



Annexure - XI to the Listing Agreement
Format of Quarterly Compliance Report on Corporate Governance
Name of the Company: Source Natural Foods and Herbal Supplements Limited
Quarter ending on: June 30, 2015

Particulars	Clause of Listing Agreement	Compliance Status Yes/No/N.A	Remarks
II. Board of Directors	49 (II)		AS PER THE NOTES ANNEXED HERETO
(A) Composition of Board	49 (IIA)	Yes	
(B) Independent Directors	49 (IIB)	Yes	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	Yes	
III. Audit Committee	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	Yes	
V. Subsidiary Companies	49 (V)	N.A.	
VI. Risk Management	49 (VI)	Yes	
VII. Related Party Transactions	49 (VII)	Yes	
VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIIIA)	Yes	
(B) Disclosure of Accounting Treatment	49 (VIIIB)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIII F)	N.A.	
IX. CEO/CFO Certification	49 (IX)	Yes	
X. Report on Corporate Governance	49 (X)	Will be complied in the upcoming annual report	
XI. Compliance	49 (XI)	Will be complied in the upcoming annual report	

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Note 1: Clause 49 (II)-BOARD OF DIRECTORS

Clause 49 (IIA)

Composition of Board

- | | |
|------------------------------|--------------------------|
| 1. Mr. Narayanan Narasimhan | - Chairman & Director*** |
| 2. Mr. Arvind Varchaswi N | - Managing Director* |
| 3. Mr. Nikhil Sen | - Director** |
| 4. Mr. Srinivas Gowra | - Director** |
| 5. Mr. C.L. Rathi | - Director** |
| 6. Mr. Sriram Chandrasekaran | - Director** |
| 7. Mrs. Bharathy | - Director** |

*Executive Directors

** Independent Non-Executive Directors

*** Non-Executive Director

Clause 49 (IIB)

Independent Directors

The Board of Directors of the Company is comprised of requisite number of Independent Directors as per Clause 49(II)(A) and further, all the directors fulfill the criteria of Independent Director as mentioned under Clause 49(II)(B) of the listing agreement.

Clause 49 (IIC)

Non-executive Directors' compensation & disclosures

No remuneration is paid to the Non executive Directors.

Clause 49 (IID)

Other provisions as to Board and Committees

1. The Company is conducting the Board Meetings regularly and it is also ensured that the gap between two Board Meetings conducted does not exceed a period of one hundred and twenty days.
2. No Director is a Member of more than 10 committees or chairman of more than 5 committees across all companies in which he/she is a director.

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Clause 49 (IIE)

Code of Conduct

Code of conduct for all the Board members and senior management was adopted by the Board. Affirmation of compliance to the Code on annual basis by the Board and senior management is complied with in the Annual Report.

Clause 49 (IIF)

Whistle Blower Policy

Vigil mechanism for directors and employees in under the consideration of the Board and will be finalized in the upcoming Board Meeting.

Note 2: Clause 49 (III)-AUDIT COMMITTEE

Clause 49 (IIIA)

Qualified & Independent Audit Committee

The following are the members of the Audit Committee:

- | | | |
|----|---------------------------|-------------|
| 1. | Mr. Srinivas Gowra | - Chairman* |
| 2. | Mr. Nikhil Sen | - Member* |
| 3. | Mr. Sriram Chandrasekaran | - Member* |

* Independent and Non Executive Directors

INVESTORS GRIEVANCE COMMITTEE

The following are the members of Investor Grievance Committee:

- | | | |
|----|------------------------|------------|
| 1. | Mr. Arvind Varchaswi N | - Chairman |
| 2. | Mr. Srinivas Gowra | - Member |
| 3. | Mr. Nikhil Sen | - Member |

Clause 49 (IIIB)

Meeting of Audit Committee

The Audit Committee met as and when required and all the members were present at the meeting and it is ensured that at least four meetings are held in a year with not more than four months gap between two meetings.

Clause 49 (IIIC) (III D) (III E)

Powers, Role of and Review of Information by Audit Committee

The power, role of and review of information by the Audit Committee are as per the Listing Agreement and the Companies Act, 2013.

Note 3: Clause 49 (IV)-NOMINATION AND REMUNERATION COMMITTEE

The Committee constituted by the Company is responsible for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The following are the members of the Remuneration Committee:

- | | | |
|----|---------------------------|-------------|
| 1. | Mr. Nikhil Sen | - Chairman* |
| 2. | Mr. Srinivas Gowra | - Member* |
| 3. | Mr. Sriram Chandrasekaran | - Member* |

* Independent and Non Executive Directors

Note 4: Clause 49 (V)-SUBSIDIARY COMPANIES

The Company does not have any subsidiary under the Companies Act, 2013. Therefore the compliance of the sub clause is not applicable to the Company.

Note 5: Clause 49 (VI)-RISK MANAGEMENT

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan for the company.

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Note 6: Clause 49 (VII)-RELATED PARTY TRANSACTIONS

The basis of related party transactions are reviewed and approved by the Audit Committee and the Board of Directors. Members' approval at General Meeting is obtained for such related party transactions as required under Companies Act, 2013.

Note 7: Clause 49 (VIII)-DISCLOSURES

Clause 49 (VIIIA)-

Related Party Transactions

The related party transactions are reviewed and approved by the Audit Committee and the Board of Directors of the Company. The below related party transactions were reviewed by Audit Committee and approved by the Board of Directors of the Company at their meeting held at Bangalore on May 27, 2015:-

Sl. No.	Resolution approved
1	Approval of related party transactions with Madhurya for purchase of goods for a period of five years from May 27, 2015 to May 26, 2020 for an amount of Rs. 65 Lakhs per annum
2	Approval of related party transactions with Broadvision Services Private Limited for purchase of goods for a period of five years from May 27, 2015 to May 26, 2020 for an amount of Rs. 65 Lakhs per annum

Clause 49 (VIIIB)-

Disclosure of Accounting Treatment

The Company follows Accounting Standards notified under the Companies Act, 2013 in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in an Accounting Standards.

Clause 49 (VIIIC)-

Remuneration of Directors

The details of remuneration paid to the Managing Director are complied with in the Annual Report. No other remuneration is paid to other Directors

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Clause 49 (VIID)-

Management

The Management Discussion and Analysis Report are complied in the Annual Report.

Clause 49 (VIIE)-

Shareholders

1. Quarterly results are being sent to the stock exchange on timely basis.
2. There are no pending investor grievances.
3. The share transfers work has been delegated to the Registrars which are attended once in a fortnight.

Clause 49 (VIIF)-

Proceeds from public issues, rights issue, preferential issues etc.

There was no public or rights issue proceeds outstanding. However, there has been preferential issue of shares by way of conversion of unsecured loan extended by Sumeru Ayurveda Private Limited, promoter of the Company. Necessary disclosure are being provided to the Audit Committee and Board of Directors of the Company.

Note 8: Clause 49 (IX)-CEO/CFO CERTIFICATION

The CEO/CFO certification is complied every year.

Note 9: Clause 49 (X)-REPORT ON CORPORATE GOVERNANCE

The corporate governance report will be complied with the upcoming Annual Report.

Note 10: Clause 49 (XI)-COMPLIANCE

Certificate from the Auditors for compliance with clause 49 will be complied with in the upcoming Annual Report.

Yours truly,

FOR SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED

Rashmi P.G.
RASHMI P.G.
COMPANY SECRETARY
A28996

