

## POSTAL BALLOT NOTICE

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of Companies (Management and Administration) Rules, 2014 (including any statutory enactments thereoffor the time being in force), SEBI (ListingObligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulationsas amended from time to time,to transact the Special Businesses as set out in this Notice, throughPostal Ballot by the Members of**Source Natural Foods and herbal Supplements Limited.**

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### **SPECIAL BUSINESS:**

#### 1. Approval for Borrowing powers and Creation of Security in respect of borrowings

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and Section 180(1)(c), and other applicable provisions, if any, 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, the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, the approval of the members be and is hereby accorded to sell, mortgage and/ or create charge, in addition to the mortgages/ charges created/to be created/ by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as my be determined, on all or any of the movable and /or immovable properties of the Company and /or the interest held by the Company in all or any of the movable and /or immovable properties, both present and future and /or the whole or any part of the undertakings(s)of the Company, in favor of lender(s), agents(s) and trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loan(s) and securities (comprising non-convertible debentures, bonds or other debt instrument(s), issued/ to be issued by the Company from time to time together with interest at the respective agreed rates and all other costs, charges and expenses and all other monies payable by the Company in terms of the loan agreements(s), debenture trust deed(s) or any agreement/document entered into/to be entered into by between the Company and the lender(s)/investor(s)/agent(s) in respect of the said loan, borrowing/debenture and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/ or trustee(s), up to an amount not exceeding Rs. 200 Crores (Rupees Two hundred Crores Only).”

**“RESOLVED FURTHER THAT**the Board of Directors of the Company be and are hereby authorized to finalize and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes as they may deem fit, file requisite e-forms with the

Registrar of Companies in this regard and do all such acts, deeds and things and give such directions as may be deemed necessary and expedient to give effect to this resolution.”

## 2. Approval for the limits of Loans/Investments/ Guarantees

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and such other provisions as may be applicable, if any, and the Rules made there under, including any statutory modifications or re-enactments thereof, the approval of the members of the Company be and is hereby accorded to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, to give loan(s) and/or give any guarantee(s)/provide any security(ies) as may be required from time to time, exceeding 60% of the Paid-up Share Capital and Free Reserves and Securities Premium of the Company [or] 100% of Free Reserves and Securities Premium of the Company whichever is more, in one or more tranches, not exceeding Rs. 200 Crores (Rupees Two Hundred Crores only).”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to execute all such documents, instruments and writings as may be required, file requisite e-forms with the Registrar of Companies and do all such acts, deeds and things required to give effect to this resolution.”

**Date: 12.08.2017**

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

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

**(Arvind Varchaswi N.)**  
**Managing Director**  
**DIN: 00143713**

NOTES:

- i. Pursuant to provisions of Section 102 read with Section 110 of the Companies Act, 2013, explanatory statement is annexed herewith.
- ii. Please read carefully and follow the instructions on postal ballot and e-voting elucidated in this Notice and on the Postal Ballot Form for respective mode of voting.
- iii. The Notice is being sent to all the Members, whose name appear in the Register of Members as on Cut-off Date 14<sup>th</sup> August, 2017.

- iv. The Notice of the Meeting is also posted on the website of the Company, which can be accessed with the web link <http://www.source-natural.com/announcements-other.php>
- v. Members are requested to notify change in address and email id if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No and in case of physical shares to the Registrar and Transfer Agent of the Company
- vi. The Postal Ballot form and the self-addressed business reply envelope are enclosed.
- vii. In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with the Companies(Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility enabling the members to cast their votes electronically instead of dispatching Postal Ballot Forms.
- viii. The voting period commences **on 17<sup>th</sup> August, 2017 and ends on 16<sup>th</sup> September, 2017** (inclusive of both days) during this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **Cut-off date i.e. 11<sup>th</sup> August, 2017**, may cast their vote electronically. The e-voting module for voting shall be disabled by CDSL thereafter.
- ix. The Board of Directors of the Company has appointed Shri. Ajay Suman Shrivastava (CP No. 3479), Practicing Company Secretary, Hyderabad as the Scrutinizer for conducting the Postal ballot and e-voting process in fair and transparent manner and to receive and scrutinize the completed ballot papers from the members. After completion of scrutiny, he will submit his report to the Company by 17<sup>th</sup> September, 2017.
- x. The results of the Postal ballot and e-voting will be declared on Monday, the 18<sup>th</sup> day of September, 2017 at 10.00 A.M. at the 22<sup>nd</sup> Annual General Meeting of the Company to be held at Hotel Pai Viceroy, 1504, 16th Cross, 9th Main, 3rd Block, near Ramakrishna Super Speciality Hospital, Jayanagar, Bengaluru, Karnataka 560011 and if the result of the Postal ballot indicates that the requisite majority of the shareholders had assented to the Resolutions then the resolutions shall be treated as if it is passed at the general meeting of the Company on such date of announcement of the results.
- xi. After such declaration of results, the same will be posted on the Company's website and will be intimated to BSE Limited.
- xii. Kindly note that the members can opt only one mode for voting i.e. either in physical mode or e-voting. If you are opting for e-voting, then you are not entitled to vote in physical mode and vice-versa. However, in case member(s) cast their vote both via physical ballot and e-voting, then voting done in physical mode shall prevail and voting done by e-voting will be ignored.

### **INSTRUCTIONS- VOTING THROUGH ELECTRONIC MEANS**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

2. Click on “Shareholders”.
3. 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.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>• 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.</li> <li>• 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.</li> </ul>

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

9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for “**Source Natural Foods and Herbal Supplements Limited**”.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. 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.
17. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **EXPLANATORY STATEMENT**

(Pursuant to the provisions of Section 102 (1) and Section 110 of the Companies Act, 2013)

### **Resolution No. 1:**

The members are informed that with a view to augment and diversify the business activities of the Company, the Board proposes to avail assistance from banks and financial institutions. The Board on discussions, has estimated that about Rs. 200 Crores will be required for the said purposes over a period of time. As a result, the Assets and properties of the Company shall be mortgaged/hypothecated with the Bank/ Financial Institutions as security. Further, the proposed amount exceeds the aggregate of paid-up capital and free reserves of the Company.

Under the provisions of Section 180(1) (a) and Section 180(1)(c) of the Companies Act, 2013, it is necessary to obtain approval of the shareholders by means of Special Resolution to enable the Board of Directors of the Company to make borrowings, exceeding the aggregate of the paid-up capital and free reserves of the Company.

Therefore, the Board seeks the approval of the members by a Special Resolution, to make borrowings not exceeding Rs. 200 Crores (Rupees Two Hundred Crores Only).

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

None of the Directors/ Key Managerial Personnel are in anyway interested or concerned in the above resolution.

### **Resolution No. 2:**

The members are hereby informed that in order to support its business activities, the Company proposes to make investments in other body corporates, give loans or provide Guarantees in excess of limits prescribed under the Companies Act, 2013.

Under the provisions of Section 186 of the Companies Act, 2013, the power to make loans, give guarantees and make investments in shares, debentures and/or any other securities of

other body corporates, in excess of the limits prescribed, can be exercised by the Board only with the consent of the shareholders by means of a Special Resolution.

In view of this, the Board seeks the approval of the members by means of a special resolution for making investments upto maximum limit of Rs. 200 Crores (Rupees Two Hundred Crores only).

The Board recommends the members for passing the said resolution.

None of the Directors/ Key Managerial Personnel are in anyway interested or concerned in the above resolution.

**SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED**

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

CIN:L24231KA1995PLC101742; Website:[www.source-natural.com](http://www.source-natural.com)

**POSTAL BALLOT FORM**

1.	Name and Registered Address of the member	
2.	Name(s) of the JointHolder(s), if any	
3.	Registered Folio No./DP ID & Client ID No.	
4.	No. of Shares held	

I/ We hereby exercise my/ our vote in respect of the following special resolutions to be passed through Postal Ballot for the businesses stated in the Notice of Postal Ballot of the Company dated 12<sup>th</sup> August, 2017, by sending my/ our assent or dissent to the said special resolution by placing a tick ( ✓ ) mark at the appropriate box below:

S. No.	Resolution	I/We assent to the Resolution [FOR]	I/We dissent to the Resolution [AGAINST]
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1.	Approval for borrowing limits and Creation of Security in respect of borrowings		
2.	Increase the limits of Loans/Investments/ Gaurantees		

Place:

Date:

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Signature of the Member

### **Instructions for Voting by Physical Postal Ballot Form**

1. A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballot Form, if sent by courier at the expense of the Member but using the postage pre-paid envelope will also be accepted. Members are requested to convey their assent or dissent in this postal ballot form only. The assent or dissent received in any other form or manner shall be considered as invalid.
2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be signed by the Shareholder as per specimen signature registered with the Registrar/Depository. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered/recorded with the Registrar/Depository) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than Saturday, 16<sup>th</sup> September, 2017 at 5.00 p.m. Postal Ballot Forms received after the aforesaid date and time will be strictly treated as if reply from such member has not been received. The Members are requested to send the duly completed Postal Ballot Forms well before the last date, providing sufficient time for postal transit.
5. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority and with attested specimen signature(s) of the duly authorized signatories giving requisite authority to the person voting on the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a state, a certified copy of the nomination should accompany the Postal Ballot Form.
6. The number of shares in respect of which votes are cast should be mentioned in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the shareholder in the respective column.
7. Shareholders are requested not to send any paper (other than the resolution/authority as mentioned under instruction no. V above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any



extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

8. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of Joint Member(s).
9. A member may request for a duplicate Postal Ballot Form, if so required and the same duly completed should reach the scrutinizer not later than the last date for voting.
10. Postal Ballot Forms with following deficiencies will be rejected.
  - i. A form other than one issued by the company has been used
  - ii. It has not been signed by or on behalf of the Member
  - iii. Signature on the postal ballot form doesn't match the specimen signatures with the Company
  - iv. It is not possible to determine without any doubt the assent or dissent of the Member
  - v. Neither assent nor dissent is mentioned
  - vi. Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member
  - vii. The envelope containing the postal ballot form is received after the last date prescribed
  - viii. The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority
  - ix. It is defaced or mutilated in such a way that its identity as a genuine form cannot be Established
  - x. Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
  - xi. Postal Ballot Form is received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolution.