



24th May, 2023

**The Manager,
Department of Corporate Services,
BSE Limited
25th Floor, PJ Towers,
Dalal Street, Mumbai - 400 001**

Dear Sir/Madam,

Sub: Regulation 30 and Regulation 33 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Outcome of Board meeting and Submission of Audited Financial Statements and Audited Financial Results for the quarter and year ended 31st March, 2023

Ref: Scrip Code: 531398

With respect to above, we wish to inform that the Meeting of Board of Directors of the Company was held on **Wednesday the 24th May, 2023**, wherein the following matters have been discussed and approved:

1. The Board noted and took records of the minutes of the meeting of the Audit Committee.
2. The Audited Financial Statements for the year ended March 31, 2023 were reviewed by the Audit Committee and the Board approved the same and took on record of the same in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and authorized Directors/ KMP for signatures of the same as per Section 129, 134 and also for compliance of Section 179(3)(g) of the Companies Act, 2013 and sent the same for report of the Auditors thereon.
3. The Audited Financial Results for the quarter and year ended March 31, 2023 were reviewed by the Audit Committee and the Board approved and took note of the same in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 129, 134 and Section 179(3)(g) of the Companies Act, 2013.
4. The Board noted and took on record the Audit Report with un-modified opinion, for the year ended 31st March, 2023, as placed before the Board. The approval of the Board was accorded to submit a declaration pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 with the Stock Exchange.



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: +91-80-26087733
Email: info@source-natural.com
Website: www.source-natural.com
CIN: L24231KA1995PLC101742

5. The Board approved the appointment of Secretarial Auditor for the Financial year 2022-23 as per the Section 204 of the Companies Act, 2013 and Rule 9 of the (Appointment and Remuneration personnel) Rules 2014.
6. The Board reviewed and evaluated the performance of the Board, Committees and Independent Directors and the policy on terms and conditions for appointment of the Independent Directors;
7. The Board reviewed and verified the implementation of SEBI- PIT Regulations and the functioning of structural digital database;
8. The Board reviewed and noted the Related Party transactions entered by the Company during the period.
9. The Board reviewed the Internal Audit report and the efficacy of internal control measures.

This is for your information and records, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find attached the audited financial results of the Company for the quarter and year ended 31st March, 2023 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their Meeting held today.

The un-modified Statutory Auditors Report pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013 is also enclosed.

Board Meeting Commenced at 12:30 PM and concluded at 2.00 PM.

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

Thanking you,

Yours truly,
For Source Natural Foods and Herbal Supplements Limited

Ruchi Chowdhury
Company Secretary & Compliance Officer
Encl: As above

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: 080-26067727/26, Fax No: 080-22449505, Email: info@source-natural.com, CIN: L24231KA1995PLC10742

Statement of Standalone Audited Results for the Quarter and Year Ended 31st March, 2023 (Rs. In Lakhs)						
S. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations					
(a)	Revenue from Operations	736.50	559.33	589.53	2,138.47	2,326.30
	Job Works Charges	-	-	-	-	-
	Less: GST	53.88	42.11	41.75	161.78	174.49
	Net Sales/Income from Operations	682.62	517.21	547.78	1,976.68	2,151.81
(b)	Other Operating Income	1.68	0.11	0.18	1.89	0.83
	Total Income from Operations (Net)	684.30	517.32	547.95	1,978.57	2,152.85
(c)	Other Income	0.27	0.11	32.54	1.46	49.12
	Total Income	684.57	517.43	580.49	1,980.03	2,201.76
2	EXPENSES					
(a)	Cost of Materials Consumed	62.66	80.28	121.40	257.76	368.69
(b)	Purchases of Stock-in-trade	287.88	212.46	186.68	767.66	636.57
(c)	Changes in inventories of finished goods, working-in-progress and stock-in-trade	24.76	13.01	(7.04)	(40.16)	(62.28)
(d)	Employee Benefits Expense	78.11	78.52	99.80	313.69	386.34
(e)	Finance Costs	6.32	6.88	4.13	23.54	15.27
(f)	Depreciation and Amortisation Expense	10.43	10.26	10.59	43.27	41.58
(g)	Payment to Contractor for Labour	25.02	24.37	28.81	92.91	131.35
(h)	Advertisement Expenses	(7.25)	13.41	(111.37)	40.78	81.83
(i)	Other Expenses	53.21	46.43	78.22	207.01	234.27
	Total Expenses	541.13	485.63	411.21	1,706.46	1,833.62
3	Profit / (Loss) from Operations before					
	Exceptional, Extraordinary Items and Tax (1)	143.44	31.80	169.28	273.57	368.15
4	(i) Exceptional Items	-	-	-	-	-
	(ii) Extraordinary Items	-	-	-	-	-
5	Profit / (Loss) from Ordinary Activities before Tax (3-4)	143.44	31.80	169.28	273.57	368.15
6	(i) Current Tax	31.67	6.40	37.52	60.57	91.22
	(ii) Deferred Tax	0.89	0.00	-	0.89	33.68
7	Net Profit/(Loss) from Ordinary Activities	110.88	25.40	131.76	212.11	243.25
8	Other Comprehensive Income					
	A. i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B. i) Items that will be reclassified to profit or loss	-	-	-	-	-
	ii) Income tax relating to items that will	-	-	-	-	-
9	Total Comprehensive Income for the period (7+8) Comprising Profit (loss) and other	110.88	25.40	131.76	212.11	243.25
10	Paid up Equity Share Capital (Face value Rs.10)	643.69	643.69	643.69	643.69	643.69
11	Reserves excluding Revaluation Reserves as per Balance Sheet of previous					
12.i	Earnings per Share (before extraordinary items) (of Rs.10 each) (not annualised):					
(a)	Basic	1.72	0.39	2.05	3.30	3.78
(b)	Diluted	1.72	0.39	2.05	3.30	3.78
12.ii	Earnings per Share (after extraordinary items) (of Rs.10 each) (not annualised):					
(a)	Basic	1.72	0.39	2.05	3.30	3.78
(b)	Diluted	1.72	0.39	2.05	3.30	3.78

- 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 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 24th May, 2023
4 Financial Results of the Company have been prepared in accordance with the IND AS notified under Companies (Indian Accounting Standard) Rules 2015 as ammended by Companies (Indian Accounting Standard) Rules 2015

By Order of the Board

ARVIND VARCHASWI N
MANAGING DIRECTOR
DIN:00143713

Place: Bangalore
Date: 24.05.2023



Source Natural Foods and Herbal Supplements Ltd

(CIN: L24231KA1995PLC101742)

No. 201, Second Floor, Sumeru Towers, #54/46, 39th A Cross, 11th Main Road, Jayanagar
4th T Block, Bangalore, Karnataka-560041

The Standalone Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	Note No.	31st March, 2023	31st March, 2022
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	643.69	643.69
(b) Reserves and surplus	2	1,127.99	915.88
(c) Money received against share warrants			
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	3	0.35	2.35
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	-	-
(d) Long-term provisions	5	54.65	49.32
4 Current liabilities			
(a) Short-term borrowings	6	2.00	1.81
(b) Trade payables	7	212.59	149.32
(c) Other current liabilities	8	87.82	97.34
(d) Short-term provisions	9	39.93	72.63
TOTAL		2,169.03	1,932.34
II. ASSETS			
1 Non-current assets			
(a) Property, plant and Equipment & Intangible assets			
(i) Property, Plant and Equipment	10	458.25	500.29
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)		23.52	54.18
(d) Long-term loans and advances	12	6.60	7.46
(e) Other non-current assets	13	-	-
2 Current assets			
(a) Current investments	14	-	-
(b) Inventories	15	381.68	276.36
(c) Trade receivables	16	740.80	773.83
(d) Cash and cash equivalents	17	291.40	87.29
(e) Short-term loans and advances	18	266.77	232.91
(f) Other current assets	19	-	-
TOTAL		2,169.03	1,932.34

Place: Bangalore
Date: 24.05.2023



By Order of the Board

ARVIND VARCHASWI N
MANAGING DIRECTOR
DIN:00143713

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	31.03.2023	31.03.2022
Cash Flow from Operating Activities		
Net Profit/ (Loss) before Tax and Extra-ordinary Items	273.58	368.15
Adjustment for:		
Depreciation and Amortisation Expenses	35.36	41.58
Income Tax Expenses	(61.46)	124.89
Amortisation of Intangible Expenses	0.00	
Interest	23.54	15.27
Loss / (Profit) on Deletions of Fixed Assets	(1.22)	0.00
Operating Profit/ (Loss) Before Working capital Changes	269.79	300.10
Inventories	(105.32)	(102.70)
Trade Receivables	33.03	(175.31)
Other Current Assets	0.00	0.00
Current Liabilities	53.75	71.26
Cash from Operations	251.25	93.35
Deferred Revenue Expenses Incurred	0.00	(163.67)
Net Cash Flow From Operations	251.25	(70.32)
Cash flow from Investing Activities		
Purchase of Fixed Assets	7.91	(154.25)
Capital Work - in - Process	0.00	33.58
(Increase)/Decrease in Loans & Advances	(33.00)	30.24
Differed Tax Assets (Net)	30.66	97.19
Investment in Fixed Deposits	0.00	0.00
Net Cash used for Investing activities	5.56	6.77
Cash Flow from Financing Activities		
Share Application Money		
Loss on Capital Reduction		
Share Premium		
Divident Alloted	0.00	0.00
Long Term Provisions	(27.37)	(15.32)
Secured Loans	(1.81)	(89.17)
Interest	(23.54)	(15.27)
Unsecured Loans		
Net Cash from Financing Activities	(52.71)	(119.76)
Net Increase in cash and Cash Equivalues	204.10	(183.31)
Cash and Cash Equivalents, beginning of the year	87.29	270.60
Cash and Cash Equivalents, end of the year	291.40	87.29
1. Cash & Cash Equivalents		
Cash on hand	0.37	0.16
Balances with Schedule Banks in Current Account	291.03	87.14
Total	291.40	87.29
2. Prepared on the basis of the Accounted Financial Statements		
3. The above cash flow statement has been prepared under the "Indirect Method" Setout in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.		

The accompanying notes form an integral part of the standalone interim financial statements

For and on behalf of the Board of Directors

Arvind Varchaswi N
Managing Director
DIN:00143713



Place: Bangalore
Date : 24.05.2023



INDEPENDENT AUDIT 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 **M/s. SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribe under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we does not have observed any key audit matters required to be reported separately.





Other Matters:

The continuous spreading of COVID -19 across India has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the entire audit was carried out based on remote access in certain sections of the data as provided by the management of the Company and relied on the reports of the Internal auditors for stock verification physically . This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, and reliable, and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information Other than the Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.





Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act 2013 with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Section 133 of the Act read with Rules 7 of the Companies(Accounts Rules 2014 This responsibility maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and preventing and detecting frauds and other irregularities , selecting and application of appropriate accounting policies : making judgements and estimates that are reasonable and prudent: and design implementation of adequate internal financial controls , that were operating effectively for ensuring 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 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.





Other Matters

- a) Predecessor auditor to audit transition adjustments

The comparative financial information of the company for the transition date opening balance sheet as at 1st April 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the opening balance sheet dated 27th May 2015 expressed an unmodified opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March, 2023; and
- (b) In the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date and 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account and returns ;





- d. in our opinion, the 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 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- f. With respect to the adequacy of the internal financial Controls over Financial reporting of the Company and the operating effectiveness of the controls , refer to separate report in Annexure A
- g. With respect to the other matters to be reported in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to explanation given to us .
- (i) The company has disclosed in its notes to accounts, the pending litigations and its effect on the financial position of the company and the financial statement.
- (ii) In our opinion, as required by law or under the accounting standards, there was no further material losses for which any provision was required and there were no long term contracts including derivative contracts for which any provision for losses was required.
- (iii) There were no monies that needed to be deposited in the Investor Education and Protection Fund of the Company

For Srinaga & Giridharan
Chartered Accountants
Firm No.004013S

S.R. SRINAGA

Partner

M. No. 022767

Place: Bengaluru

Dated: 24.05.2023

UDIN:23022767BGYKNI2021





SOURCE NATURAL FOODS AND HERBAL SUPPLIMENTS LIMITED

**ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To

The Members of Source Natural Foods and Herbal Supplements Limited.

We have audited the internal financial controls over financial reporting of Source Natural Foods And Herbal Supplements Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(1)) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Srinaga & Giridharan
Chartered Accountants
Firm No.004013S**

SR Srinaga

Partner

M. No.022767

Date: 24.05.2023

Place: Bengaluru

UDIN: 23022767BGYKNI2021





ANNEXURE(B) REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF M/S. SOURCE NATURAL FOODS AND HERBAL SUPPLEMENT LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2023.

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that :-

1. i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(b) The company is maintaining proper records showing full particulars of intangible assets.
 - ii. The Property, Plant & Equipment have been physically verified by the management at reasonable intervals.
 - iii. The title deeds of immovable properties shown in the financial statements are held in the name of the company.
 - iv. The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.
 - v. No proceedings have been initiated against the company for holding Benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, therefore no details of the same.
2. (i) Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed have been properly dealt with in the books of account.

(ii) The monthly statements filed by the company with banks/financial institutions are in agreement with the books of the company.
 3. (i) The company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.
 4. The company has not given any loans or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.





5. The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured by the company.

7. (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.

(ii) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under Protest
Commercial Tax	CST Tax	5,09,309.00	FY 2012-13	Commercial Tax Telangana	NIL

8. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

9. (i) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.

(ii) The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(iii) The term loans have been utilized for the purposes for which they were obtained.

(iv) The funds raised on a short-term basis have not been utilized for long term purposes.

(v) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(vi) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. (i) The company has not made any initial public offer during the year.

(ii) The company has not made any preferential allotment or private placement of shares/debentures during the year.





11. (i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the course of our audit.

(ii) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 have been filed with the Central Government.

(iii) We have considered whistle-blower complaints, if any, received during the year by the Company. There was none received during the year.

12. The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

13. (i) The company has an internal audit system commensurate with the size and nature of its business.

(ii) The reports of the Internal Auditors for the period under audit have been considered.

14. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.

15. (i) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.

(ii) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

(iii) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

(iv) No Company or any group company is as part of the CIC or there is a company which is part of any CIC. The company has not incurred cash losses during the Financial or in the immediately preceding financial year.

16. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

17. There has been no resignation of the statutory auditors during the year





18. On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
19. (i) In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (ii) In respect of other than ongoing projects, the company has not transferred any amount remaining unspent under section (5) of section 135 of Companies Act to special account in compliance with provision of sub section (6) of section 135 of the said Act
20. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.
21. The company is not a Nidhi Company; hence this clause is not applicable.

Other Regulatory Information

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

- a. The company does not have any pending litigations which would impact its financial position cannot be quantified at this stage.
- b. The company does not have any long-term contracts requiring a provision for material foreseeable losses.
- c. The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- d. The company has not advanced any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide





any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.

- e. The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts
- f. The company has not declared or paid any dividend during the year.

For Srinaga & Giridharan
Chartered Accountants
F No.004013S

S.R. Srinaga
Partner (M No.022767)

Place : Bengaluru

Date:24.05.2023

UDIN: 23022767BGYKNI2021





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: +91-80-26087733
Email: info@source-natural.com
Website: www.source-natural.com
CIN: L24231KA1995PLC101742

To,
The Manager,
Department of Corporate Services,
BSE Limited,
25th Floor, PJ Towers,
Dalal Street,
Mumbai - 400 001

24.05.2023

Sir/Madam,

Sub: Intimation Declaration of impact of Audit Qualification on Audited Financial Statement for the year ended 31st March, 2023

Ref: Scrip code: 531398

Pursuant to the SEBI Circular CIR/CFD/CMD/5/6/2016 dated 27th May, 2016 on "Disclosure of impact of Audit Qualification by the listed entities" and circular issued thereafter by Bombay Stock Exchange (DCS/COMP/04/2016/17 dated 1st June, 2016), we submit herewith the declaration of impact of Audit Qualification on Audited Financial Statement for the year ended 31st March, 2023.

Kindly acknowledge the receipt and do the needful.

Thanking You,

Yours faithfully

For Source Natural Foods and Herbal Supplements Limited

Arvind Varchaswi N
Arvind Varchaswi N
Managing Director
DIN: 00143713





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: +91-80-26087733

Email: info@source-natural.com

Website: www.source-natural.com

CIN: L24231KA1995PLC101742

DECLARATION FOR AUDIT REPORT WITH UNMODIFIED OPINION FOR AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

We hereby confirm that our statutory auditors' M/s Srinaga & Giridharan, Chartered Accountants have expressed an un modified opinion in their audit report on the financial statements of the Company for the year ended 31st March, 2023.

For Source Natural Foods and Herbal Supplements Limited

Arvind Varchaswi N
Managing Director
DIN: 00143713

