



**SOURCE NATURAL**

**FOODS AND HERBAL SUPPLEMENTS LIMITED**

**BOARD OF DIRECTORS:**

MR. ARVIND VARCHASWI N.	MANAGING DIRECTOR
MR. NARAYANAN NARASIMHAN	NON-EXECUTIVE CHAIRMAN & DIRECTOR
MR. SRINIVAS GOWRA	INDEPENDENT DIRECTOR
MR. NIKHIL SEN	INDEPENDENT DIRECTOR
MR. SRIRAM CHANDRASEKARAN	INDEPENDENT DIRECTOR
MR. CHANDRAKANT L. RATHI	INDEPENDENT DIRECTOR

REGISTERED OFFICE	PLOT NO. 22 & 23, SVCIE, BACHUPALLY, QUTHBULLAPUR MANDAL, HYDERABAD – 500 090
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INVESTORS CONTACT EMAIL ID	investor_relations@source-natural.com
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AUDITORS	VIJAY NARAYAN AND CO., CHARTERED ACCOUNTANTS, 5-4-776, 1 <sup>ST</sup> FLOOR, LANE OPP. G. PULLAREDDY SWEETS, STREET NO. 4, ABIDS, HYDERABAD – 500 001.
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SHARE TRANSFER AGENTS	VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED, 12-10-167, BHARATNAGAR, HYDERABAD – 500 018.
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## NOTICE

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of Members of **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** will be held on Monday, the 15<sup>th</sup> Day of September, 2014 at 11.30AM at Hotel Jaya Excellency, Begumpet, Near Airport Road, Hyderabad – 500 016 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance sheet as at 31st March, 2014 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 together with reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. C. L. Rathi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. Narayanan Narasimhan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Statutory Auditors and fix their Remuneration and for this purpose pass the following resolution as Ordinary resolution:-

**"RESOLVED THAT** M/s. VIJAY NARAYAN & CO., Chartered Accountants, Hyderabad, retiring auditors of the Company be and are hereby re- appointed as Statutory Auditors of the Company until the conclusion of the third Annual General Meeting of the Company to be held after this meeting subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending March 31, 2015.

### **SPECIAL BUSINESS:**

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

#### **RE-APPOINTMENT OF MR SRINIVAS GOWRA AS INDEPENDENT DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Srinivas Gowra (DIN:00286986), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years."

6. To consider and if thought fit to pass the following resolution as special resolution with or without modification(s):-

#### **RE-APPOINTMENT OF MR. NIKHIL SEN AS INDEPENDENT DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Nikhil Sen (DIN: 00842114), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years."

7. To consider and if thought fit to pass the following resolution as special resolution with or without modification(s):-

#### **RE-APPOINTMENT OF MR. SRIRAM CHANDRASEKARAN AS INDEPENDENT DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Sriram Chandrasekaran (DIN: 02213018), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years."

8. To consider and if thought fit to pass the following resolution as special resolution with or without modification(s):-

**APPOINTMENT OF MS. BHARATHY AS INDEPENDENT MINORITY WOMAN DIRECTOR OF THE COMPANY**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Ms. Bharathy, be and is hereby appointed as independent minority woman Director of the Company, to hold office for a term upto three years for whom a representation from a minority shareholder is received.”

9. To consider and if thought fit to pass the following resolution as special resolution with or without modification(s):-

**SHIFTING OF REGISTERED OFFICE**

**“RESOLVED THAT** subject to the provisions of Section 13 of the Companies Act, 2013 and Rule no. 30 of the Companies (Incorporation) Rules, 2014, and subject to such other approvals as may be necessary, the Registered Office of the Company be shifted from the State of Telangana to the State of Karnataka and consequently the Clause II of the Memorandum of Association of the Company be altered by substituting the word “State of Andhra Pradesh”: by the word “State of Karnataka, within the Jurisdiction of Registrar of Companies, Bangalore, Karnataka.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to sign and file an application before the Central Government as mentioned in the rule no. 30 of the Companies (Incorporation) Rules, 2014 and Section 13 of the Companies Act, 2013 for confirmation of change in the registered office of the Company from the State of Telangana to State of Karnataka and do all such acts, deeds, things, obtain such approvals, as may be required and for that matter sign and file all such other documents, deeds, etc. as may be deemed fit in this connection.”

**“RESOLVED FURTHER THAT** the board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the above change.”

**Place: Bangalore**

**Date: August 04, 2014**

**For Source Natural Foods and Herbal Supplements Limited  
By Order of the Board**

**Sd/-**

**Rashmi P.G.**

**Company Secretary**

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxy Form duly executed should be deposited at the Registered Office of the Company at least FORTY EIGHT hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from September 10, 2014 to September 15, 2014(both days inclusive) for the purpose of Annual General Meeting.
4. The contact details of the person responsible to address the grievances connected with the voting by postal ballot including voting by electronic means is as below:-

Rashmi P.G.  
Email id: [cs@source-natural.com](mailto:cs@source-natural.com)  
Phone no: 08032477717

5. Members are requested to notify their change of address, if any.
6. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
7. Members are requested to write to the Company for any queries, regarding Accounts, so as to reach the Company at least ten days before the meeting, to enable the management to keep the information ready at the Meeting.
8. The explanatory statement pursuant to section 102 of the Companies Act, 2013 is as provided below.
9. The Procedure of e-voting is given somewhere else in the Annual Report. For Item No. 9, postal ballot form is separately provided to the members for voting thereof.

#### **BRIEF PROFILES OF DIRECTORS SEEKING RE- APPOINTMENT:**

##### **Mr. C. L. Rathi**

Mr. C. L. Rathi, a graduate in Chemical Engineering has been in the business of enzymes from the past 30 years. He started his career with the manufacturing of papain enzyme later he established Advanced Enzymes Technologies Limited which is one of the top 10 enzyme manufacturing Companies.

A stalwart in the field of enzymes, Mr Rathi has been called upon for many special assignments. These include:-

- 1) Consultant to the Kerala State Government on the formation of Kerala's biotechnology policy in 2003.
- 2) Speaker at the DECHEMA conference 2005 at Frankfurt for 'White Biotechnology' to discuss the potential of industrial biotechnology. Sharing the dais with KiranMazzumdar Shaw and others in the field of research, Mr Rathi was called upon by the Government of India to share his views on India's progress and growth in the area of Biotechnology.
- 3) Panelist at the CII seminar on "Bio Business Opportunities in Maharashtra" exchanging notes with Ernst and Young, ICICI Bank and MIDC.

##### **Mr. Narayanan Narasimhan**

Mr. N. Narasimhan is Chairman and Director of Source Natural Foods and Herbal Supplements Limited. As the Chairman of the Company, he has guided the Company and its Board in evolving the Company as the best manufacturing unit of Herbal and Ayurvedic Company.

He is graduated as an architect from the School of architecture, Madras University, India in the year 1969. He also has a Diploma in housing planning and Building, from Bouwcentrum Centre, Rotterdam, Holland. He is a member of the Council of Architects and an associate member of the Indian Institute of Architects, New Delhi, India.

##### **Mr. Sriram Chandrasekaran:**

Mr. Sriram Chandrasekaran is an engineering graduate from BITS, Pilani and a Management graduate from IIM, Lucknow. He has been associated with Tata Administrative Services at Leadership cadre and has worked as GM (Sales & Marketing) with Taj Group of Hotels, Manager (Brand) Tata Sons and Manager (Marketing) with Tata Motors. He has also been Business Productivity Advisor with Microsoft Corporation and, is now the Chief Executive Officer and Director with Broad vision Group of companies specializing in Brand advisory

services and People transformation strategies. He brings a rich marketing branding experience of over 15 years to the Company.

**Mr. Srinivas Gowra**

He is a post graduate in Science having rich business experience of over 40 years in varied fields ranging from Finance, Petrochemicals, Real Estate and bio-organics.

He has successfully floated many ventures in all the above fields of business. He also has a distinction of promoting many young entrepreneurs in many fields and turned them into successful professionals.

He brings to the company this widely rich experience to play vital role in financial and strategic planning and guiding the business for potential growth in future.

**Mr. Nikhil Sen**

He is a Management Post Graduate having about 30 years of business experience. He started as a Management trainee with Britannia Industries Limited and rose to the position of COO. He has been instrumental in many path breaking strategies at Britannia, including the launch of the now famous TIGER brand. He is now the Managing Director of Unibic Biscuits India Private Limited. He brings to the Company very rich experience in launching multi brand products, FMCGs etc which will enable the Company immensely to launch consumer products.

**Ms. Bharathy**

She is the one of the partners and part of management of Madhurya, one of the famous brand for the articulture in India and abroad which is dedicated to reach every household Indian ethnicity. She has made the Indian heritage collections reach many countries. She successfully handles her team of hard working professionals from across the country divulged into variety of artisanship like jewellery, paintings, ethnic wear, sculptures, furniture etc.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

**RE-APPOINTMENT OF MR SRINIVAS GOWRA AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Srinivas Gowra was appointed as independent director of the Company on June 25, 2010. As per the provisions of the Section 149 of the Companies Act, 2013, the term of the Independent director shall be for five consecutive years and shall be eligible for re-appointment on passing of a special resolution by the Company.

In the opinion of the Board, Mr. Srinivas Gowra fulfils the conditions as specified in the Companies Act, 2013 for his appointment as Director of the Company.

The profile of Mr. Srinivas Gowra is provided elsewhere in the notice.

The Board recommends the members to reappoint Mr. Srinivas Gowra as independent director of the Company for a period of five years.

The Directors, therefore, recommend the adoption of the said Resolution as a Special Resolution.

**Item No. 6**

**RE-APPOINTMENT OF MR NIKHIL SEN AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Nikhil Sen was appointed as independent director of the Company on June 25, 2010. As per the provisions of the Section 149 of the Companies Act, 2013, the term of the Independent director shall be for five consecutive years and shall be eligible for re-appointment on passing of a special resolution by the Company.

In the opinion of the Board, Mr. Nikhil Sen fulfils the conditions as specified in the Companies Act, 2013 for his appointment as Director of the Company.

The profile of Mr. Nikhil Sen is provided elsewhere in the notice.

The Board recommends the members to reappoint Mr. Nikhil Sen as independent director of the Company for a period of five years.

The Directors, therefore, recommend the adoption of the said Resolution as a Special Resolution

**Item No. 7**

**RE-APPOINTMENT OF MR SRIRAM CHANDRASEKARAN AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Sriram Chandrasekaran was appointed as independent director of the Company on June 25, 2010. As per the provisions of the Section 149 of the Companies Act, 2013, the term of the Independent director shall be for five consecutive years and shall be eligible for re-appointment on passing of a special resolution by the Company.

In the opinion of the Board, Mr. Sriram Chandrasekaran fulfils the conditions as specified in the Companies Act, 2013 for his appointment as Director of the Company.

The profile of Mr. Sriram Chandrasekaran is provided elsewhere in the notice.

The Board recommends the members to reappoint Mr. Sriram Chandrasekaran as independent director of the Company for a period of five years.

The Directors, therefore, recommend the adoption of the said Resolution as a Special Resolution

**Item No. 8**

**APPOINTMENT OF MS. BHARATHY AS INDEPENDENT MINORITY WOMAN DIRECTOR OF THE COMPANY**

A representation has been received from the minority shareholders of the Company that Ms. Bharathy name is proposed for the position of independent minority woman director in the Company. Ms. Bharathy is independent and her appointment will be as per the provisions of the Companies Act, 2013, the term of the director will be three years.

Hence, considering the experience and service of Ms. Bharathy, the Board recommends the members to appoint Ms. Bharathy as independent director of the Company for a period of five years.

The profile of Ms. Bharathy is provided elsewhere in the notice.

**Item No. 9**

**SHIFTING OF REGISTERED OFFICE**

Presently, the registered office of the Company is situated at Plot No. 22 & 23, S V C I E, Bachupally Quthbullapur Mandal, Hyderabad - 500 090. However, in view of the centralization of the operations, establishment of centralized management reporting system as the seat of Management is at Bangalore, growth potential, human resource required for the business, the company desires to shift the registered office to Bangalore in the State of Karnataka.

The intention of the Company is to centralize the reporting system of the Company in the proposed Registered Office in Bangalore wherein the management strategies, decisions and control will be executed. The manufacturing unit in Hyderabad will continue to operate as before and the Company may start branches across the country for which the proposed registered office will be performing the centralized managerial function.

Hence the Board recommends the members to approve the shifting of the registered office of the Company from the State of Telangana to the State of Karnataka.

Shifting of the Registered Office requires approval of the Members of the Company by a Special Resolution, pursuant to Section 12 of the Companies Act, 2013 which is subject to the further approval of the Central Government as mentioned in Section 13 of the Companies Act, 2013 and rule no. 30 of the Companies (Incorporation) Rules, 2014.

Your approval is sought by voting by way of Postal Ballot in terms of the provisions of Section 110 of the Companies Act, 2013 read with the provisions of Company (Management and Administration) Rules, 2014.

The Directors, therefore, recommend the adoption of the said Resolution as a Special Resolution.

None of the Directors is concerned or interested in the resolution.

**By Order of the Board**  
**Sd/-**  
**Rashmi P.G.**  
**Company Secretary**

**Registered Office:**  
**Plot No. 22 & 23, S V C I E, Bachupally**  
**Quthbullapur Mandal**  
**Hyderabad - 500 090**  
**Date: 04.08.2014**

#### **INSTRUCTIONS FOR E-VOTING**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 19<sup>th</sup> Annual General Meeting to held on Monday, September 15, 2014 at 11:30 A.M. at Hotel Jaya Excellency, Begumpet, Near Airport Road, Hyderabad – 500 016. The Company has engaged the services of National Security Depositories Limited (NSDL) to provide the e-Voting facility.

The e-Voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

<b>EVEN (e-voting event number)</b>	<b>USER ID</b>	<b>Password</b>
100723	Refer Point No. 4	

The e-voting facility will be available during the following voting period:

<b>Commencement of e-voting</b>	<b>End of e-voting</b>
10 <sup>th</sup> September 2014 at 09.00 AM IST	12 <sup>th</sup> September 2014 at 06.00 PM IST

Please read the instructions below before exercising your vote.

These details and instructions form an integral part of the Notice of the Annual General Meeting to be held on September 15, 2014.

**Steps for e-voting:**



1. Open the internet browser and type the URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are receiving this notice through registered email, then user id and password will be provided in the email sent to you. If you receiving this notice through post, please enter the User ID and Password provided in the ballot form.
5. The password of Change Menu will appear on your screen. Change to new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your password confidential.
6. Once the e-voting home page opens, click on e-voting>Active Voting Cycles
7. Select the EVEN (E-Voting Event Number) of Source Natural Foods and Herbal Supplements Limited (the number is provided in this document). Once you enter the number, the Cast vote page will open. Now you are ready for e-voting.
8. Cast your vote by selecting your favored option and click Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
9. Institutional shareholders (i.e., members other than individuals, HUF, NRIs, etc) are required to send a scanned copy of (PDF/JPG format) of the relevant board resolution/authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the scrutinizer via email at : [ajaypcs@gmail.com](mailto:ajaypcs@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
10. In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**General Instructions:**

1. The e-voting period commences on September 10, 2014 (09:00 A. M. IST) and ends on September 12, 2014 (06:00 P. M. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialization form, as on the cut-off date of August 01, 2014 may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 01, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
3. Mr. Ajay S Shrivastava (Membership Number 3489), Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
5. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on.
6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.inwinex.in](http://www.inwinex.in) and on the website of the NSDL within two days of the passing of the resolutions at the 19<sup>th</sup> Annual General Meeting of the Company on Monday, September 15, 2014 and communicated to the BSE Limited.

All the documents referred to in the accompanying the Notice and the Statement pursuant to Section 102(1) of the Company's Act, 2013, will be evaluated for inspection at the Registered Office of the Company during the business hours on all working days up to the date of declaration of the result of the 19<sup>th</sup> Annual General Meeting of the Company.

**By Order of the Board**  
Sd/-  
**Rashmi P.G.**  
Company Secretary

**Registered Office:**  
**Plot No. 22 & 23, S V C I E, Bachupally**  
**Quthbullapur Mandal**  
**Hyderabad - 500 090**

**Date: 04.08.2014**

## DIRECTORS' REPORT

To,  
Members,  
Source Natural Foods and Herbal Supplements Limited.

Your Directors are pleased to present 19<sup>th</sup> Annual Report of the Company together with Audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2014.

### 1. FINANCIAL RESULTS:

(Rs. Lakhs)		
Particulars	31.03.2014	31.03.2013
Total revenue	455.12	376.17
Profit/ (Loss) before exceptional and extraordinary items and tax	17.23	36.11
Exceptional Items	-	0.64
Profit before extraordinary items and tax	17.23	35.47
Extraordinary Items	-	-
Tax expenses	-	-
Net Profit/(Loss) carried to Balance Sheet	17.23	35.47
Earnings Per Share (Basic/ Diluted)	0.33	0.79

### 2. OPERATIONS:

The Total revenue of the Company for the year ended 31<sup>st</sup> March, 2014 was Rs. 455.12 Lakhs which has increased approximately by 20.99% from the Total revenue of the previous year which was Rs. 376.17 Lakhs. The increase in revenue is due to the expansion in the sales market of the Company. The Company has made an additional investment of Rs. 30.23 Lakhs in the plant & machinery, Rs. 21.92 Lakhs towards building and Rs. 8.15 lakhs in Intangible assets. The Net Profit of the Company during the financial year under review is Rs. 17.23 Lakhs when compared to Rs. 35.47 Lakhs during the previous year under review. During the financial year under review, the Company has more expenses towards hiring of new staff for operations and sales team. The Company has spent Rs. 28.97 Lakhs more than it spent in the previous year towards employee related expenses. The Company has spent Rs. 30.85 Lakhs over selling and distribution expenses towards brand building of the Product. These major expenses resulted in lesser net profits during this financial year.

Since these expenses will derive profits eventually in the future years, your company is confident of performing better in the next years.

### 3. FUTURE OUTLOOK:

Company's vision is to make the Ayurveda reach the mass across the globe. Your Company focuses on such products which will bring Ayurveda in to individual's daily diet. We provide various Ayurvedic products in the form of medicines and herbal supplements.

The Company intends to focus to increase the market share of the products. The company also intends to increase its products and services.

### 4. DIVIDEND:

Since the Company has not yet recovered from the previous years piled up losses, your Directors do not recommended any Dividend for the financial year ended 31.03.2014.