

21st ANNUAL REPORT 2015-16



SOURCE NATURAL
FOODS AND HERBAL SUPPLEMENTS LIMITED

BOARD OF DIRECTORS:

MR. ARVIND VARCHASWI N.

MR. NARAYANAN NARASIMHAN

MR. SRINIVAS GOWRA

MR. NIKHIL SEN

MR. SRIRAM CHANDRASEKARAN

MR. CHANDRAKANT L. RATHI

MRS. BHARATHY

MANAGING DIRECTOR

NON-EXECUTIVE CHAIRMAN & DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

REGISTERED OFFICE

201, II FLOOR, SUMERU TOWERS
#54/46, 39TH A CROSS, 11TH MAIN ROAD
JAYANAGAR 4TH T BLOCK, BANGALORE- 560 041
CIN: L24231AP1995PLC019106
PHONE: 080 26087727 FAX: 080 22449505
WEB: www.source-natural.com
E MAIL: info@source-natural.com

INVESTORS CONTACT EMAIL ID

investor_relations@source-natural.com

AUDITORS

VIJAY NARAYAN AND CO.,
CHARTERED ACCOUNTANTS,
5-4-776, 1ST FLOOR, LANE OPP. G.PULLAREDDY
SWEETS, STREET NO. 4, ABIDS,
HYDERABAD – 500 001.

SHARE TRANSFER AGENTS

VENTURE CAPITAL & CORPORATE
INVESTMENTS PRIVATE LIMITED,
12-10-167, BHARATNAGAR,
HYDERABAD – 500 018.

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of Members of **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** will be held on Monday, the 26th Day of September, 2016 at 2.00 PM at Hotel Pai Viceroy, 1504, 16th Cross, 9th Main, 3rd Block, near Ramakrishna Super Speciality Hospital, Jayanagar, Bengaluru, Karnataka 560011 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance sheet as on 31st March, 2016 and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2016 together with reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Narayanan Narasimhan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Statutory Auditors and fix their Remuneration and for this purpose pass the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 140(4) read with Section 139 (9) of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s Srinaga & Giridharan Chartered Accountants, 136/1, I Floor, 5th Main, Chamarajpet, Bangalore- 560 018, Firm Registration No. 004013S be and are appointed as the Statutory Auditors of the Company to hold office of Auditors from the conclusion of this Annual General Meeting to the conclusion of the 26th Annual General Meeting of the Company, in place of the M/s Vijay Narayan & Co and that their appointment as Auditors for a period of 5 Years shall be subject to ratification at every Annual General Meeting and their appointment shall be on such remuneration and reimbursement of out of pocket expenses as shall be decided/approved by the Board of Directors from time to time".

SPECIAL BUSINESS

4. CHANGE IN MEMORANDUM OF ASSOCIATION TO BRING IT IN LINE WITH THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13(1) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Memorandum of Association of the Company be altered in the manner that "The Act" or "the said Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) applicable for Companies limited by shares and effecting the Company and wherever specific reference of Sections of the Companies Act, 1956 has been mentioned in the Memorandum, the same shall be deemed to be referring to the corresponding

provisions of the Companies Act, 2013 or the Act for the time being in force and the rules made thereunder and in case of inconsistency or variation of any of the contents of the Memorandum of Association of the Company with the Companies Act, 2013, its rules or the Act for the time being in force, the provisions of the Companies Act, 2013, its rules or the Act for the time being in force, shall prevail and the said contents of the Memorandum of Association of the Company shall be deemed to have been amended to that extent to confirm with the provisions of Section 4(6) of the Act”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite e-Form with the Registrar of Companies and take all decisions and steps necessary or expedient or proper, from time to time, for the purpose of giving effect to this Resolution.”

5. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY PURSUANT TO THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite e-Form with the Registrar of Companies and take all decisions and steps necessary or expedient or proper, from time to time, for the purpose of giving effect to this Resolution.”

6. APPROVAL FOR RELATED PARTY TRANSACTIONS WITH DIVINE SERVICES AND SUMERU TRAVEL SOLUTIONS LLP

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and Companies (Meetings of Board and its powers) Rules 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force) the consent of the members of the

Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ' the Board' which term shall be deemed to include any committee which the Board may constitute for this purpose) for execution of contracts with the related parties as set out below and in which Chairman of the Company is interested, for the purpose of purchase or sale of any goods or materials or for the purpose of receiving services, as the Board in its discretion deem proper, as per the terms and conditions

Sl. No.	Name of Contracting Entity	Period of Contract	Value of Contract (Rs.)
1	Divine Services	01/10/2016 to 30/09/2019	75 Lakhs per annum
2	Sumeru Travel Solutions LLP	01/10/2016 to 30/09/2019	50 Lakhs per annum

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the transaction, and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary, proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

For Source Natural Foods and Herbal Supplements Limited

Registered Office:
201, II Floor, Sumeru Towers
#54/46, 39th A Cross, 11th Main Road
Jayanagar 4th T Block,
Bangalore- 560 041
CIN: L24231AP1995PLC019106
Phone: 080 26087727 Fax: 080 22449505
Web: www.source-natural.com
E Mail: info@source-natural.com
Date: 11th August, 2016

By Order of the Board

Vijayendra R
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. A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company.**
- 3. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy provided that such person shall not act as a proxy for any other member.**

4. 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.
5. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 20th September, 2016 to Monday, 26th September, 2016(both days inclusive) for the purpose of Annual General Meeting.
6. The contact details of the person responsible to address the grievances connected with voting by electronic means is as below:-

Mr. Vijayendra R

Email id:-cs@source-natural.com

Phone no: 08026087727

7. Members are requested to notify their change of address, change in the e mail ID already registered/transfer/transmission of shares, issue of duplicate certificates and all other matters relating to the shareholding of the Company, if any:
 1. If the shares are held in physical form to the Registrar and Share Transfer Agents of the Company (Venture Capital &Corporate Investments Private Limited.)
 2. If the shares are held in dematerialized form, to the Depository Participant with whom the demat account is maintained.
8. Members/proxies are requested to bring their duly filled in attendance slips to attend the meeting mentioning therein details of their DP and Client ID/Folio Number.
9. 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 authorising their representative to attend the vote.
10. Members can avail the facility of nomination in respect of shares held by them in physical form, pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed form NO. SH13 duly filled in to the Registrar and Share Transfer Agents of the Company (Venture Capital & Corporate Investments Private Limited)
11. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form may send such communication to RTA. Even after registering for e-communication, members are entitled to receive such

communication in physical form, upon making a request for the same by post free of cost.

12. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.
13. Since shares of the Company are traded on the Stock Exchange compulsorily in demat mode, members holding shares in physical mode are advised to get their shares dematerialised.
14. 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.
15. 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.
16. The explanatory statement pursuant to section 102 of the Companies Act, 2013 is provided in this Notice.
17. The Procedure of e-voting is given vide item No 21 below.
18. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company together with the attendance slip and proxy form are being sent to all the members whose e mail IDs are registered with the Company/ Depository Participants. For members who have not registered their e mail address with the Company /Depository Participants, physical copies of the above documents are being sent in the permitted mode. Members of the Company are also entitled to receive physical copy of the Notice of the 21st Annual General Meeting and the 21st Annual Report either by addressing to the Registered Office of the Company or through e mail: cs@source-natural.com
19. The Notice of the 21st Annual General Meeting and the 21st Annual Report will be available on the Company's Website: www.source-natural.com
20. Physical copies of the Notice of the 21st Annual General Meeting and the 21st Annual Report, including the relevant documents referred to in the notice and explanatory statement will also be available for inspection at the Registered office of the Company. Members are also entitled to receive physical copy upon making the request

21. INSTRUCTIONS FOR E-VOTING

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Friday, 23rd September, 2016 at 9.00 AM and ends on Sunday, 25th September, 2016 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 (record date) of Monday, 19th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number will be mentioned in the address label pasted on the 21st Annual General Report sent to you. If you are receiving soft copy of the Annual Report through email, sequence number will be informed to you by the RTA on your request. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend	Enter the Dividend Bank Details or Date of Birth (in

Bank Details OR Date of Birth (DOB)	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"> 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 as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote. The EVSN Number is: 160824006
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.