

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** will be held on Monday, 18th September, 2017 at 10.00 A.M. at Hotel Pai Viceroy, 1504, 16th Cross, 9th Main, 3rd Block, near Ramakrishna Super Speciality Hospital, Jayanagar, Bengaluru, Karnataka 560011 Bangalore to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2017 together with the Reports of Directors, Auditors and such other Reports annexed thereon.
2. To appoint a Director in place of Shri Narayanan Narasimhan (DIN: 00143620) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s Srinaga & Giridharan, Chartered Accountants, as the Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder, as amended from time to time, and the resolution passed by the Members in the 21st Annual General Meeting, the appointment of M/s Srinaga & Giridharan, Chartered Accountants (Firm Reg. No. 004013S), as the Statutory Auditors of the Company, who shall hold office until the conclusion of 26th Annual general meeting of the Company, be and is hereby ratified, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To appoint Mr. Tejagna Kashmira Katpitia as Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mr. Tejagna Kashmira Katpitia (DIN: 00445283), who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 14th June, 2017, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as per Section 160 of the Act, be and is hereby appointed as a Director of the Company.”

5. To appoint Mr. Tejagna Kashmira Katpitia as Whole-time Director of the Company:

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

“RESOLVED THAT pursuant to the Section 196 read with Section 203, and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the members be and is hereby accorded to appoint Mr. Tejagna Kashmira Katpitia (DIN: 00445283) as the Whole-time Director of the Company, without any remuneration for a period of Five years, with effect from 01.08.2017, on such terms and conditions as set out in the Agreement to be entered with him, with the authority to the Board of Directors to vary and alter the terms of said appointment from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign and execute the said agreement, file requisite forms with the Registrar of Companies and to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution.”

Date: 12.08.2017

Regd. Office: 201, II Floor, Sumeru Towers,
#54/46, 39th A Cross, 11th Main Road,
Jayanagar, 4th T Block, Bangalore - 560041

By Order of the Board
For **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED**

(Arvind Varchaswi N.)
Managing Director
DIN: 00143713

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy / proxies to attend and vote on a poll instead of himself / herself and such proxy / proxies need not be a member of the company. The instrument of proxy / proxies, in order to be effective must be deposited at the registered office of the company, duly completed and signed, not less than forty eight hours before the commencement of the meeting. A proxy form is enclosed with this notice
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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 proxy for any other person or shareholder.

3. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on **11th August , 2017**
4. The copy of annual report, notice of Annual General Meeting, notice of e-voting, etc. are being sent to the members through e-mail who have registered their email ids with the Company / depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).
5. The full version of the Annual Reports is also be available on the website of the Company www.source-natural.com.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 12th September, 2017 to Monday, 18th September, 2017 (both days inclusive)**, in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM.
7. The results of voting shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
8. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the meeting.
9. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
10. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of Annual General Meeting, Annual Report, notice of e-voting etc. at their registered address through Courier mode.
11. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address or to the RTA, M/s. Venture Capital &

Corporate Investments Private Limited, 12-10-167, Bharat Nagar Colony, Hyderabad – 500018 (Telangana).

12. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for Poll / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
13. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (“remote e-voting”).

EXPLANATORY STATEMENT

[Pursuant to Section 102(2) of the Companies Act, 2013]

Item No. 4:

The members are hereby informed that Mr. Tejagna Kashmira Katpitia was appointed as an Additional Director of the Company by the Board of Directors on 14.06.2017, who holds office upto the ensuing Annual General Meeting of the Company. He possesses vast experience in the core business activities of the Company. A brief profile of the appointee is provided in the Notice for your information.

Further, a notice proposing his candidature as Director and deposit of amount, as per Section 160 of the Companies Act, 2013, is received from a member of the Company. Your approval is sought in accordance with Section 152 of the Companies Act, 2013

The Board recommends the approval of resolution for the said appointment.

None of the Directors or Key managerial Personnel are in any way interested or concerned in the said resolution.

Item No. 5:

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee of the Board, propose to appoint Mr. Tejagna Kashmira Katpitia as Whole-time Director of the Company, without remuneration, for a period of Five years with effect from 01.08.2017. The Board opines that under his able guidance and abundant experience, the Company will be able to diversify and augment its business activities.

The terms and conditions of the said appointment are set out in the Agreement to be entered with him, subject to such variations and alterations from time to time, as the Board may deem fit. A brief profile of Mr. Tejagna Kashmira Katpitia is annexed to the Notice for your perusal.

Pursuant to Section 196 of the Companies Act, 2013, the approval of members is sought for the said appointment. The Board recommends the approval of members on the resolution for the said appointment.

None of the Directors or Key managerial Personnel are in any way interested or concerned in the said resolution.

BRIEF PROFILE OF THE DIRECTORS:

❖ Shri Narayanan Narasimhan:

Mr. Narayan Narasimhan Graduate in Architect from School of Architecture, Madras University Diploma in Housing Planning and Building, from Bouwcentrum Centre, Rotterdam, Holland He is the father of Mr. Arvind Varchaswi, Managing Director.

❖ Mr. Tejagna Kashmira Katpitia

Mr. Tejagna Kashmira Katpitia is a seasoned professional with 20 years of experience in Operations Management, Finance and Marketing. Starting his career in with a family owned business of exports in 1997, he gained significant experience in the set up and management of group offices in India, the middle east, far east, USA and Russia. Since 2010, he has been with Source Natural Foods & Herbal Supplements Limited, a public company with pan India and Domestic clientele, specialize in manufacturing and marketing Ayurveda, Herbal Supplements and Food. He believes that the world is poised at a stage where lifestyle, health and wellness are slowly and surely becoming the top most priority of every individual. Being greatly inspired by the high level of work ethic and opportunity to contribute directly to the wellness of both customers and the society alike, he looks forward to building a strong presence and market share for the company's products over the coming years. Mr. Tejagna Katpitia is currently the Chief Executive Officer of Sriveda Sattva Private Limited of which Source Natural Foods and Herbal Supplements is a subsidiary. His role as CEO in establishing a strong distribution network and customer base for Sri Sri Ayurveda products manufactured at this company has been driven by his passion for Sales and Marketing. He holds a Bachelor of Commerce Degree from the University Of Mumbai.

INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS

1. The voting period begins on **Friday, 15th September, 2017 (9:00 AM) and ends on Sunday, 17th September, 2017 (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 11th September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on "Shareholders".
4. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. 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.
7. 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.• 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.

8. After entering these details appropriately, click on “**SUBMIT**” tab.
9. 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.”

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the **EVS**N for “**Source natural Foods and Herbal Supplements Limited**”.
12. 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.
13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
14. 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.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
17. 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.
18. 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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.

Note: *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.*

19. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper.
21. Shri. Ajay Suman Shrivastava, Practicing Company Secretary, (CP No. 3479) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

23. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.source-natural.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

DIRECTORS' REPORT

To,
The Members,
Source Natural Foods and Herbal Supplements Limited
Bangalore

Your Directors are pleased to present the 22nd Annual Report of the Company together with Audited Financial Statements for the year ended 31st March 2017.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)		
Particulars	31.03.2017	31.03.2016
Total revenue	1594.66	1093.14
Profit/ (Loss) before exceptional and extraordinary items and tax	140.98	47.72
Exceptional Items	-	-
Profit before extraordinary items and tax	140.98	47.72
Extraordinary Items	-	-
Tax expenses	28.74	5.05
Net Profit/ (Loss) carried to Balance Sheet	140.44	42.67
Earnings Per Share (Basic/ Diluted)	2.18	0.66

2. OPERATIONS:

The Total revenue of the Company for the year ended 31st March, 2017 was Rs. 1594.66 Lakhs, which has increased by 45.87 % as compared to the total revenue of the previous year of Rs. 1093.14 Lakhs. The Net Profit of the Company during the financial year under review is Rs. 140.44 Lakhs as compared to 42.67 Lakhs during the previous year. The increase in revenue is due to entry in new market areas and sales of flagship products of the Company. The Company has made an additional investment of Rs. 56.89 Lakhs in the Fixed Assets during the year, in order to augment and enhance the production activities of the Company.

During the year, there was increase in expenses towards advertisement, rapid increase in foreign expenses in order to augment the Marketing team and brand building of the Company's products. As the benefits of these expenses will be derived over a long period of time, your Directors are optimistic for the future growth of the Company.

3. FUTURE OUTLOOK:

The Ayurveda and Herbal Supplement sector has huge potential for growth not only in India but all over the world. The Company has a vision to make Ayurveda and Herbal Supplements to become part of every individual's daily consumption. The Company