesindia.com

- CEO & CFO certification : The Executive Director 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.

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 2016-2017.

Place: Hyderabad
Date: 13th August 2018

Sd/-
N.Sudhakar
Managing Director