

23rd ANNUAL REPORT 2017-18



SOURCE NATURAL
FOODS AND HERBAL SUPPLEMENTS LIMITED

BOARD OF DIRECTORS

MR. ARVIND VARCHASWI N.
MR. NARAYANAN NARASIMHAN

MANAGING DIRECTOR
NON-EXECUTIVE CHAIRMAN &
DIRECTOR

MR. TEJAGNA KASHMIRA KATPITIA

EXECUTIVE DIRECTOR

MR. SRINIVAS GOWRA

INDEPENDENT DIRECTOR

MR. SRIRAM CHANDRASEKARAN

INDEPENDENT DIRECTOR

MR. CHANDRAKUMAR L. RATHI

INDEPENDENT DIRECTOR

MRS. BHARATHY

INDEPENDENT DIRECTOR

KEY MANAGERIAL PERSONNEL

MR. SESHADRI RAMASWAMY

CHIEF FINANCIAL OFFICER

MRS. SWETA JOSHI

COMPLIANCE OFFICER AND
COMPANY SECRETARY

REGISTERED OFFICE

201, II Floor, Sumeru Towers, #54/46,
39th A Cross, 11th Main Road,
Jayanagar 4th T Block,
Bangalore-560 041, Karnataka, India
CIN: L24231KA1995PLC101742,
Phone: 080 26087733, Fax: 080 22449505
Web: www.source-natural.com,
E Mail: info@source-natural.com

INVESTORS CONTACT EMAIL ID AUDITORS

investor_relations@source-natural.com
SRINAGA & GIRIDHARAN
CHARTERED ACCOUNTANTS
136/1, I FLOOR, 5TH MAIN,
CHAMARAJPETBANGALORE -560018

SHARE TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** will be held on Wednesday, 26th September, 2018 at 11:30 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, 2018 together with the Reports of Directors, Auditors and such other Reports annexed thereon.
2. To appoint a Director in place of Shri Arvind Varchaswi N(DIN: 00143713) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mrs. Bharathy as Independent Director of the Company:

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

“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 there under, read with Schedule IV to the said Act, Mrs. Bharathy (DIN:06942354), 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.”

“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: 02.08.2018

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

(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 him/ her 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 **17thAugust, 2018**
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 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 **Thursday, 20thSeptember, 2018 to Wednesday, 26thSeptember, 2018(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 favor 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. 3:

Mrs. Bharathy was appointed as an independent women director of the Company on 15th of September, 2014. As per the provisions 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, Mrs. Bharathy fulfils the conditions as specified in the Companies Act, 2013 for her appointment as Director of the Company.

The profile of Mrs. Bharathy is provided below in the notice.

The Board recommends the members to reappoint Mrs. Bharathy as an independent women director of the Company for a period of five years.

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

BRIEF PROFILE OF THE DIRECTORS:

❖ Shri. Arvind Varchaswi .N :

He is a Multi-faceted Personality and is also a Group Advisor for International Affairs of Ayush Advisory Group for the period 2014-15, constituted by Pharmaceuticals Export Council of India (Pharmexcil), a body set up by Ministry of Commerce and Industry, Government of India with the objective of export promotion of Drugs and Pharmaceuticals, Ayurveda and Herbal Drug preparation/ products globally. He is also a featured speaker in several global business and leadership forums with the recent ones being the World Forum for Ethics in Business at Singapore and the India Retail Forum at Mumbai in 2012. He has an enduring passion for Meditation and Spirituality from an early age. He travels across the globe to teach various Art of Living programmes wherein he empowers thousands of youth around the world to connect to their talents and serve the society.

❖ Ms. Bharathy

She is the one of the partners and part of management of Madhurya, one of the famous brands 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.

INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS

1. The voting period begins on **Sunday, 23rd September, 2018 (09:00 AM) and ends on Tuesday, 25th September, 2018 (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 19th September, 2018**, 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.
Dividend Bank Detail OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <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).

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.

19. 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 tohelpdesk.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 favor 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.*

- 20. A member may participate in the AGM after exercising his right to vote through remote e-voting shall not be allowed to vote again at the AGM.
- 21. 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.
- 22. 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.
- 23. 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.

24. 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 favor 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.
25. 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.
