



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

28th May, 2016

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

Dear Sir/Madam,

Sub: Submission of Audited Financial Results for the quarter and year ended
31st March, 2016.

Ref: Scrip Code: 531398

Please find attached the audited financial results of the Company for the quarter and year ended 31st March, 2016 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their Meeting held today.

The Board approved the Audited Financial Results for the year ended 31.03.2016, other matters relating thereto along with other items of Agenda.

The Statutory Auditors Reports pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 and under Companies Act, 2013 are enclosed.

Request you to take this on records and do the needful.

Thanking you,

Yours truly,
For Source Natural Foods and Herbal Supplements Limited

Vijayendra R.
Company Secretary



Encl: As above

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



SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED

Regd. Office: No. 201, Second Floor, #54/46, 39th A Cross, 11th Main Road, Jayanagar 4th T Block, Bangalore - 560 041

Website: www.source-natural.com, Telephone: 080-26087727/26, Fax No: 080-22449505, Email: info@source-natural.com, CIN: L24231AP1995PLC019106

Part -I		Statement of Standalone Audited Results for the Quarter and Year Ended March 31, 2016			(Rs. In Lakhs except EPS)	
	Particulars	3 Months Ended	Preceeding 3 Months Ended	Corresponding 3 Months Ended in the Previous Year	Year to date figures for Current Period Ended	Previous Year Ended
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
		audited	Unaudited	audited	Audited	Audited
1	Income from Operations					
(a)	Sales/Income from Operations	351.67	287.69	169.32	1,108.47	635.14
	Job Works Charges	23.94	25.02	22.90	77.10	68.87
	Less: Excise Duty	28.52	23.79	13.50	93.17	50.26
	Net Sales/Income from Operations	347.09	288.92	178.72	1,092.39	653.76
(b)	Other Operating Income	0.03	0.04	0.15	0.20	0.47
	Total Income from Operations (Net)	347.12	288.96	178.87	1,092.59	654.22
2	EXPENSES					
(a)	Cost of Materials Consumed	75.36	50.26	48.66	234.39	176.26
(b)	Purchases of Stock-in-trade	30.80	34.19	20.55	108.40	70.38
(c)	Changes in inventories of finished goods, working-in-progress and stock-in-trade	6.24	(0.50)	(9.71)	0.54	(37.98)
(d)	Employee benefits expense	39.78	38.65	33.99	155.71	132.13
(e)	Depreciation and Amortisation expense	10.88	11.80	34.45	48.54	54.31
(f)	Payment to Contractor for Labour	20.43	23.06	16.74	79.84	60.21
(g)	Advertisement Expenses	135.70	70.60		206.30	
(h)	Other Expenses	80.98	53.75	42.14	210.88	182.16
	Total Expenses	400.18	281.82	186.83	1,044.60	637.47
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional items (1-2)	(53.05)	7.15	-7.96	47.99	16.76
4	Other Income	0.05	0.41	0.00	0.56	0.21
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(53.01)	7.56	-7.96	48.55	16.97
6	Finance Costs	0.18	0.20	0.24	0.83	0.76
7	Profit / (Loss) from ordinary activities after Finance Costs but before and Exceptional Items (5-6)	(53.19)	7.36	(8.20)	47.72	16.21
8	Exceptional Items	-	-	0.42	-	0.42
9	Profit / (Loss) from ordinary activities before Tax (7-8)	(53.19)	7.36	(8.62)	47.72	15.79
10	Tax expense	(10.13)	1.40	-	5.05	-
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(43.06)	5.96	(8.62)	42.67	15.79
12	Extraordinary items (net of tax expenses Rs.NIL Lakhs.)	-	-	-	-	-
13	Net Profit / (Loss) for the period	(43.06)	5.96	(8.62)	42.67	15.79
14	Paid up Equity Share Capital (Face value Rs.10)	643.69	643.69	610.00	643.69	610.00
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 (Rs)	(0.67)	0.09	(0.14)	0.66	0.26
(b)	Diluted (Rs)	(0.67)	0.09	(0.14)	0.66	0.26
16.ii	Earnings per Share (after extraordinary items) (of Rs.10 each) (not annualised):					
(a)	Basic (Rs)	(0.67)	0.09	(0.14)	0.66	0.26
(b)	Diluted (Rs)	(0.67)	0.09	(0.14)	0.66	0.26

Managing Director

Statement of Assets and Liabilities as on 31.03.2016

(Rs. in Lacs)

Standalone Statement of Assets and Liabilities		As At Year End 31.03.2016	As At Previous Year Ended 31.03.2015
Particulars			
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	643.69	610.00
	(b) Reserves and surplus	(87.54)	(139.44)
	(c) Money received against share warrants	-	42.92
	Sub-Total - Shareholders' Funds	556.15	513.48
2	Share application money pending allotment	-	-
3	Non-Current Liabilities		
	(a) Long-term borrowings	5.57	7.06
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	9.87	6.54
	Sub-Total - Non-Current Liabilities	15.44	13.61
4	Current Liabilities		
	(a) Short-term borrowings	1.98	1.78
	(b) Trade payables	76.97	62.37
	(c) Other current liabilities	11.49	8.95
	(d) Short-term provisions	-	-
	Sub-Total - Current Liabilities	90.44	73.10
	TOTAL - EQUITY AND LIABILITIES	662.03	600.19
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed assets	331.41	365.80
	(b) Non current investments	-	-
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	3.41	2.97
	(e) Other non-current assets	-	-
	Sub-Total - Non-Current Assets	334.82	368.78
2	Current Assets		
	(a) Current investments	-	-
	(b) Inventories	135.47	125.27
	(c) Trade receivables	83.44	22.75
	(d) Cash and cash equivalents	77.69	54.60
	(e) Short-term loans and advances	30.61	28.79
	(f) Other current assets	-	-
	Sub-Total - Current Assets	327.21	231.41
	TOTAL - ASSETS	662.03	600.19

- 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 28th May, 2016.
 4 There are no qualifications, reservation or adverse remarks in the Statutory Auditor's Report for the year 2015-16.
 5 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures

For SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED

ARVIND VARCHASWI N
MANAGING DIRECTOR



Place: Bangalore
Date: 28/05/2016

VIJAY N. KALE

Chartered Accountant



Vijay Narayan & Co.
Chartered Accountants

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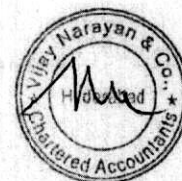
AUDITORS' REPORT ON QUARTERLY FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2016 AND YEAR TO DATE RESULTS FOR THE PERIOD 01ST APRIL 2015 TO 31ST MARCH, 2016 OF THE COMPANY SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED PURSUANT TO THE REGULATION 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO
BOARD OF DIRECTORS OF **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED**

We have audited the quarterly financial results of Source Natural Foods and Herbal Supplements limited for the quarter ended 31st March, 2016 and the year to date results for the period 01st April 2015 to 31st March 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

These Quarterly financial results as well as the year to date financial results have been prepared on the basis of interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25/ Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by Institute of Chartered Accountants of India as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



VIJAY N. KALE

B Com. F.C.A. DISA (ICA)
Chartered Accountant



Vijay Narayan & Co.
Chartered Accountants

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In our opinion and to the best of our information and according to explanations given to us these quarterly financial results as well as year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard and

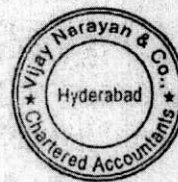
(ii) give a true and fair view of the net profit/loss and other financial Information for the quarter ended 31st March 2016 as well as year to date results for the period from 01-04-2015 to 31-03-2016.

Date: **28-05-2016**

Place: Hyderabad

For Vijay Narayan & Co
Chartered Accountants

Vijay N Kale
(Proprietor)
M No 020322
FRN No 010917S



VIJAY N. KALE
B.Com., F.C.A., DISA (ICA)
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Independent Auditors' Report

**TO THE MEMBERS OF,
SOURCE NATURAL FOODS AND HERBAL 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 comprises the Balance Sheet as at 31 March 2016, 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, but not for the purpose of expressing an opinion on whether the company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Act we have included in annexure to this report a statement on matter specified in the Companies Auditor's Report Order, 2016.

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

- a) 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.



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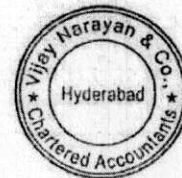
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
- d) 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.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

Place: Hyderabad

Date: 28-05-2016

for Vijay Narayan & Co
Chartered Accountants

Vijay N Kale
Proprietor
MM No 020322
FRN No 010917S



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Report under Companies (Auditors' Report) Order, 2016

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, 2016.

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.
- c. As explained to us, the title deeds to immovable properties are held in the name of the company.

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

The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. 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 explanations given to us, the company has not granted any loans, secured or unsecured to firms, companies, limited liability firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.



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4. LOANS TO DIRECTORS AND INVESTMENTS BY COMPANY: [(iv)]

In our opinion and according to the information and explanation given to us, the company has not granted any loans, investments, guarantees and securities covered in the register maintained under section 185 and 186 of the Companies Act, 2013.

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.

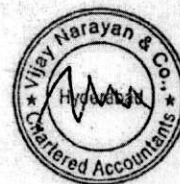
6. COST ACCOUNTING RECORDS: [(vi)]

According to information and explanations given to us the provisions of section 148(1) 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)]

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 explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for the period exceeding 6 months from the date of becoming payable.

b. The **DISPUTED STATUTORY DUES: [(vii) (b)]** aggregating to Rs. 21,95,290/-, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :





No.	Name of the statute	Nature of the Dues	Amount (Rs.)	Period to which amount relate (FY)	Forum where dispute is pending
A	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.	Excise	For Payment of Excise duty on exempted goods	13,42,727/-	2005-06	Appellate Tribunal
	Total		21,95,290/-		

8. IN RESPECT OF DEFAULTS IN REPAYMENTS: [(viii)]

According to information and explanations given to us, the company has not defaulted in repayment of borrowings or loans to financial institutions, banks, Government or due to debenture holders.

9. IN RESPECT OF INITIAL PUBLIC OFFERING: [(ix)]

According to information and explanations given to us, the company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the financial year.

10. IN RESPECT OF FRAUD: [(x)]

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.

11. IN RESPECT OF MANAGERIAL REMUNERATION: [(xi)]

According to information and explanations given to us, the company has paid managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

12. IN RESPECT OF NIDHI COMPANY: [(xii)]

According to information and explanations given to us, the company is not Nidhi Company as per the Nidhi rules, 2014.

13. IN RESPECT OF RELATED PARTY TRANSACTIONS: [(xiii)]

According to information and explanations given to us, and based on our audit of books, all the related party transactions are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013, wherever applicable and all the related party transactions have been properly disclosed in the financial statements for the year as required by applicable accounting standards.

14. IN RESPECT OF PREFERENTIAL ALLOTMENT OF SECURITIES: [(xiv)]

According to information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. IN RESPECT OF NON-CASH TRANSACTION: [(xv)]

According to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him, and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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16. IN RESPECT OF RBI REGISTRATION: [(xvi)]

According to information and explanation given to us, the company is not Required to be registered under section 45-IA of RBI Act.

Place: Hyderabad
Date: 28-05-2016

for Vijay Narayan & Co
Chartered Accountants


Vijay N Kale
Proprietor
MM No 020322
FRN No 010917S

