



Source Natural Foods and Herbal Supplements Limited

Registered Office: 201, 11th Floor, Sumeru Towers,

#54/46, 39th A Cross, 11th Main Road,

Jayanagar 4th T Block, Bangalore - 560 041

Phone: +91(80)- 26087727 / 26 Email: info@source-natural.com

CIN: L24231AP1995PLC019106

May 27, 2015

To
The Manager
The Department of Corporate Services
BSE Limited
Ground Floor, P.J Towers, Dalal Street
Fort, Mumbai- 400 001

Sub: Outcome of the Board Meeting held on 27/05/2015

Ref: Scrip Code: 531398

Dear Sir/Madam,

The Board of Directors in their meeting held on 27/05/2015 at Bangalore discussed the items on agenda and have taken the following decisions:

- The unaudited financial statements and financial results for the period ended 31st March, 2015 as reviewed by the Audit Committee were taken on record as per Clause 41 of the Listing Agreement.
- Related party transactions with Madhurya and Broadvision Services Private Limited as reviewed by the Audit Committee have been approved.

The Financial results and Auditors Report are enclosed herewith for dissemination to the members of the Exchange.

Please arrange to take the same on records.

Thanking You,

Yours truly,

For SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED

Rashmi P.G.

Rashmi P.G.
Company Secretary and Compliance Officer
Membership No: A282996



Encl: As mentioned above.

Manufacturing Unit: #22 & 23, SVCIE, Bachupally, Quthbullapur Mandal, R.R. District, Hyderabad - 500 090. Phone: +91(40)-32580647





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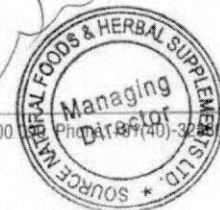
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SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED

PART I		Statement of Standalone Audited Results for the Year Ended 31.03.2015					(Rs. In Lakhs)	
		3 Months Ended	Corresponding 3 Months Ended in the Previous Year	Preceding 3 Months Ended	Year to date figures for Year Ended	Previous Year Ended		
Particulars		31.03.2015	31.03.2014	31.12.2014	31.03.2015	31.03.2014		
		Unaudited	Unaudited	Unaudited	Audited	Audited		
1	Income from Operations							
	(a) Sales/Income from Operations	169.32	138.66	145.61	635.14	429.90		
	Job Works Charges	22.90	19.57	15.85	68.87	61.78		
	Less: Excise Duty	13.50	12.59	10.96	50.26	40.19		
	Net Sales/Income from Operations	178.72	145.64	150.50	653.76	451.49		
	(b) Other Operating Income	0.15	0.29	0.05	0.47	2.95		
	Total Income from Operations (Net)	178.87	145.93	150.55	654.22	454.44		
2	EXPENSES							
	(a) Cost of Materials Consumed	48.66	40.62	45.48	176.26	108.56		
	(b) Purchases of Stock-in-trade	20.55	0.00	14.29	70.38	23.18		
	(c) Changes in inventories of finished goods, working-in-progress and stock-in-trade	(9.71)	(0.50)	(10.22)	(37.98)	(7.10)		
	(d) Employee benefits expense	33.99	31.83	33.10	132.13	97.69		
	(e) Depreciation and Amortisation expense	34.45	5.73	6.62	54.31	25.84		
	(f) Payment to Contractor for Labour	16.74	12.91	15.92	60.21	48.16		
	(g) Other Expenses	42.14	44.89	52.68	182.16	141.56		
	Total Expenses	186.83	135.48	157.88	637.47	437.89		
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional items (1-2)	(7.96)	10.45	(7.33)	16.76	16.55		
4	Other Income	0.00	0.61	0.00	0.21	0.68		
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(7.96)	11.06	(7.33)	16.97	17.23		
6	Finance Costs	0.24	-	0.26	0.76	-		
7	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (5-6)	(8.20)	11.06	(7.59)	16.21	17.23		
8	Exceptional Items	0.42	-	-	0.42	-		
9	Profit / (Loss) from ordinary activities before Tax (7-8)	(8.62)	11.06	(7.59)	15.79	17.23		
10	Tax expense	-	-	-	-	-		
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(8.62)	11.06	(7.59)	15.79	17.23		
12	Extraordinary items (net of tax expenses Rs. NIL Lakhs.)	-	-	-	-	-		
13	Net Profit / (Loss) for the period (13-14)	(8.62)	11.06	(7.59)	15.79	17.23		
14	Paid up Equity Share Capital (Face value Rs.10)	610.00	520.00	610.00	610.00	520.00		
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year							
16.i	Earnings per Share (before extraordinary items) (of Rs.10 each) (not annualised):							
	(a) Basic	(0.14)	0.21	(0.12)	0.26	0.33		
	(b) Diluted	(0.14)	0.21	(0.12)	0.26	0.33		
16.ii	Earnings per Share (after extraordinary items) (of Rs.10 each) (not annualised):							
	(a) Basic	(0.14)	0.21	(0.12)	0.26	0.33		
	(b) Diluted	(0.14)	0.21	(0.12)	0.26	0.33		

Manufacturing Unit: #22 & 23, SVCIE, Bachupally, Quthbullapur Mandal, R.R. District, Hyderabad - 500 084 Phone: +91(80)-26087727/26



PART II Select Information for the Year Ended 31st March, 2015						
	Particulars	3 Months Ended	Corresponding 3 Months Ended in the Previous Year	Preceding 3 Months Ended	Year to date figures for Year Ended	Previous Year Ended
		31.03.2015	31.03.2014	31.12.2014	31.03.2015	31.03.2014
		Unaudited	Unaudited	Unaudited	Audited	Audited
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of Equity Shares Rs.10/- each	1650040	1650040	1650040	1650040	1650040
	- Percentage of Shareholding	27.05%	31.73%	27.05%	27.05%	31.73%
2	Promoters and Promoter Group Shareholding					
	(a) Pledged/Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	(b) Non-encumbered					
	- Number of Shares	4450000	3550000	4450000	4450000	3550000
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	72.95%	68.27%	72.95%	72.95%	68.27%
Particulars						
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter					-
	Received during the quarter					-
	Disposed of during the quarter					-
	Remaining unresolved at the end of the quarter					-

- Notes 1 Figures have been regrouped, wherever necessary.
2 The Company does not have more than one reportable segment. Accordingly, pursuant to Accounting Standard (AS-17) on Segment Reporting issued by the Institute of Chartered Accountants of India, segmental information is not required to be provided.
3 The above results were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on May 27, 2015

Place: Bangalore

Date: May 27, 2015

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

ARVIND VARCHASWI N
MANAGING DIRECTOR
DIN: 00143713





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(Rs. in Lacs)

Standalone Statement of Assets and Liabilities		As At Year End 31.03.2015	As At Previous Year Ended 31.03.2014
Particulars			
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	610.00	520.00
	(b) Reserves and surplus	(139.44)	(172.90)
	(c) Money received against share warrants	42.92	157.58
	Sub-Total - Shareholders' Funds	513.48	504.69
2	Share application money pending allotment	-	-
3	Non-Current Liabilities		
	(a) Long-term borrowings	7.06	-
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	6.54	3.97
	Sub-Total - Non-Current Liabilities	13.61	3.97
4	Current Liabilities		
	(a) Short-term borrowings	1.78	-
	(b) Trade payables	62.37	31.34
	(c) Other current liabilities	8.95	9.96
	(d) Short-term provisions	-	-
	Sub-Total - Current Liabilities	73.10	41.31
	TOTAL - EQUITY AND LIABILITIES	600.19	549.96
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed assets	365.80	387.27
	(b) Non current investments	-	-
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	2.97	1.65
	(e) Other non-current assets	-	-
	Sub-Total - Non-Current Assets	368.78	388.92
2	Current Assets		
	(a) Current investments	-	-
	(b) Inventories	125.27	49.26
	(c) Trade receivables	22.75	35.44
	(d) Cash and cash equivalents	54.60	46.73
	(e) Short-term loans and advances	28.79	29.61
	(f) Other current assets	-	-
	Sub-Total - Current Assets	231.41	161.04
	TOTAL - ASSETS	600.19	549.96

Manufacturing Unit: #22 & 23, SVCIE, Bachupally, Quthbullapur Mandal, R.R. District, Hyderabad - 500 090. Phone: +91(40)-32580647





Independent Auditors' Report

**TO THE MEMBERS OF,
SOURCE NATURAL FOODS AND HERBLA SUPPLEMENTS LIMITED,**

Report on the Financial Statements

We have audited the accompanying financial statements of SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

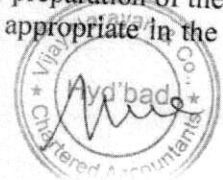
The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the





circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- We have made statements on matters specified in Companies Audit Report Order 2015, in the Annexure attached to this report.

Place: Hyderabad
Date: 27-05-2015

for Vijay Narayan & Co
Chartered Accountants

Vijay N Kale
Proprietor
MM No 020322
FRN No 0109175





Report under Companies (Auditors' Report) Order, 2015

Source Natural Foods and Herbal Supplements Limited

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **Source Natural Foods and Herbal Supplements Limited** for the year ended on 31st March, 2015.

1. IN RESPECT OF ITS FIXED ASSETS: [(i)]

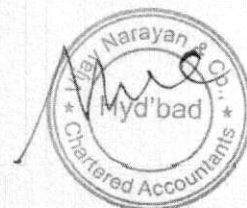
- a. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets on the basis of available information.
- b. As explained to us ,all the fixed assets have been physically verified by the management in a phased periodical manner ,which in our opinion is reasonable ,having regard to the size of the company and the nature of its assets .No material discrepancies were noticed on such physical verification

2. IN RESPECT OF INVENTORIES: :[(ii)]

- a. The inventories have been physically verified during the year by the management .In our opinion, the frequency of verification is reasonable.
- b. In our opinion and accordign to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The Company has maintained proper records of inventories .As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

3. IF LOANS GRANTED: [(iii)]

In our opinion and according to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.





4. IN RESPECT OF INTERNAL CONTROL: [(iv)]

In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

5. IN RESPECT OF DEPOSIT FROM PUBLIC: [(v)]

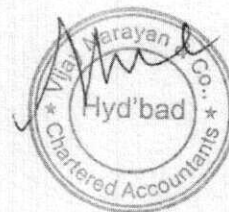
According to information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of the Clause (v) of the order are not applicable.

6. COST ACCOUNTING RECORDS: [(vi)]

According to information and explanations given to us the provisions of section 148 of Companies Act, 2013 relating to cost audit and maintenance of cost records are not mandatory to the company. Therefore, the provisions of clause (vi) of the order are not applicable.

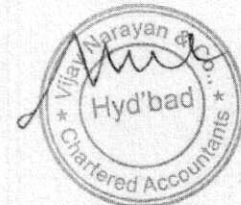
7. IN RESPECT OF STATUTORY DUES: [(vii)]

- a. According to the records of the company, **UNDISPUTED STATUTORY DUES** including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for the period exceeding 6 months from the date of becoming payable.
- b. The **DISPUTED STATUTORY DUES** aggregating to Rs.30,91,616/-, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :





Sr. No.	Name of the statute	Nature of the Dues	Amount (Rs.)	Period to which amount relate (FY)	Forum where dispute is pending
1.	VAT/Sales Tax	Additional Sales Tax	3,40,633/-	1999-2000	Sales Tax Department
2.	Excise duty - CENVAT Credit Availed	Dispute in proof of documents	5,11,930/-	2007-08	Appellate Tribunal
3.	ESI	Additional contributions on various heads of accounts	5,51,907/- (including penalty Rs. 8,47,308/-)	1999-2000, 2000-01 and 2001-02	ESI Court
4.	Income Tax TDS	For Payment of TDS collected	1,47,650/-	Jan - March 2008	Commissioner of Income Tax (Appeals)
5.	Excise	For Payment of Excise duty on exempted goods	13,42,727/-	2005-06	Appellate Tribunal
6.	CST	Order pending for payment of Differential taxes as C forms not submitted	1,96,769/-	2009-10	Appeal Deputy Commissioner
	Total		30,91,616		

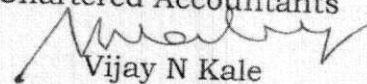




- c. According to information and explanations given to us the company is not under the obligation to make contribution necessary to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
8. **LOSS MAKING COMPANY: [(viii)]**
The Company does not have accumulated losses more than fifty percent of its net worth at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and no cash loss incurred in the immediately preceding financial year.
9. **REPAYMENT OF DUES: [(ix)]**
Based on our audit procedures and according to the information and explanation given to us, we are of opinion that the Company **has not defaulted** in repayment of dues to financial institutions, banks and debenture holders.
10. **GUARANTEE GIVEN: [(x)]**
According to information and explanations given to us the company has not given guarantee for the loans taken by others from banks or financial institution; hence clause (x) the Order is not applicable.
11. **END -USE-OF BORROWING: [(xi)]**
According to information and explanations given to us the Company has raised new term loans during the year. The term loans have been applied for the purposes for which they were raised.
12. **FRAUD: [(xii)]**
Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Hyderabad
Date: 27-05-2015

for Vijay Narayan & Co
Chartered Accountants


Vijay N Kale
Proprietor
MM No 020322
FRN No 010917S

