



## Source Natural Foods and Herbal Supplements Limited

Registered Office: 201, 11<sup>th</sup> Floor, Sumeru Towers,  
#54/46, 39<sup>th</sup> A Cross, 11<sup>th</sup> Main Road,  
Jayanagar 4<sup>th</sup> T Block, Bangalore - 560 041  
Phone: +91-80-26087733  
Email: info@source-natural.com  
Website: www.source-natural.com  
CIN: L24231KA1995PLC101742

06<sup>th</sup> September 2024

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

Dear Sir/Madam,

**Sub: Notice of the 29th Annual General Meeting ('AGM') of the Company & Annual Report for the Financial Year ended March 31, 2024.**

**Ref: Scrip Code: 531398**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with reference to Reg. 30(2) read with para-A of part A of Schedule III of SEBI (LODR) Regulations, 2015, please find enclosed the:

1. **Notice** and the Explanatory Statement of the 29th Annual General Meeting of the Company to be held on Monday, 30th September 2024 at 11:00 a.m. (IST) through Video Conference/Other Audio Visual Means. The said Notice forms part of the Annual Report for FY 2023-24.
2. **Annual Report** for the Financial Year ended March 31, 2024.

The said Annual Report is being sent through electronic mode to the shareholders of the Company and is available on the website of the Company at <https://www.source-natural.com/pages/annual-report-annual-returns-2024>.

Kindly take the same on record.

Thanking you,

**For Source Natural Foods and Herbal Supplements Limited**

Narasimhan Arvind Varchaswi  
Managing Director  
DIN: 00143713  
**Encl: As above**



# **29TH ANNUAL REPORT**

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2023-24





# BOARD OF DIRECTORS

- ▶ **Mr. Arvind Varchaswi**  
Managing Director
- ▶ **Mr. Narayanan Narasimhan**  
Non-executive Director & Chairman
- ▶ **Mr. Tejagna Katpitia**  
Director
- ▶ **Mr. Srinivas Gowra**  
Independent Director
- ▶ **Mr. Sriram Chandrasekaran**  
Independent Director
- ▶ **Mr. Chandrakumar L. Rathi**  
Independent Director
- ▶ **Mrs. Bharathy**  
Independent Director



# KEY MANAGERIAL PERSONNEL

**Mr. R. Ramachandra**  
Chief Financial Officer

**Mr. Yash Jain**  
Compliance Officer & Company Secretary

## Registered Office

201, II Floor, Sumeru Towers, #54/46, 39th A Cross,  
11th Main Road, Jayanagar 4th T Block, Bangalore-560 041,  
Karnataka, India.

CIN: L24231KA1995PLC101742 | Phone: 080 26087733  
Fax: 080 22449505

web: [www.source-natural.com](http://www.source-natural.com)  
e-mail: [info@source-natural.com](mailto:info@source-natural.com)

## Share Transfer Agents

Venture Capital & Corporate Investments Private Limited,  
"AURUM" Door No. 4-50/P-11/57/4F & 5F, Plot No. 57,  
4th & 5th Floor, Jayabheri Enclave, Phase - 11, Gachibowli,  
Hyderabad - 500032.

## Investors Contact e-mail id

[investor\\_relations@source-natural.com](mailto:investor_relations@source-natural.com)

## Auditors

Srinaga & Girdharan  
Chartered Accountants  
136/1, I Floor, 5th Main, Chamarajpet,  
Bangalore - 560018.



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## Corporate Overview

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Notice AGM 2024  
Director Report 2024  
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3

## Financial Statements

Independent Audit Report  
Balance Sheet



# MISSION & VISION



## VISION

Enabling a holistic approach towards health and well being by restoring values of Ayurveda in modern lifestyles. Providing authentic and effective products of the highest quality standards.



## MISSION

Kindle health & happiness in individuals through the holistic science of life, Ayurveda.

# OUR 360° APPROACH



### Inspired Physicians

Outreach to experienced Ayurveda doctors



### State of the Art Manufacturing & Production

Committed to maintain hygiene & safety standards in manufacturing our products. Driven by technology and stringent control systems.



### Established Retail & Supply Chain

A Strong supply chain system already present catering to a wide network of retail and modern trade outlets ensures timely delivery and quality service across length & breadth.



### Research & Development

In-house R & D experts and facility to ensure innovation & quality in our products.



### Responsible Products

High quality, responsible products for wholesome and healthy living

# OUR CERTIFICATIONS

A Commitment to the Highest Quality



AYUSH GMP



AYUSH Premium Mark



ISO 22000:2018



VEGAN



USDA Organic



National Program for Organic Production



PETA Approved



ISO 22716:2007



ANMAT Argentina



Site License Canada



Manufacturing Site Registration: UAE



Certificate of Registration: Oman



US FDA Food Facility Registration

# STATE-OF-THE-ART -MANUFACTURING





# OUR OFFERINGS

Range of Herbal Health Drinks



# OUR OFFERINGS

## Health Care Range





# OUR OFFERINGS

USDA Organic Tablets



# OUR OFFERINGS

White Label Solutions





# OUR FRONT RUNNERS

## OJASVITA

Natural Source of Essential Nutrients | Gives Overall Nourishment | Promotes Fit Body | Promotes Sharp Mind

## TRIPHALA

It acts as a very good laxative | Balances the tridoshas | It is also useful in eye related disorders

## ASHWAGANDHA

Balances nervous system | Promotes quality sleep | Restores energy and strength

## SHAKTI DROPS

Daily all round protection | Herbal Immunity Builder  
Builds strength & stamina | Safe for all Age groups  
8 Certified Organic Herbs



# WHAT MAKES US DIFFERENT



## Friends of Farmers

Education on natural farming and buy back support



## Credible Vendors

Sourcing certified raw materials



## Quality Check

Rigorous testing of each ingredient



## Giving back to the society



## Ancient Science of Ayurveda



## Spreading Health & Happiness

## Herbal, Effective Easy to use products



# \*PARTIAL LIST OF DIGITAL PRESENCE



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*Dear Member,*

You are cordially invited to attend the 29th Annual General Meeting of the members of Source Natural Foods and Herbal Supplements Limited ("the Company") to be held on Monday 30th September, 2024 at 11:00 a.m. through video conference and other audio-visual means ("VC").

The Notice of the meeting, containing the businesses to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 ("the Act"), read with the related rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the LODR Regulations"), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

Narayanan Narasimhan  
Chairman

Enclosures:

1. Notice of the 29th Annual General Meeting
2. Instructions for participation through VC
3. Instructions for e-voting

**Source Natural Foods and Herbal Supplements Limited.**

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

## NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of **SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED** will be held on Monday 30th September 2024 at 11.00 A.M through video conferencing ("VC")/other audio-visual means ("OAVM") to transact the following businesses:

### Ordinary Businesses:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended on 31st March 2024 together with the Reports of Directors, Auditors and such other Reports annexed thereon.
2. To appoint a director in place of Shri Tejagna Kashmira Katpita (DIN: 00445283) who retires by rotation and being eligible offers himself for re-appointment.

### Special Businesses:

#### 3. Appointment of Mr. Puvan Sripathy as an Independent Director.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, Mr. Puvan Sripathy (DIN: 02248626), who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th September 2024 to 29th September 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this Resolution."

#### 4. Appointment of Commodore H G Harsha as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time,

Commodore H G Harsha (DIN:10756417), who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th September 2024 to 29th September 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this Resolution."

#### **5. Appointment of Mr. Prasana Prabhu as an Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, Mr. Prasana Prabhu (DIN: 03055267), who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th September 2024 to 29th September 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this Resolution."

#### **6. Appointment of Mrs. Romila Sen as a Woman Independent Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, Mrs. Romila Sen (DIN: 01201142), who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th September 2024 to 29th September 2029.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this Resolution."

#### **7. Appointment of Mr. Sturle Harald Pedersen as Non-Executive Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, Mr. Sturle Harald Pedersen (DIN: 06951887), who is eligible for appointment as a Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this



Resolution.”

#### **8. Appointment of Dr. Jeewan Prakash Gupta as Non-Executive Director**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time, Dr. Jeewan Prakash Gupta (DIN: 00181105), who is eligible for appointment as a Director of the Company, and whose appointment is recommended by the Board's Nomination and Remuneration Committee, and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a non-executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this Resolution.”

#### **9. Approval for Material Related Party Transactions with Sriveda Sattva Private Limited**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and Companies (Meetings of Board and its powers) Rules 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ' the Board' which term shall be deemed to include any committee which the Board may constitute for this purpose) for execution of contracts with the related parties as set out below and in which the Directors of the Company are interested, for the purpose of purchase or sale of goods or materials or for the purpose of receiving services, as the Board in its discretion deem proper, as per the terms and conditions:

Sl. No.	Name of Contracting Entity	Period of Contract	Value of Contract (Rs.)
1	Sriveda Sattva Private Limited	01/10/2024 to 30/09/2025	50 Crores

“RESOLVED FURTHER THAT the Audit committee and the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the transaction, and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary, proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

#### **10. Amendment to the object clause of the Memorandum of Association of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the Section 13 of the Companies Act, 2013 and read with rules framed thereunder and further subject to any other applicable provisions, if any, and other such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate statutory authority (ies), the Object Clause of the Memorandum of Association of the Company be and is hereby amended by inserting the below new clause in addition to the existing clause, as clause number '5' of the Main objects of the Company.

“To carry on the business of generating, accumulating, distributing and supplying energy using non-conventional and renewable sources, including but without limitation, wind, heat, solar, hydro, wave, tidal, ocean, geo-thermal, bio-mass, hydrogen and fuel cells and other such sources and to generate, buy, sell, supply, exchange, distribute, deal in and share the energy to Governments, Companies, Industrial Units, State Electricity Boards, for its own use or distribution or otherwise to other types of consumers of energy according to the Law for the time being in force and to promote, own, acquire, set up, erect, build, install, commission, construct, establish, maintain, improve, manage, operate alter, control, take on hire/ lease, carry out and run all necessary power substations, workshops, repair shops, wires, cables, maintain generators, machinery, electrical equipment and cables, wires, lines, accumulators, lamps, fittings and apparatus including related infrastructure and real estate projects in the capacity of principals, contractors, or otherwise and to deal, buy, sell and hire all apparatus and things required for or used in connection with generation, distribution, supply, accumulation of energy including in the term energy all power that may be directly or indirectly derived there from.”

“RESOLVED THAT pursuant to the provisions of Section 13(1) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re enactments thereof, for the time being in force), the Memorandum of Association of the Company be altered in the manner that "The Act" or "the said Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) applicable for Companies limited by shares and effecting the Company and wherever specific reference of Sections of the Companies Act, 1956 has been mentioned in the Memorandum, the same shall be deemed to be referring to the corresponding provisions of the Companies Act, 2013 or the Act for the time being in force and the rules made thereunder and in case of inconsistency or variation of any of the contents of the Memorandum of Association of the Company with the Companies Act, 2013, its

rules or the Act for the time being in force, the provisions of the Companies Act, 2013. its rules or the Act for the time being in force, shall prevail and the said contents of the Memorandum of Association of the Company shall be deemed to have been amended to that extent to confirm with the provisions of Section 4(6) of the Act".

"RESOLVED FURTHER THAT the altered Memorandum of Association incorporating the changes prescribed in Table A of Schedule I of the Companies Act, 2013 as circulated, be and is hereby approved and adopted".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite e-Form with the Registrar of Companies, Karnataka and take all decisions and steps necessary or expedient or proper, from time to time. for the purpose of giving effect to this Resolution."

#### **11. Amendment to the Articles of Association of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Articles of Association of the Company be altered in the manner that "The Act" or "the said Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) applicable for Companies limited by shares and effecting the Company and wherever specific reference of Sections of the Companies Act, 1956 has been mentioned in the Articles, the same shall be deemed to be referring to the corresponding provisions of the Companies Act, 2013 or the Act for the time being in force and the rules made thereunder and in case of inconsistency or variation of any of the Articles with the Companies Act, 2013, its rules or the Act for the time being in force, the provisions of the Companies Act, 2013, its rules or the Act for the time being in force, shall prevail and the said Article(s) shall be deemed to have been amended to that extent, in accordance with Section 5 (6) of the Act".

"RESOLVED FURTHER THAT the altered Articles of Association incorporating the changes as prescribed in Table F of Schedule I of the Companies Act. 2013 and proposed by the Board, as circulated, be and is hereby approved and adopted."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite E-Form with the Registrar of Companies, Karnataka and take all decisions and steps necessary or expedient or proper, from time to time, for the purpose of giving effect to this Resolution."

**Date: 06.09.2024**

**Regd. Office:** 201, II Floor, Sumeru Towers,  
#54/46, 39th A Cross, 11th Main Road,  
Jayanagar, 4th T Block, Bangalore – 56004

By Order of the Board  
**(Arvind Varchaswi N.)**  
**Managing Director**  
**DIN: 00143713**

## **NOTES**

1. Pursuant to the Circulars No. 14/2020, No. 17/2020, No. 20/2020, No. 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively and General Circular No. 10/2022 dated December 28, 2022, 25.09.2023 and other applicable circulars, (hereinafter, collectively referred as the "MCA Circulars") the Ministry of Corporate Affairs (the "MCA") has permitted companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), which does not require physical presence of the Members, Directors, Auditors and other persons at common venue. In compliance with the provisions of the Act, Listing Regulations and MCA Circulars, the 29th AGM is being held through VC / OAVM and the Notice and the Annual Report 2023-24 are being sent only by electronic mode to those Members whose Email addresses are registered with the Company / Depository Participant(s). Members may also note that the Notice and the Annual Report 2023-24 are also available on the Company's website, [www.source-natural.com](http://www.source-natural.com) and on the website of the Central Depository Services (India) Limited (CDSL) viz., <https://www.evotingindia.com> and on the websites of the Stock Exchange i.e. BSE Limited respectively.
2. As per the Act, a member is entitled to attend and vote at the AGM or is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company. However, as this AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on **30th August 2024**.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, **24th September 2024 to Monday, 30th September 2024** (both days inclusive), in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM.
6. The results of voting shall simultaneously be communicated to the Stock Exchange. The resolutions will be deemed to

be passed on the date of AGM subject to receipt of the requisite number of votes in favor of the resolutions.

7. The requirement to ratify the appointment of Auditors by the Members at every Annual General Meeting is done away with vide notification dated May 07, 2018 issued by the corporate affairs, New Delhi. Accordingly, no resolution is proposed for the ratification of appointment of auditors, who were appointed in the Annual General Meeting, held on 5th August 2021 for the period of 5 years.

8. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company, enclosing their share certificates to enable the Company to consolidate their holdings in one folio to facilitate better service.

9. Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.

10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, can be given as per email request.

11.

- a. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording of their shares.
- b. Members holding shares in physical mode are required to submit their permanent Account Number (PAN) and Bank account details (cancelled cheque of your bank account) to the Company/RTA viz. M/s. Venture Capital & Corporate Investments Private Limited, if not registered with the Company as mandated by SEBI.
- c. Members holding physical shares are requested to register/ update their e-mail address/ Telephone No. with the Company/ Venture Capital & Corporate Investments Pvt. Ltd for receiving all communications from the Company electronically and to immediately notify any change in their address to the Registered Office of the Company / RTA.
- d. SEBI has amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed Companies from accepting request for transfer of securities which are held in physical form, with effect from 1st April 2019. The shareholders who continue to hold shares in physical form even after this date will not be able to lodge the shares with Company/its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the RTA.

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

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and 5th May 2022 (collectively referred to as "MCA Circulars") along with SEBI Circular dated January 15, 2021 had permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.source-natural.com/pages/annual-report-annual-returns-2024>. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

I. The voting period begins Friday, **27th September 2024 (09.00 a.m) and ends on Sunday 29th September, 2024 (5.00 p.m)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **23rd September 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

III. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

IV. In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinewRegistration/EasiRegistration">https://web.cdslindia.com/myeasinewRegistration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

V. Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

VI. After entering these details appropriately, click on "SUBMIT" tab.

VII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

VIII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

IX. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

X. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

XI. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

XII. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

XIII. Once you "CONFIRM" your vote on the resolution you will not be allowed to modify your vote.

IXV. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

XV. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XVI. Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [cs@source-natural.com](mailto:cs@source-natural.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**ADDITIONAL INFORMATION OF DIRECTORS BEING APPOINTED AT THE ANNUAL GENERAL MEETING (Pursuant to Regulation 36(3) of SEBI(LODR) Regulation, 2015)**

**Item No. 2**

Name	Mr. Tejagna Kashmira Katpitia (DIN: 00445283)
Date of Birth	12-07-1981
Date of Appointment	14-06-2017
Qualification	Professional graduated from University of Mumbai
Directorship held in other Companies	A. Source Natural Foods and Herbal Supplements Limited B. Sriveda Sattva Private Limited
Membership/Chairmanships of Committees across other public Companies	NIL
Brief Profile covering experience, achievements etc	Experienced Executive Director with a demonstrated history of working in the health and wellness industry. Skilled in business planning, operations management, finance, sales & marketing communication and creative writing. Strong business development professional graduated from University of Mumbai.

Relationship with other Directors	He is not related to any other directors of the Company.
Shares held in the Company	27,365

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.  
Item No. 3 to 6**

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, has proposed the appointments of Mr. Puvan Sripathy (DIN: 02248626), Commodore H G Harsha (DIN:10756417), Mr. Prasana Prabhu (DIN: 03055267) and Mrs. Romila Sen (DIN: 01201142) as Independent Directors (each a "Proposed Director") of the Company, not liable to retire by rotation, who shall hold office for a term of five consecutive years commencing from 30th September 2024 to 29th September, 2029, in accordance with the provisions of Section 149 read with Schedule IV of the Act.

The Company has received notices in writing from a Member under section 160 of the Act proposing the candidature of each of the Proposed Directors for the office of Director of the Company.

Each Proposed Director has consented to act as Director of the Company and has given his/her declaration to the Board that he/she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR. In terms of Regulation 25(8) of the SEBI LODR, each Proposed Director has confirmed that he/she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his/her duties as an Independent Director of the Company. Each Proposed Director has also confirmed that he/she is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated 20th June 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, each Proposed Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act. Each Proposed Director has confirmed that he/she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, each of the Proposed Director fulfils the conditions for independence specified in the Act read with the Rules thereunder and the SEBI LODR for his appointment as an Independent Non- Executive Director of the Company and is independent of the Management. With regard to their qualifications, experience and knowledge, the Board considers that all the Proposed Directors' association would be of immense benefit to the Company, and it is desirable to avail the services of the Proposed Directors as Independent Directors.

A copy of the draft letter for appointment of each of the Independent Directors setting out the terms and conditions of their appointment, respectively, will be available for inspection by the members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice. The brief profile and specific areas of expertise of each Proposed Director forms part of this Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the SEBI LODR and other applicable regulations, the appointment of each of the Proposed Directors as an Independent Director for five consecutive years commencing from 30th September 2024 is now placed for the approval of the members by a Special Resolution. Each Proposed Director would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, if approved by the Board of Directors.

The Board recommends the Special Resolutions set out in Item Nos. 3 to 6 of the accompanying Notice for approval of the Members. None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 3 to 6 of the accompanying Notice. The Proposed Directors are not related to any other Director or KMP of the Company.

Mr. Puvan Sripathy will be attaining the age of 75 years during his proposed term of office as an Independent Director. In view of his rich varied professional experience, the Board is of the opinion that his appointment and continuation as an Independent Director even after attaining the age of 75 years would be in the best interest of Company and its stakeholders.

**Brief profile of the Proposed Directors:**

Name of Director	Mr. Puvan Sripathy	Commodore H G Harsha	Mr. Prasana Prabhu	Mrs. Romila Sen
Director Identification Number (DIN)	2248626	10756417	3055267	1201142
Date of Birth	23-08-1953	11-07-1956	24-10-1971	29-12-1962
Date of First Appointment on the Board	Not applicable (New appointment)	Not applicable (New appointment)	Not applicable (New appointment)	Not applicable (New appointment)
Qualification	M Sc (Civil Engineering), from National University of Singapore	B.E in E&C., M.Sc., master in management studies	Graduation	Graduation

Brief Profile	Mr. Sripathy is a Postgraduate in M.Sc. (Civil Engineering) from National University of Singapore. He brings in 47 years of rich and varied professional experience in business management, operations, project management, design and construction of major public infrastructure and real estate projects across several countries including Europe, South-East Asia and Indian Sub-Continent.	Commodore Harsha is a farmer, Indian Naval Officer, retired in the rank of Commodore after 30 years of active service, trained to be Nuclear Submariner, who had the opportunity to head the Electrical and weapons department of Aircraft carrier as well. Worked as a Consultant and Advisor on Defence projects for 10 years with Tata Consultancy Services in Bangalore. Joined NGO 'Vyakti Vikas Kendra India' as a volunteer to serve the humanity, currently serving as the Chairman of Sri Sri Ravishankar Vidya Mandir (SSRVM).	Mr. Prabhu is a visionary leader and a pioneering force for driving change. Mr. Prabhu's journey unfolds as a captivating chronicle of personal evolution and societal change. Prasana Prabhu is the Chairman at Vyakti Vikas Kendra India, an integral part of The Art of Living movement. Here, his leadership extends far beyond traditional boundaries. He forges strong partnerships with heads of government and corporate bodies, passionately championing wide ranging social initiatives such as water conservation, agriculture sustainability, environmental protection, afforestation, rural and border village development, women's empowerment, skill development, free education, waste management, and renewable energy.	Mrs. Romila Sen was born in Kolkata, India. An honors graduate in English literature, she had previously been on the Board of IAHV (International Association of Human Values). At present she serves as a Trustee of Vaidic Dharma Sansthan Trust; a Charitable Religious, Spiritual and Educational body, which works towards promoting the Indian culture and educational heritage. She is also a Director of the International Women's Conference held biannually at the Art of Living International Centre in Bangalore, India.
Nature of expertise in specific functional area/ skills and capabilities	Engineering, General Management, Finance, Business Strategy and Project management	Administration, General Management, and Operations Management.	Finance, General Administration, Training and Development, People Management and Personality Development.	Human Resource Management, Training and Development and Personality Development.
Directorships in other Companies	Hyenr Private Limited	Nil	1. Srisamrudhi Ventures Private Limited 2. Shardha M.H. One Tv Network Private Limited 3. Sumeru Entertainments Private Limited	1. RDZ Consultants Private Limited 2. Sumeru Knowledge Foundation 3. Sumeru Knowledge Foundation
Memberships of Committees in other Companies	Nil	Nil	Nil	Nil
Number of Board meetings of the Company attended during FY 2023-24	Not applicable (new appointment)	Not applicable (new appointment)	Not applicable (new appointment)	Not applicable (new appointment)
Remuneration sought to be paid	Nil	Nil	Nil	Nil



Last drawn remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Listed entities from which director has resigned as Director in past 3 years	Nil	Nil	Nil	Nil
No. of Shares held in the Company, including shareholding as a beneficial owner	Nil	Nil	Nil	Nil
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	Not related any other Director in the Company.	Not related any other Director in the Company.	Not related any other Director in the Company.	Not related any other Director in the Company.

### Item No. 7 to 8

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, has proposed the appointments of Mr. Sturle Harald Pedersen (DIN: 06951887) and Dr. Jeewan Prakash Gupta (DIN: 00181105) as Non-executive Directors (each a "Proposed Director") of the Company liable to retire by rotation.

The Company has received notices in writing from a Member under section 160 of the Act proposing the candidature of each of the Proposed Directors for the office of Director of the Company.

Each Proposed Director has consented to act as Director of the Company. Each Proposed Director has also confirmed that he is not debarred from holding the office of a Director by virtue of any SEBI Orders or any such Authority pursuant to circular dated 20th June 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by listed companies. Further, each Proposed Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, having considered their qualifications, experience and knowledge, the Board considers that both the Proposed Directors' association would be of immense benefit to the Company, and it is desirable to avail the services of the Proposed Directors as Non-executive Directors.

A copy of the draft letter for appointment of each of the Directors setting out the terms and conditions of their appointment, respectively, will be available for inspection by the members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice. The brief profile and specific areas of expertise of each Proposed Director forms part of this Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the SEBI LODR and other applicable regulations, the appointment of each of the Proposed Directors as a Non-executive Director is now placed for the approval of the members by a Special Resolution. Each Proposed Director would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, if approved by the Board of Directors.

The Board recommends the Special Resolutions set out in Item Nos. 7 and 8 of the accompanying Notice for approval of the Members. None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 7 and 8 of the accompanying Notice. The Proposed Directors are not related to any other Director or KMP of the Company.

Dr. Jeewan Prakash Gupta has attained the age of 75 years. In view of his rich varied professional experience, the Board is of the opinion that his appointment and continuation as a Director would be in the best interest of Company and its stakeholders.

### Brief profile of the Proposed Directors:

Name of Director	Mr. Sturle Harald Pedersen	Dr. Jeewan Prakash Gupta
Director Identification Number (DIN)	6951887	181105
Date of Birth	16-12-1961	26-09-1946
Date of First Appointment on the Board	Not applicable (New appointment)	Not applicable (New appointment)
Qualification	Masters in economics & Finance	Ph.D. in Environmental Engineering
Brief Profile	Mr. Sturle Harald Pedersen has more than 30 years of global experience in leading successful businesses initiatives. He has extensive experience of leading international government alliances and negotiations, mergers, and acquisitions, securing funding and strategic partnership.	Dr. Jeevan Prakash Gupta is a widely travelled, skilled Policy Maker and Strategic Planner. He has contributed widely towards policy making in various companies and the Government of India. He has done his Ph.D. in Environmental Engineering from University of Canada, Toronto in 1985.

	He is passionate about leading companies to adopt sustainable practices and technologies that reduce their carbon footprint and contribute to a cleaner, greener future.	
Nature of expertise in specific functional area/ skills and capabilities	Finance, Mergers, Strategic Alliances, General Management, Administration, Business Strategy and execution, etc	Finance, General Management, Business Strategy and execution, etc
Directorships in other Companies	1. Rudra Gas Greenstat Hydrogen Private Limited 2. Hyenr Private Limited 3. Fiberstrength India International Private Limited 4. Greenstat Hydrogen India Private Limited	1. Hyenr Private Limited 2. Centre Of Excellence For Hydrogen Urja Foundation 3. Allport International Private Limited 4. Fiberstrength India International Private Limited 5. Greenstat Hydrogen India Private Limited
Memberships of Committees in other Companies	Nil	Nil
Number of Board meetings of the Company attended during FY 2023-24	Not applicable (new appointment)	Not applicable (new appointment)
Remuneration sought to be paid	Nil	Nil
Last drawn remuneration	Not applicable	Not applicable
Listed entities from which director has resigned as Director in past 3 years	Nil	Nil
Disclosure of inter-se relationships between Directors and Key Managerial Personnel	Not related any other Director in the Company.	Not related any other Director in the Company.

## Item No. 9

The Members are informed that the Company has been carrying on transactions with its holding Company, Sriveda Sattva Private Limited and it is proposed that the same shall continue after the expiration of the present approval from Members in September 06, 2023.

The proposed transactions' limits as mentioned below are proposed for approval.

Sriveda Sattva Private Limited is engaged in the trading of Ayurvedic and Food Supplements in India. It is a private limited company, promoter and holding company of the Company in which Mr. Arvind Varchaswi N, Managing Director, Mr. Narayanan Narasimhan, Chairman/Director and Mr. Tejagna Kashmira Katpitia, Director of the Company are Directors.

Source Natural has a wide network of distributors and retailers and further sells the products of Sriveda Sattva Private Limited through its network.

The Particulars of the transactions pursuant to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the Party	Name of the Director Interested	Nature of Relationship	Particulars of Contract or arrangement	Material or Monetary Value of Contract	Duration of Contract
Sriveda Sattva Private Limited	Mr. Narayanan Narasimhan (00143620) – Chairman Mr. Arvind Varchaswi N (00143713) Director	Promoter and Holding Company	Purchase of goods & services and Sale of goods and services	Rs. 50 Crores	01/10/2024 to 30/09/2025



## **Terms of Contract or Arrangement:**

The Company buys/manufactures products under the brand name or trademark as may be decided by both the parties from time to time. Sriveda further sells these products to the Customers using its existing distribution network throughout India. Source Natural sells the products to Sriveda Sattva Private Limited at market rate/arm's length price in ordinary course of business.

Your Board of Directors request the members to approve the transactions by passing it as a Special resolution.

None of the Directors, Key Managerial Personnel of Company and their relatives other than Mr. Narayanan Narasimhan and Mr. Arvind Varchaswi N are concerned or interested in the said resolution.

## **Item No. 10 and 11**

The Members are informed that the Company wishes to explore business opportunities in the green and clean energy sector to play a significant role in this emerging space worldwide, in addition to present line of business.

Accordingly, it is proposed to amend the object clause of the Memorandum of Association of the Company to include the business of generating, accumulating, distributing and supplying green and clean energy using natural, renewable and clean sources and complimentary projects for related infrastructure and real estate.

The amendment to the object clause of the Memorandum of Association requires the approval of the members by way of special resolution and further subject to the approval of the Registrar of Companies.

The existing Memorandum of Association (MOA) and Articles of Association (AOA) is in accordance with the Companies Act, 1956 and several regulations in the existing MOA, AOA contain references to some specific sections of the Companies Act, 1956, which are no longer in conformity with the Companies Act, 2013.

In order to make the Memorandum of Association and Articles of Association of the Company in tandem and to comply with the relevant sections/ provisions of the Companies Act, 2013 and rules made thereof it is proposed to replace the existing Memorandum of Association and Articles of Association of the Company by a new set of Memorandum and Articles. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

Pursuant to Section 13 and Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Memorandum and Articles of Association of the Company respectively. Accordingly, this matter is to be placed before the Members for approval.

The new MOA and AOA are to be substituted in place of existing MOA and AOA. MOA is based on Table 'A' and AOA is largely based on Table 'F' of the Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

A copy of the new set of Memorandum and Articles of Association of the Company proposed to be adopted together with the proposed alterations would be available for inspection by the members at the registered office of the Company during normal business hours on any working day, excluding Sunday, up to and including the date of the Annual General Meeting.

The Board recommends the Special Resolutions set out in Item No.10 and 11 of the accompanying Notice for approval of the members. None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 10 of the accompanying Notice.

## DIRECTORS' REPORT

To,  
The Members,  
**Source Natural Foods and Herbal Supplements Limited.**  
Bangalore

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2024. The Financial Highlights for the year under review are given below:

### 1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
Total revenue	2730.31	1980.04
Profit/ (Loss) before exceptional and extraordinary items and tax	322.81	273.58
Exceptional Items	5.00	0
Profit before extraordinary items and tax	317.81	273.58
Extraordinary Items	0	0
Tax expenses	144.15	61.46
Net Profit/(Loss) carried to Balance Sheet	173.65	212.11
Earnings Per Share (Basic/ Diluted)	2.7	3.3

### 2. PERFORMANCE REVIEW:

The Total revenue of the Company for the year ended 31st March 2024 was Rs. 2,730.31 Lakhs, as compared to the total revenue in previous year of Rs. 1,980.04 Lakhs.

The total expenses for the year ended 31st March 2024 have increased to Rs. 2,407.50 lakhs compared to Rs. 1,706.46 lakhs of the previous year ended 31st March 2023.

#### Company Performance and Valuation

- **Growth Metrics:** The Company has experienced impressive growth with a topline of approximately 37% over the last year. Your directors are confident of continuous growth in the coming years in terms of revenue and profitability.
- **Financial Strength:** Strong financial fundamentals are evidenced by peer-average net margins and ROE percentages. The intrinsic value of the company exceeds its current market capitalization, suggesting potential for further growth.

#### New Product Launch

- **Product Introduction:** The company has planned to expand its product portfolio with new launches in Ayurvedic Medicines and Foods Supplements segments.

#### Marketing Strategy

- **Communication:**
  - a. Pull Mechanism: Leverages reputation and cumulative advantages to attract customers rather than traditional push methods.
  - b. Direct Marketing: Utilizes personal presentations, product demonstrations, and participation in industry events to build and maintain relationships.
- **Customer Engagement & Retention:**
  - a. Acquisition Criteria: Focuses on clients' creditworthiness, market standing, and long-term relationship potential.
  - b. Ongoing Engagement: Regular interaction to align with customer preferences and market trends, aiming for high customer satisfaction and delight.
- **Target Audience Segmentation:**

- a. National Chains: Company is engaging with some other channels for products to be on their shelves in newer markets. Formal presentations and demonstrations are being made.
- b. Local Chains: Informal approaches with physical stock presentations and product benefits explanations.
- c. Family or standalone Stores: Personalized engagement with high retention.
- **Distributors & Exporters:** Tailored strategies for supply and export are being worked upon continuously as per market needs.

- **Industry Challenges and Future Outlook**

- a. Labour Issues: Shortage of skilled labor and resistance to automation due to traditional methods.
- b. Automation: The shift towards high-end automation is ongoing but slow, with a need for systematic training for new technologies.

### **3. FUTURE PROSPECTS & OUTLOOK:**

The future looks to be very interesting for the dietary supplements market. Ayurveda and herbal are increasingly becoming “back to roots” answers to modern problems. Your company vision is to make the Ayurveda reach across the globe by focusing on selling Ayurveda-based and immunity-boosting products. The requirements of consumers have shifted to healthy foods and beverages options. With the onset of Covid-induced pandemic, consumers are now demanding for immunity boosters and this trend is boosting FMCG immunity portfolio.

Your Company intends to focus on increasing their portfolio of immunity-boosting products and will continue to contribute towards the growth of Ayurveda and Herbal Supplements and at the same time enhance shareholders wealth by accelerated performance.

Source Natural is all geared up for 2024-25 with new product lines. The focus will be on offering wellness products enriched with Ayurvedic herbs.

### **4. RESEARCH AND DEVELOPMENT:**

Ayurveda refers to natural ancient healthcare system and science of medicine. The Indian ayurvedic products market is primarily driven by the increasing preference for organic and natural products among the masses. In line with this, the rising awareness regarding the harmful effects of chemicals utilized in the food and daily use products and the growing health-consciousness among individuals are creating a positive market outlook. Moreover, the penetration of high-speed internet and the rising popularity of social media among the masses are further providing a boost to the demand for ayurvedic products in India. The research methodology should be planned and adopted accordingly.

### **5. DIVIDEND:**

In order to conserve the available resources for future growth, your directors do not recommend any dividend for the financial year ended 31-03-2024.

### **6. AMOUNT TRANSFERRED TO RESERVES:**

Your directors do not propose to transfer any amount to any reserves. The entire profit will be retained as surplus.

### **7. CHANGE IN THE NATURE OF BUSINESS:**

As per the requirements Rule 8(5)(ii) of the Companies (Accounts) Rules, 2014, Company declares that there is no significant change in the nature of business of the Company during the financial year under review.

### **8. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

As per the requirements Section 134(3)(l) of the Companies Act, 2013, Company declares that, there are no significant material changes and commitments affecting financial position of the Company between 31st March, 2024 and the date of Board's Report.

### **9. SHARE CAPITAL:**

The Authorised Share Capital of your Company is Rs.9,00,00,000/- divided into 90,00,000 Equity Shares of Rs. 10/- each. The Paid-up Capital is Rs. 6,43,69,310/- divided into 64,36,931 Equity Shares of Rs. 10/- each.

During the year under review, there is no change in the Share Capital of the Company.

#### **a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (Share capital and Debentures) Rules, 2014.

#### **b. Issue of Sweat Equity Shares:**

The Company has not issued any sweat equity share during the financial year, in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

#### **c. Issue of Equity Shares with Differential Rights:**

The Company has not issued any equity shares with differential voting rights during the financial year, as per Rule 4(4) of Companies (Share capital and Debentures) Rules, 2014.

**d. Issue of Employee Stock Option:**

The Company has not issued any employee stock option during the financial year, as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**KEY MANAGERIAL PERSONNEL:**

In compliance with Section 203 of the Companies Act, 2013, the following are the Key managerial Personnel of the Company:

Mr. Arvind Varchaswi N.	- Managing Director
Mr. R. Ramachandra	- Chief Financial Officer
Mrs.Ruchi Chowdhury	- Company Secretary & Compliance Officer*

**\*Mrs. Ruchi Chowdhury has resigned with effect from 31st July 2024**

**A. RETIREMENT BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Tejagna Katapitia retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

**B. APPOINTMENT**

Mrs. Ruchi Chowdhury was appointed as Company Secretary and Compliance Officer effective from April 27, 2023. Except for this, no appointment of KMP and Directors have occurred during the year under review.

**C. CESSATION**

No cessation of KMP and Directors have occurred during the year under review.

**D. POLICY ON DIRECTORS' APPOINTMENT, ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND POLICY ON REMUNERATION:**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Board adopted the policy on appointment of Board members including criteria for determining qualification, positive attributes, independence of a director and the policy on remuneration of Directors, KMP.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive directors and non-executive directors. The same was discussed in the Board meeting that followed, at which the performance of the Board, its Committees and individual directors were discussed.

**E. DECLARATION OF INDEPENDENT DIRECTORS:**

In accordance with Section 149(7) of the Companies Act, 2013, the Independent Directors of your Company, have given a Declaration that they meet the criteria of Independence as provided in sub section (6)of Section 149 of the Act. There has been no change in terms and conditions of appointment of Independent Directors.

(I) Familiarization Programmes for Independent Directors:

In accordance with the requirements of Listing Regulations, all the Independent Directors are familiarized with their roles, rights and responsibilities in the Company at the time of appointment and also on a recurrent basis. The details of the policy relating to appointment of Independent Directors and familiarization programme imparted to Independent Directors of the Company during Financial Year 2023-24 are available on the website of the Company at: <http://www.source-natural.com>.

**F. PARTICULARS OF REMUNERATION TO DIRECTORS/KMP/EMPLOYEES:**

There were no employees during the year 2023-24 covered under the provisions of Section 197of the Companies Act, 2013.

The details of Remuneration paid to the Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Form MGT-7 which is posted on website of the company. <https://www.source-natural.com/pages/annual-report-annual-returns-2024>.

## 11. NUMBER OF MEETINGS OF THE BOARD AND THEIR ATTENDANCE DURING THE FINANCIAL YEAR 2023-24

Sl. No.	Date of the Board Meeting	Name of the Director & their Attendance						
		Mr. N. Narasimhan	Mr. Arvind Varchaswi . N	Mr. Tejagna Katpitia	Mr. Srinivas Gowra	Mr. Sriram Chandrasekaran	Mr. C L Rathi	Mrs. Bharathy
1	27.04.2023	P	P	P	P	LoA	LoA	P
2	24.05.2023	P	P	P	P	P	LoA	P
3	31.07.2023	LoA	P	P	P	LoA	P	P
4	11.08.2023	LoA	P	P	P	P	P	LoA
5	09.11.2023	P	P	P	P	LoA	P	LoA
6	14.02.2024	P	P	LoA	P	LoA	P	P

## 12. NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:

During the year 2023-24, the Committee met 5 (Five) times on the following dates, viz, May 24, 2023, July 31, 2023, August 11, 2023, November 9, 2023 and February 14, 2024.

The following are the details of the Directors, their attendance at the Audit Committee Meeting held during the year 2023-24.

Name	Designation in committee	Attendance
Mr. Srinivas Gowra	Chairman	5
Mr. Sriram Chandrasekaran	Member	2
Mr. Chandrakumar L. Rathi	Member	4

## 13. NUMBER OF MEETINGS OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted pursuant to the provisions of the Companies Act, 2013.

During the year one meeting of the Committee was held on 9th November 2023.

The following are the details of the Members, their attendance at the Stakeholders Relationship Committee Meeting held during the year 2023-24.

Name	Designation	Attendance
Mr. Sriram Chandrasekaran	Chairman	-
Mr. Srinivas Gowra	Member	1
Mr. Arvind Varchaswi N.	Member	1

## 14. NUMBER OF MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted pursuant to the provisions of the Companies Act, 2013.

During the year 2023-24, the Committee met 2 (Two) times on the following dates, viz April 27th, 2023 and August 11th 2023.

The following are the details of the Members, their attendance at the Nomination and Remuneration Committee Meeting held during the year 2023-24.

Name	Designation	Attendance
Mrs. Bharathy	Chairman	1
Mr. Srinivas Gowra	Member	2
Mr. Sriram Chandrasekaran	Member	1

## 15. DETAILS OF SHAREHOLDERS MEETINGS HELD AND ATTENDANCE FOR THE YEAR 2023:

Details of General Meeting	Date of Meeting	Number of Shareholders		
		Entitled	Attended	%
Annual General Meeting	06-09-2023	3,085	25	0.81

## 16. A) DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2024

Category / No of Shares	Number of Shareholders	% of Total Shareholders	Amount in Rs.	% of Holdings to Total shareholding
Upto - 500	2887	92.68	206097	3.20
501 - 1000	100	3.21	75875	1.18
1001 - 2000	38	1.22	53916	0.84
2001 - 3000	23	0.74	58195	0.90
3001 - 4000	11	0.35	38670	0.60
4001 - 5000	12	0.39	54924	0.85
5001 - 10000	12	0.39	90499	1.41
10001 and above	32	1.03	5858755	91.02
<b>Total</b>	<b>3115</b>	<b>100</b>	<b>6436931</b>	<b>100</b>

## 16. B) MARKET PRICE DATA AND PERFORMANCE COMPARISON:

The market price data High, Low and Close during each month from 1st April 2023 to 31st March, 2024 are mentioned below:

Trade date/Month	Monthly Market price details from 01.04.2023 to 31.03.2024			
	Open	High	Low	Close
April, 2023	99.95	122.90	92.05	98.05
May, 2023	114.75	114.75	78.50	87.00
June, 2023	87.50	97.00	81.50	90.15
July, 2023	90.00	109.95	87.05	101.85
August, 2023	106.45	150.45	88.05	150.45
September, 2023	160.00	188.85	138.00	179.40
October, 2023	179.00	188.20	148.10	163.80
November, 2023	171.45	180.10	150.05	156.95
December, 2023	160.95	171.45	102.15	124.15
January, 2024	130.35	167.40	125.65	148.05
February, 2024	154.65	157.95	118.8	126.25
March, 2024	125.00	129.90	88.00	88.90

## **17. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b. That they have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2024 and of the profit and loss of the Company for that period;
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That they have prepared the annual accounts on a going concern basis;
- e. That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **18. AUDITORS:**

In accordance with Section 139 of the Companies Act, 2013 and rules there under, M/s. Srinaga & Giridharan, Chartered Accountants, Bangalore were appointed as the Statutory Auditors of the Company at 26th Annual General Meeting for a period of 5 years. The Audit Report for the financial year 2023-24 as certified by the Statutory Auditors of the Company does not contain any qualification, reservation or adverse remarks and therefore does not require any explanations from the Directors.

### **Reporting of Frauds by Auditors:**

During the year under review, there is no instance of frauds reported by the Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder.

## **19. SECRETARIAL AUDIT REPORT:**

The Board appointed CS. Ajay Suman Shrivastava, Practicing Company Secretary, to carry out Secretarial Audit for the financial year 2023-24, under the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this report as Annexure-1. There are no qualifications made by the Auditor in the report. Annexure 2 is annexed as certificate of Non-Dis-Qualification of Directors.

## **20. COMPLIANCE WITH SECRETARIAL STANDARDS:**

During the year under review, the Company has complied with the various provisions of all mandatory Secretarial Standards, including amendments thereto, as issued by the Institute of Company Secretaries of India ('ICSI').

## **21. RELATED PARTY TRANSACTIONS:**

All Related Party Transactions are in compliance of the Companies Act, 2013 and the SEBI Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large.

All Related Party Transactions entered into by the Company were in the Ordinary Course of Business and at an Arm's Length basis and were reviewed and approved by the Audit Committee and the Board and have been approved by shareholders also. Omnibus approval is obtained for transactions which are foreseeable and repetitive in nature. A statement of all Related Party Transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of the transactions. Complete details of Related Party Transactions are given in the Notes to Financial Statements forming part of this Annual Report.

In compliance with the requirements of the Listing Regulations, the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transaction as approved by the Board may be accessed on the Company's website: <http://www.source-natural.com>.

Information on transactions with Related Parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Form AOC-2 and is attached as "Annexure – 5" to this Annual Report.

## **22. CREDIT RATINGS:**

The Company has not obtained any Credit Rating from any agency as the same is not mandated by any Bank due to low Credit exposure of the Company.

## **21. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report, prepared in accordance with Schedule V of the SEBI Listing Regulations, are annexed to this report as Annexure-3.

## **22. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:**

During the year under review, there have been no significant and material orders passed by any regulators or courts or tribunal.

## **23. RISK MANAGEMENT:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the Meetings of the Audit Committee and the Board of Director of the Company.

The Company identifies risks and control systems to mitigate them are in place. In the opinion of the Board, at present there are no risks which may threaten the existence of the Company.

## **23. ANNUAL RETURN:**

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rule, 2014, the Annual Return of the Company for the year ended March 31, 2024, has been hosted on the Company's website, which can be accessed at [www.source-natural.com](http://www.source-natural.com)

## **24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:**

According to section 134(5)(e) of the Act the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to 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

The Company has put in place an adequate system of internal financial controls with respect to the Financial Statement and commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of business. No reportable material weakness in the operation was observed.

## **25. ESTABLISHMENT OF VIGIL MECHANISM:**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **26. THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has formulated an Anti-Sexual Harassment policy in line with the requirement of the Sexual harassment of Woman at Workplace (Prevention, prohibition and redressal) Act, 2013. There have been NIL complaints of such nature during the period under review.

## **27. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

As your Company's net worth does not exceed Rs. 500 Crores (or) Company's turnover does not exceed Rs. 1000 Crores or company's net profit does not exceed Rs. 5 Crores for the financial year, the provisions under Section 135 of the Act read with rules made there under, are not applicable. Hence, the compliance to the initiative of Corporate Social Responsibility is not required.

## **28. PREVENTION OF INSIDER TRADING:**

The Board of Directors have adopted the Insider Trading Policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time. The Insider Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code. The same has been displayed at the company's website at [www.source-natural.com](http://www.source-natural.com).

## **29. LISTING:**

The shares of your Company continue to be listed on BSE Limited and traded actively during the year and the listing fees for the year 2023-24 have been paid. Your Company has duly complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review.



### 30. General Shareholder Information

1. 29th Annual General Meeting

**Date and Time:** 30th September 2024, 11:00 A.M

2. Financial Calendar (2024-25) (Tentative)

The Financial year of the company is from 1st April of the year to 31st March of the next year.

For the year ending 31st March, 2025 quarterly Un-audited / Annual Audited results shall be announced as follows:

Financial reporting for	Proposed Date
Unaudited Results for the Quarter ending: 30th June, 2024	On or before 14th August 2024
Unaudited Results for the Quarter ending: 30th September, 2024	On or before 14th November 2024
Unaudited Results for the Quarter ending: 31st December, 2024	On or before 14th February 2025
Audited Results for the year ended 31st March, 2025	On or before 30th May 2025

<b>3) Book Closure Date:</b>	24th day of September 2024 to 30th day of September 2024 (Both days inclusive)
<b>4) Registered Office</b>	No: 201, Sumeru Towers, 2nd Floor, #54/46, 39th A Cross, 11th Main Road, Jayanagar 4thT Block, Bangalore - 500 041
<b>5) Listing of Equity Shares:</b>	BSE Limited, Mumbai (BSE)
<b>6) Listing Fees</b>	Listing fee has been paid to BSE Limited till the year 2024-2025
<b>7) Stock Code</b>	531398
<b>8) ISIN No.</b>	INE679C01027
<b>9) CIN Number</b>	L24231KA1995PLC101742
<b>10) Plant Location:</b>	Plot No: 22 & 23, SVCIE, Bachupally, Bachupally Mandal, Medchal Malkajigiri – Dist Hyderabad - 500 090.

### 31. OTHER DISCLOSURES:

#### a. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014, the details of conservation of energy and technology absorption and Foreign exchange earnings and outgo are attached as Annexure-4.

#### b. Subsidiary, Holding, Associate Companies:

There are no subsidiaries to your Company as on the date of report. In terms of the shareholding, the Company is a subsidiary of Sriveda Sattva Private Limited.

#### c. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the details required to be furnished herein are NIL.

#### d. Particulars of Contracts or Arrangements made with Related Parties:

All the related party transactions are entered on arm's length basis and in the ordinary course of business, in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The details of the transactions with related parties are provided in the Notes to the financial statements.

#### e. Fixed Deposits:

Your Company has not accepted any Fixed Deposits from the Public within the meaning of Section 73 to 76 of the Companies Act, 2013, during the year under review. The details for the same are filed with the concerned authorities.

#### f. Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:

Your company has not made any application under Insolvency and bankruptcy Code, 2016 during the year under review.

#### The details of difference between amount of the valuation done at the time of one time-settlement and the valuation done while taking Loan from the Banks or Financial Institutions along with the reasons thereof:

The company has not done any one-time settlement with the banks during the year under review.

## 32. ACKNOWLEDGEMENTS:

The Board take this opportunity to express their gratitude all the customers, vendors, investors and bankers for their continued support during the year. It places on record its appreciation for the contribution made by employees of the company at all levels. The Board also wishes to record its appreciation for business constituents like SEBI, BSE, NSDL, CDSL etc. for their continued support in the growth of the Company.

The Board thanks the Government of India, particularly the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate affairs the State Governments, and other government agencies for their support, and look forward to their continued support in the future.

**Place: Bangalore**  
**Date: 06.09.2024**

**For and On Behalf of the Board**

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

**SD/-**  
**(Tejagna K Katpitia)**  
**Whole-time Director**  
**DIN:00445283**

### Annexure -1

### Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members

**SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED**

201, II Floor, Sumeru Towers, #54/46, 39thA Cross, 11thMain Road,  
Jayanagar, 4thT Block, Bangalore- 560041

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED (CIN:L24231KA1995PLC101742) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. This Report is to be read with the letter of even date which is annexed to this as 'Annexure- 1' and forms an integral part of this report.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31stMarch, 2023, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ( No provisions were attracted during the period under review)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable to the Company during the Audit Period
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable to the Company during the Audit Period

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the Audit Period.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company's shares and dealing with its members;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable to the Company during the Audit Period and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2021; Not Applicable to the Company during the Audit Period.
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.
- vi. Company specific regulations: Pharmacy Act, 1948, Drugs and Cosmetics Act, 1940, Homoeopathy Central Council Act, 1973, Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, Narcotic Drugs and Psychotropic Substances Act, 1985, Petroleum Act, 1934, Insecticide Act, 1968, Poisons Act, 1919, Food Safety And Standards Act, 2006, Biological Diversity Act, 2002, Indian Boilers Act, 1923 and applicable labour laws;
- vii. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008, Environment Protection Act, 1986;
- viii. The Indian Copyright Act, 1957, The Patents Act, 1970, Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.

During the Audit period under review for the Financial Year ended 31st March 2024 and as per the clarification, representations provided by the Management in writing and oral in the Secretarial Audit checklist prepared by me, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement, SEBI notifications etc. mentioned above. There are no fresh transactions attracting the provisions of FEMA during the reporting period.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

### **I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place: Hyderabad**

**Date: 16.07.2024**

Sd/-

Signature:

Name of Company Secretary in practice:

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489 | C.P. No.: 3479

UDIN: F003489F000752083

To,  
The Members

**SOURCE NATURAL FOODS AND HERBAL SUPPLEMENTS LIMITED**

201, II Floor, Sumeru Towers  
#54/46, 39th A Cross, 11th Main Road, Jayanagar, 4th T Block, Bangalore - 560041.

This letter is to be read with the report even date and forms an integral part of this report.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my remote audit as possible in times of pandemic.
2. I have followed the basic audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures and transparency, on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Hyderabad**

**Date: 16.07.2024**

Sd/-

Signature:

Name of Company Secretary in practice:

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489 | C.P. No.: 3479

UDIN: F003489F000752083

**Annexure -2**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members,

**Source Natural Foods and Herbal Supplements Limited**

201, II Floor, Sumeru Towers, #54/46, 39th A Cross, 11th Main Road,  
Jayanagar, 4th T Block, Bangalore - 560041.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Source Natural Foods and Herbal Supplements Limited, (hereinafter referred to as 'the Company')(BSE Code: 531398), produced before me remotely by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	Designation	DIN	Date of Appointment/ Re-appointment
1	Mr. Narayanan Narasimhan	Director	143620	30.06.2008
2	Mr. Arvind Varchaswi Narasimhan	Managing Director	143713	26.06.2015
3	Mr. Srinivas Gowra	Independent Director	286986	25.06.2010

4	Mr. Chandrakumar Laxminarayan Rathi	Independent Director	365691	26.09.2015
5	Mr. Tejagna Kashmira Katpitia	Executive Director	445283	14.06.2017
6	Mr. Sriram Chandrasekaran	Independent Director	2213018	25.06.2010
7	Ms. Bharathy	Independent Woman Director	6942354	15.09.2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification of records available. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company nor it in any way certifies the ethical conduct of the said Directors for effective compliance of laws in India.

**Place: Hyderabad**  
**Date: 16.07.2024**

**AJAY SUMAN SHRIVASTAVA**  
**Practicing Company Secretary**  
**FCS No.: 3489 | C.P. No.: 3479**  
**UDIN: F003489F000752083**

### Annexure-3

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development- Indian Economy

The Indian healthcare sector has witnessed remarkable growth in recent years, driven by a combination of increasing healthcare demand, technological advancements, and significant investments in infrastructure. Ayurveda is witnessing a resurgence in India because people have accepted this as a way of life as opposed to the earlier notion of Ayurveda as an alternative area of medicine.

As growth begins to stabilize in more developed countries such as the US, attention is turning to emerging markets with a fast-expanding middle class. Consumers have started to realize the benefits of spending today for a healthier tomorrow. In India, with relatively suboptimal access to health infrastructure, this could pave the way for a new balanced model of managing health.

### OUTLOOK

The future outlook appears highly promising as the global demand for natural and holistic health solutions continues to rise. As consumers increasingly gravitate towards sustainable and wellness-oriented products, we stand well-positioned to leverage its deep-rooted expertise in Ayurvedic formulations. The company's commitment to integrating traditional Ayurvedic knowledge with cutting-edge research and quality control practices will likely enhance its competitive edge.

E-commerce has experienced unprecedented growth over the past decade, transforming the way businesses and consumers interact and conduct transactions.. This trend is only set to growing the coming years. Use of Digital transformation to flare growth and innovation is not a new imperative for Source Natural. Your company is riding high on the digital revolution by pursuing aggressive-commerce and digital marketing strategy to tap the growing segment and market size.

### RISKS AND OPPORTUNITIES

Regulatory concerns, consumer perceptions, competition, environment & climate change, counterfeit products are the main concerns for the Ayurveda Industry. Regulatory Agencies all over the world are focussing on quality, efficiency, safety and standardization of herbal medicines.

These risks and concerns are mitigated through appropriate risk management systems which have been an integral part of the business of the Company. The risk management system of the Company enables to reassess critical risks in changing business environment that need to be focussed on.

People have started focusing on their diet, nutrition intake, and how they can possibly boost their immunity and overall health. Your company offer products to strengthen immunity for both adults and kids. From Ayurveda's standpoint, commonly available natural herbs that are found in the kitchen can do wonders for our immunity. We focus on the products based on that natural herb and they are doing extremely well with the consumers.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a well-established and comprehensive internal control system and structure across the value chain to ensure that its assets are safeguarded, transactions are authorized, recorded and reported correctly and operations are conducted in an efficient and cost-effective manner. In order to ensure orderly and efficient conduct of business the company has put in place systems which include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit by Third party and review framework etc.



Further the Audit Committee comprises of the members from the Board so as to ensure total transparency and consists of three Independent non-executive Directors. The Committee performs the task of review of internal audit reports, internal control systems from time to time and reviews the financial Statements every quarter before recommending the same to the Board of Directors.

## **SHARE CAPITAL**

During the year under review, there was no further issue of shares. The paid-up capital of the Company is Rs. 6,43,69,310 /- as on 31.03.2024.

## **SECURED LOANS**

Secured loans of the Company as on 31.03.2023 were Rs. 2,35,117/-and as on 31.03.2024, they were Rs.35,308/-.

## **FIXED ASSETS**

No new assets have been acquired during the year and, as a result, the net block of fixed assets stands at Rs. 4,19,85,091/- for the year ended 31.03.2024, after providing an accumulated depreciation of Rs.5,63,15,378/-.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Source Natural has prioritised human capital development and reinforcement of expertise across critical functions. The Company believes that a competent, motivated team and a nurturing work culture are critical for achieving long-term success. In FY 2023-24, notwithstanding the pandemic-led interruptions, the Company continued to have an 'employee first' strategy while synchronising HR processes to support the business. As a part of its strategy to build a contemporary organisation, the Company undertook organisational restructuring and delayering to create a flatter organisation.

The Company strives to ensure the health and well-being of its employees through an array of initiatives. It took care of not only the physical well-being of the employees but also their mental well-being.

The Company has been continuously working on retaining the best talent in the industry, but it is a constant challenge to retain the good talent. The Company's human resource agenda focuses mainly on building a robust and diverse talent pipeline by hiring fresh management graduates to cater to various businesses and functions, enhancing individual and organisational capabilities for future readiness, driving greater employee engagement and strengthening employee relations.

The number of permanent employees of the Company as on 31st March 2024 were 33.

## **CAUTIONARY STATEMENT**

Statements in this Integrated Annual Report, particularly those that relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

**Place: Bangalore**

**Date: 06.09.2024**

**For and On Behalf of the Board**

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

**SD/-  
(Tejagna K Katpitia)  
Whole-time Director  
DIN:00445283**

## Annexure - 4

# Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

### A. Conservation of Energy.

Growing cost of energy and its linkage with climate change impact is a major business concern. To tackle this issue, your company has decided to focus on improving process energy efficiency, find alternate sources.

To conserve and optimise the use of energy, the Company is planning to install energy efficient blowers, and other equipment in all its plants. Strict controls are exercised in operation of the plants for optimum usage of Power and Fuel.

The Company during the year continued the following energy conservation measures both at the manufacturing unit and at the offices of the Company.

Use of natural lighting whenever possible.

- i. Switching off machines / equipment when not in use and switching off lights in areas not having adequate activity by regrouping/repositioning the activity so that there will not be any wastage of energy due to lighting.
- ii. Switching off main machines and lights during lunch breaks.
- iii. Reduction of water consumption through re-uses
- iv. Creating awareness among employees about the necessity of energy conservation by celebrating energy conservation week.
- v. The information pertaining to conservation of energy is as follows:

1	The steps taken or impact on Conservation of energy	<b>Your Company has made every endeavour to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.</b> Total power units consumed during the financial year 2023-24: <b>1,45,650 KWH</b> Electricity expenses: <b>Rs. 20,19,391/-</b> DG Set: <b>Rs.7,34,400/-</b> Total quantity (in litres) of Diesel consumed during the financial year 2023-24: <b>1611Litres.</b> Fuel Expenses: <b>Rs.1,57,596/-</b> Total Kilograms of briquettes for the Boilers consumed during the financial year 2023-24: <b>45,960 Kgs.</b> Briquettes Expenses: <b>Rs.4,15,632/-</b>
2	The steps taken by the company for utilizing alternate sources of energy	At planning levels.
3	The capital investment on energy conservation equipment's	Nil

The measures taken for conservation of energy has led to better pollution control, reduced the impact on environment, cost reduction, improved hygienic conditions and consistency in quality and improved productivity.

During the year, there was no capital investment on energy conservation equipment's.

### B. TECHNOLOGY ABSORPTION.

The efforts made towards technology absorption and benefits derived like product improvement, cost reduction, product development, import substitution.

The products of the company have a high level of technology and require intensive technology. These are being constantly updated. Technology Development Plans of the Company have resulted in reducing the cost of production and also provided flexibility in manufacturing.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

Foreign Exchange Earned: Rs.3,42,494/- | Foreign Exchange Outgo: 1,78,965/-

Place: Bangalore

Date: 06.09.2024

For and On Behalf of the Board

SD/-  
(Arvind Varchaswi N.)  
Managing Director  
DIN: 00143713

SD/-  
(Tejagna K Katpitia)  
Whole-time Director  
DIN:00445283

## Annexure - 5

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	NIL
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Sriveda Sattva Private Limited (SSPL);
2	Nature of contracts/arrangements/transaction	Sale and purchase of goods and availing of travelling Services
3	Duration of the contracts/arrangements/transaction	1 year
4	Salient terms of the contracts or arrangements or transaction including the value, if any in Rs.	<b>SSPL- Sale of Goods-Rs 25,33,95,422.00</b> <b>Purchase of goods Rs 1,64,99,347.00</b>
5	Date of approval by the Board and Members	Board:11-08-2023 Members: 06-09-2023
6	Amount paid as advances, if any	NIL

Place: Bangalore  
Date: 06.09.2024

For and On Behalf of the Board

SD/-  
(Arvind Varchaswi N.)  
Managing Director  
DIN: 00143713

SD/-  
(Tejagna K Katpitia)  
Whole-time Director  
DIN:00445283

# 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, 2024 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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 do not have any key audit matters required to be reported separately.

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

The Company's Board of Directors are 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 includes 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 objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- a. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in
  - (i) planning the scope of our audit work and in evaluating the results of our work; and
  - (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 2024; 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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. gWith 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: 24.05.2024**  
**UDIN:24022767BKDMVB5366**

## **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, 2024 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, 2024, 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**

**S.R. SRINAGA**  
**Partner**  
**M. No. 022767**  
**Place: Bengaluru**  
**Dated: 24.05.2024**  
**UDIN:24022767BKDMVB5366**

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### **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, 2024.**

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**  
**Firm No.004013S**

**S.R. SRINAGA**  
**Partner**  
**M. No. 022767**  
**Place: Bengaluru**  
**Dated: 24.05.2024**  
**UDIN:24022767BKDMVB5366**

# 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

## Balance Sheet

as at 31st March 2024

		(₹ in lakhs)	
	Note	Year Ended 31st March, 2024	Year Ended 31st March, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	643.69	643.69
(b) Reserves and surplus	3	1301.64	1127.99
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	0.00	0.35
(b) Deferred tax liabilities (Net)	5	8.72	-23.52
(c) Other Long term liabilities	6		
(d) Long-term provisions	7	48.37	54.65
<b>Current liabilities</b>			
(a) Short-term borrowings	8	0.35	2.00
(b) Trade payables	9	280.42	212.59
(c) Other current liabilities	10	18.31	87.82
(d) Short-term provisions	11	63.55	39.93
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2365.07</b>	<b>2145.51</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and Equipment & Intangible assets			
(i) Property, Plant and Equipment	12	419.85	458.25
(ii) Intangible assets	13	131.90	197.85
(b) Non-current investments	14		
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	15	6.60	6.60
(e) Other non-current assets	16		
<b>Current assets</b>			
(a) Current investments	17		
(b) Inventories	18	430.11	381.68
(c) Trade receivables	19	750.83	740.80
(d) Cash and cash equivalents	20	586.21	291.40
(e) Short-term loans and advances	21	39.57	68.92
(f) Other current assets	22		
<b>TOTAL ASSETS</b>		<b>2365.07</b>	<b>2145.51</b>

The accompanying notes form an integral part of the financial statements.

**For and on behalf of the Board of Directors**  
**Source Natural Foods and Herbal Supplements Ltd**

As per our report of even date attached

For **M/s Srinaga & Giridharan**

Chartered Accountants

**S R Srinaga**

Membership No.022767

**Arvind Varchaswi N**

Managing Director

DIN:00143713

**Narayanan Narasimhan**

Director

DIN:00143620

Firm Registration No.004013S

UDIN: 24022767BKDMVB5336

Place : Bangalore

Date: 24-05-2024

**R. Ramachandra**

Chief Financial Officer

**Ruchi Chowdhury**

Company Secretary



# 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

## Statement of Profit and Loss Account

for the year ended 31st March 2024

			(₹ in lakhs)
	Note	Year Ended 31st March, 2024	Year Ended 31st March, 2023
<b>I</b>	<b>Income</b>		
	Revenue from operations	2729.68	1978.58
	Other income	0.63	1.46
	<b>Total Income</b>	<b>2730.31</b>	<b>1980.04</b>
<b>II</b>	<b>Expenses:</b>		
	Cost of Material Consumed	520.33	257.76
	Purchases of Stock in Trade	1291.37	767.66
	Changes in Inventories	(134.19)	(40.16)
	Employee benefits expense	287.69	313.69
	Finance Cost	19.36	23.54
	Depreciation and amortization expenses	104.36	61.64
	Other Expenses	318.57	322.32
	<b>Total expenses</b>	<b>2407.50</b>	<b>1706.46</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>	322.81	273.58
<b>IV</b>	Exceptional items	5.00	
<b>V</b>	<b>Profit before tax</b>	<b>317.81</b>	<b>273.58</b>
<b>VI</b>	<b>Tax expense:</b>		
	Current tax	111.91	60.57
	MAT Credit Entitlement		
	Deferred tax	32.24	0.89
	<b>Profit to be transferred to Reserves</b>	<b>173.65</b>	<b>212.11</b>
	Profit/(Loss) for the period from Continuing Operations	173.65	212.11
<b>VII</b>	<b>Profit for the year</b>	<b>173.65</b>	<b>212.11</b>
<b>VIII</b>	<b>Earnings per equity share ₹ 10 each</b>		
	Basic	2.70	3.30
	Diluted	2.70	3.30

The accompanying notes form an integral part of the financial statements.

**For and on behalf of the Board of Directors**  
**Source Natural Foods and Herbal Supplements Ltd**

As per our report of even date attached

For **M/s Srinaga & Giridharan**

Chartered Accountants

**S R Srinaga**

Partner.

Membership No.022767

**Arvind Varchaswi N**

Managing Director

DIN:00143713

**Narayanan Narasimhan**

Director

DIN:00143620

Firm Registration No.004013S

UDIN: 24022767BKDMVB5336

Place : Bangalore

Date: 24-05-2024

**R. Ramachandra**

Chief Financial Officer

**Ruchi Chowdhury**

Company Secretary

# 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

## Statement of changes in equity

for the year ended 31st March 2024

### A Equity share capital

	(₹ in lakhs)
<b>As at 31 March 2023</b>	<b>643.69</b>
Changes in equity share capital during the year	
<b>As at 1st April 2023</b>	<b>643.69</b>
Changes in equity share capital during the period	
<b>As at 31 March 2024</b>	<b>643.69</b>

### B Other equity

	Reserves and Surplus					Total Equity
	Securities Premium	Retained Earnings	Capital Reserve	General Reserve	Loan from Promoter directors	
<b>Balance as at 1 April 2022</b>	<b>114.09</b>	<b>801.79</b>				<b>915.88</b>
Profit for the year		212.11				
Transferred to general reserve from Share options outstanding account						
Re-measurements of defined benefit plans-net(including tax impact thereof)						
Fair value adjustment relating to loan from promoter directors						
<b>Balance as at 31 March 2023</b>	<b>114.09</b>	<b>1013.90</b>				<b>1127.99</b>
<b>Balance as at 1 April 2023</b>	<b>114.09</b>	<b>1013.90</b>				<b>1127.99</b>
Profit for the period		173.65				
Transferred to general reserve from Share options outstanding account						
Re-measurements of defined benefit plans-net(including tax impact thereof)						
Fair value adjustment relating to loan from promoter directors						
<b>Balance as at 31 March 2024</b>	<b>114.09</b>	<b>1187.55</b>				<b>1301.65</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached  
For M/s Srinaga & Giridharan  
Chartered Accountants

For and on behalf of the Board of Directors  
Source Natural Foods and Herbal Supplements Ltd

**S R Srinaga**  
Partner,  
Membership No.022767

**Arvind Varchaswi N**  
Managing Director  
DIN:00143713

**Narayanan Narasimhan**  
Director  
DIN:00143620

Firm Registration No.004013S  
UDIN: 24022767BKDMVB5336  
Place : Bangalore  
Date: 24-05-2024

**R. Ramachandra**  
Chief Financial Officer

**Ruchi Chowdhury**  
Company Secretary

# 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

## Statement of Cash Flows

for the year ended 31st March 2024

(₹ in lakhs)

	As at 31st March 2024	As at 31 March 2023
<b>A Cash Flow from Operating Activities:</b>		
Profit before tax	317.81	273.58
Adjustment for:		
Depreciation and Amortisation Expenses	104.36	35.36
Income Tax Expenses	(111.91)	(61.46)
Interest	19.36	23.54
Loss / (Profit) on Deletions of Fixed Assets	0.00	(1.22)
<b>Operating Profit/ (Loss) Before Working capital Changes</b>	<b>329.61</b>	<b>269.79</b>
Inventories	(48.43)	(105.32)
Trade Receivables	(10.03)	33.03
Current Liabilities	(1.67)	53.75
Cash from Operations	269.48	251.26
<b>Net Cash Flow From Operations (1)</b>	<b>269.48</b>	<b>251.26</b>
<b>B Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	0.00	7.91
(Increase)/Decrease in Loans & Advances	29.35	(33.00)
Differed Tax Assets (Net)	0.00	30.66
<b>Net Cash used for Investing activities (2)</b>	<b>29.35</b>	<b>5.56</b>
<b>C Cash Flow from Financing Activities</b>		
Long Term Provisions	17.34	(27.37)
Secured Loans	(2.00)	(1.81)
Interest	(19.36)	(23.54)
<b>Net Cash from Financing Activities (3)</b>	<b>(4.02)</b>	<b>(52.71)</b>
Net Increase in cash and Cash Equivalents (1)+(2)+(3)	294.81	204.11
Cash and Cash Equivalents, beginning of the year	291.40	87.29
<b>Cash and Cash Equivalents, end of the year</b>	<b>586.21</b>	<b>291.40</b>
1. Cash & Cash Equivalents		
Cash on hand	0.12	0.37
Balances with Schedule Banks in Current Account	586.09	291.03
<b>Total</b>	<b>586.21</b>	<b>291.40</b>

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors  
Source Natural Foods and Herbal Supplements Ltd

As per our report of even date attached

For M/s Srinaga & Giridharan

Chartered Accountants

**S R Srinaga**

Partner.

Membership No.022767

**Arvind Varchaswi N**

Managing Director

DIN:00143713

**Narayanan Narasimhan**

Director

DIN:00143620

Firm Registration No.004013S

UDIN: 24022767BKDMVB5336

Place : Bangalore

Date: 24-05-2024

**R. Ramachandra**

Chief Financial Officer

**Ruchi Chowdhury**

Company Secretary

## Notes

forming part of the financial statements as and for the year ended 31 March 2024

### 2 Share Capital

	As at 31st March 2024	(₹ in Lakhs) As at 31 March 2023
<b>-Authorised</b>		
90,00,000 Equity Shares of Rs 10/-each	900.00	900.00
<b>-Issued, Subscribed and Fully Paid up and Subscribed but not Fully Paid up</b>		
Equity Shares of Rs.10/- each issued	643.69	643.69
Equity Shares of Rs.10 each Subscribed but not Fully Paid up	-	
Equity Shares of Rs.10/- each Subscribed & Fully Paid up	643.69	643.69
	<b>643.69</b>	<b>643.69</b>

#### a) Reconciliation of number of Equity Shares

	As at 31st March 2024		As at 31 March 2023	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
Equity Shares				
Balance as at the beginning of the year	64,36,931	643.69	64,36,931	643.69
No of Shares issued during the year and paid up				
No of Shares bought back during the year				
Balance as at the end of the year	64,36,931	643.69	64,36,931	<b>643.69</b>

#### b) Details of equity shares held by shareholders holding more than 5% of aggregate shares in the Company

	As at 31st March 2024		As at 31 March 2023	
	No of Shares	Percentage	No of Shares	Percentage
Śriveda Sattva Private Limited	47,86,891	74.37%	47,86,891	74.37%

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 3 Reserves and Surplus

	As at 31st March 2024	As at 31 March 2023
Securities premium Account	114.09	114.09
<b>Capital Reserves</b>		
<b>Retained earnings</b>		
Balance at the beginning of the year	1013.90	801.79
Profit for the year	173.65	212.11
Balance at the end of the year	1187.55	1013.90
<b>Total</b>	<b>1301.64</b>	<b>1127.99</b>

4 Long term borrowings

	As at 31st March 2024	As at 31 March 2023
<b>Unsecured</b>		
Unsecured loan from directors		
Term Loans from Banks		0.35
Term Loans from Other Parties		
Deposits		
Loans and advances from related parties		
Long term Maturities of Finance Lease Obligations		
Other Loans & Advances		
<b>Total</b>	<b>0.00</b>	<b>0.35</b>

5 Deferred Tax liabilities

	As at 31st March 2024	As at 31 March 2023
Deferred tax liability on Depreciation	9.30	9.30
Addition for the year	0.58	
Deferred tax liability on MAT Tax paid	0.00	-32.82
<b>Total</b>	<b>8.72</b>	<b>-23.52</b>

6 Other long term liabilities

	As at 31st March 2024	As at 31 March 2023
Trade Payables - MSME - Principle Amount payable		
Trade Payables - MSME - Interest Amount Payable		
Trade Payables		
a) MSME		
Less than 1 Year		
1 to 2 Years		
2 to 3 Years		
More than 3 Years		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

7 Long term provisions

	As at 31st March 2024	As at 31 March 2023
Provision for employee benefits	46.49	52.38
Others (specify nature)- Leave Encashment	1.88	2.27
<b>Total</b>	<b>48.37</b>	<b>54.65</b>

8 Short term borrowings

	As at 31st March 2024	As at 31 March 2023
<b>Secured</b>		
Bonds / Debentures - Current Maturities		
Term Loans from Banks - Current Maturities	0.35	2.00
Term Loans from Other Parties - Current Maturities		
Deposits - Current Maturities		
Loans and advances from related parties		
Current maturities of Long term borrowings		
Working Capital Loans from Banks		
<b>Total</b>	<b>0.35</b>	<b>2.00</b>

**9 Trade payables**

	As at 31st March 2024	As at 31 March 2023
Trade Payables - MSME - Principle Amount payable		
Trade Payables - MSME - Interest Amount Payable		
Trade Payables Less than 1 Year		
a) MSME	201.31	34.44
b) Others	79.11	178.15
c) Disputed Dues - MSME		
d) Disputed Dues - Others		
Other Payables - Less than 1 year		
Un billed Dues		
<b>Total</b>	<b>280.42</b>	<b>212.59</b>

**10 Other current liabilities**

	As at 31st March 2024	As at 31 March 2023
Statutory Liabilities		
Income received in advance;		
Share application Money pending Allotment - in excess of Authorised Capital		
Calls in Advance		
Unpaid Dividends	1.14	1.14
Other Payables	17.17	86.68
<b>Total</b>	<b>18.31</b>	<b>87.82</b>

**11 Short term provisions**

	As at 31st March 2024	As at 31 March 2023
Provision for Income Tax	51.91	30.57
Provision for employee benefits.	11.63	9.36
<b>Total</b>	<b>63.55</b>	<b>39.93</b>

**14 Non current investments**

	As at 31st March 2024	As at 31 March 2023
A) Trade Investments		
B) Non Trade Investments		
Investment in Property		
Investment in Equity		
Investment in Partnership Firms		
Investment in Subsidiaries		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>



**15 Long term loans and advances**

	As at 31st March 2024	As at 31 March 2023
a) Secured		
Capital Advances		
Loans & Advances to Related Parties		
Others		
b) Unsecured		
Capital Advances		
Loans & Advances to Related Parties		
Others	6.60	6.60
<b>Total</b>	<b>6.60</b>	<b>6.60</b>

**16 Other non current assets**

	As at 31st March 2024	As at 31 March 2023
a) Long Term Trade Receivables		
Secured and considered good		
Unsecured and considered good		
Doubtful		
Allowance for bad and doubtful debts		
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**17 Current Investments**

	As at 31st March 2024	As at 31 March 2023
a) Trade Investments		
b) Non Trade Investments		
Investment in Property		
Investment in Equity		
Investment in Partnership Firms		
Investment in Subsidiaries		
Application money paid but securities not allotted		
Other current investments (specify nature)		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**18 Inventory**

	As at 31st March 2024	As at 31 March 2023
Raw Materials	152.45	242.78
Work in Progress	214.36	86.51
Finished Goods	53.52	47.19
Stock in Trade ( goods acquired for Trade )	9.78	5.21
<b>Total</b>	<b>430.11</b>	<b>381.68</b>

19 Trade receivables

	As at 31st March 2024	As at 31 March 2023
a) Considered good-Secured		
- Less than 6 months	750.83	740.80
- 6 months to 1 Year		
- 1 Year to 2 Years		
- 2 Year to 3 Years		
- More than 3 years		
<b>Total</b>	<b>750.83</b>	<b>740.80</b>

20 Cash and cash equivalents

	As at 31st March 2024	As at 31 March 2023
<b>A) Cash and Cash Equivalents</b>		
Cash on Hand	0.12	0.37
Balance with Banks		
-In Current Accounts	579.58	285.43
<b>B) Other Bank Balances</b>		
- Earmarked Balances with Banks		
- Margin Money or Security against borrowings/guarantees		
- Repatriation restrictions		
- Deposits with Maturity more than 12 months	6.51	5.60
<b>Total</b>	<b>586.21</b>	<b>291.40</b>

21 Short term loans and advances

	As at 31st March 2024	As at 31 March 2023
<b>A) Secured</b>		
Capital Advances		
Loans & Advances to Related Parties		
Others-		
<b>B) Unsecured</b>		
Advance to employees		
Advance for expenses		
Others	39.57	68.92
TDS Receivables		
<b>Total</b>	<b>39.57</b>	<b>68.92</b>

22 Other current assets

	As at 31st March 2024	As at 31 March 2023
Unutilised GST input		
Prepaid expenses		
Other current assets		
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**23 Revenue from Operations**

	As at 31st March 2024	(₹ in lakhs) As at 31 March 2023
<b>Indigenous Sales</b>		
Sale of Products	2704.95	1965.97
Sale of Services	21.20	1.41
<b>Export Sales</b>		
Sale of Products Exports	3.48	
Sale of Services		9.79
<b>Other Operating Revenues</b>	0.05	1.41
<b>Total</b>	<b>2729.68</b>	<b>1978.58</b>

**24 Other Income**

	As at 31st March 2024	As at 31 March 2023
Interest Income	0.63	0.60
Exchange Gain/loss(net)		0.86
<b>Total</b>	<b>0.63</b>	<b>1.46</b>

**25 Cost of materials consumed**

	As at 31st March 2024	As at 31 March 2023
Op. Balance of Raw materials	242.78	175.64
Add : Purchases during the year	430.01	324.89
Less : Closing Stock of Raw Materials	152.45	242.78
<b>Total</b>	<b>520.33</b>	<b>257.76</b>

**26 Change in inventories of finished goods and work in progress**

	As at 31st March 2024	As at 31 March 2023
Opening inventories		
- WIP	86.51	91.13
- Finished Goods	47.19	2.40
Closing Stock :		
- WIP	214.36	86.51
- Finished Goods	53.52	47.19
<b>Total</b>	<b>(134.19)</b>	<b>(40.16)</b>

**27 Employee benefits expenses**

	As at 31st March 2024	As at 31 March 2023
Salaries, Wages, Bonus etc.	283.91	292.41
Contribution to PF & other Funds	1.47	19.96
Workmen and Staff Welfare Expenses	2.31	1.32
<b>Total</b>	<b>287.69</b>	<b>313.69</b>

**28 Finance Costs**

	As at 31st March 2024	As at 31 March 2023
Interest	19.36	23.54
Other Borrowing Costs		
Net Gain / Loss on Foreign currency Transactions	-	
<b>Total</b>	<b>19.36</b>	<b>23.54</b>

**29 Other expenses**

	As at 31st March 2024	As at 31 March 2023
Repairs & Maintenance		
Vehicles	4.61	7.72
Office	0.28	1.05
Factory		1.45
Buildings	0.59	3.02
Electrical	3.73	
Advertisement Charges	25.44	22.40
Bank Charges	1.51	3.58
Factory General Expenses(Consumables and laundry etc)	13.38	9.68
General Expenses( Rent and Electricity Charges)	13.38	13.43
Insurance	2.96	4.05
Job Work Charges	10.79	7.43
Postage, Telephone, Fax & Internet charges	5.02	6.08
Power & Fuel	26.06	27.72
Printing & Stationery	3.39	1.39
Professional Charges	20.85	25.10
Rates & Taxes	22.18	29.23
Project Expenses - Vertegen	0.00	10.44
Selling & Distribution Expenses	0.55	22.51
Service Charges( Freight, Security & Hamali Charges)	23.47	18.43
Sub Contract charges(Workers wages)	107.94	92.91
Subscription & Membership Fees	0.02	.02
Testing & Weighment charges	27.42	8.71
Travelling & Conveyance	2.00	2.97
Auditor's remuneration:		
for audit fees	1.50	1.50
for taxation matters	1.50	1.50
<b>Total</b>	<b>318.57</b>	<b>322.32</b>

## 12 Property, plant and equipment

	Land	Building	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment	Computers	Total
<b>Year ended 31 March 2023</b>								
Opening gross carrying amount	5.05	418.71	420.30	64.64	38.28	15.94	26.77	989.68
Additions during the year		0.00	1.65	0.00	0.00	0.00	0.00	1.65
Disposals during the year		0.00	0.00	8.34	0.00	0.00	0.00	8.34
Closing gross carrying amount	5.05	418.71	421.95	56.31	38.28	15.94	26.77	982.99
<b>Accumulated depreciation</b>								
Opening accumulated depreciation	0.00	136.00	246.43	43.51	28.62	14.66	20.16	489.39
Depreciation charge for the year	0.00	14.81	16.78	6.30	1.36	0.19	3.83	43.26
Impairment charge for the year								
On disposals during the year				7.92				7.92
Closing accumulated depreciation	0.00	150.81	263.21	41.89	29.98	14.85	23.99	524.73
Net carrying amount as at 31 March 2023	5.05	267.89	158.73	14.42	8.30	1.10	2.78	458.25
<b>Year ended 31 March 2024</b>								
Opening gross carrying amount	5.05	418.71	421.95	56.31	38.28	15.94	26.77	982.99
Additions during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals during the year								
Closing gross carrying amount	5.05	418.71	421.95	56.31	38.28	15.94	26.77	982.99
<b>Accumulated depreciation</b>								
Opening accumulated depreciation	0.00	150.81	263.21	41.89	29.98	14.85	23.99	524.73
Depreciation charge for the year	0.00	13.26	16.67	5.41	1.27	0.16	1.64	38.41
Impairment charge for the year								
On disposals during the year								
Closing accumulated depreciation	0.00	164.07	279.89	47.30	31.24	15.01	25.63	563.14
Net carrying amount as at 31 March 2024	5.05	254.63	142.06	9.00	7.03	0.94	1.14	419.85

## 13 Intangible assets

	Def.Rev.Exp	Total
<b>Year ended 31 March 2023</b>		
Opening gross carrying amount	163.67	163.67
Additions during the year	52.55	52.55
Disposals during the year		
Closing gross carrying amount	216.22	216.22
<b>Accumulated depreciation</b>		
Opening accumulated amortisation		
Amortisation charge for the year	18.37	18.37
Impairment charge for the year		
On disposals during the year		
Closing accumulated amortisation	18.37	18.37
Net carrying amount as at 31 March 2023	197.85	197.85
<b>Year ended 31 March 2024</b>		
Opening gross carrying amount	216.22	216.22
Additions during the year		
Disposals during the year		
Closing gross carrying amount	216.22	216.22
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	18.37	18.37
Amortisation charge for the year	65.95	65.95
Impairment charge for the year		
On disposals during the year		
Closing accumulated amortisation	84.32	84.32
Net carrying amount as at 31 March 2024	131.90	131.90

### 30 Related Party Disclosure

#### I. Name of related parties and nature of relationships:

Relationships	Country of Incorporation	Ownership interest held by the company		Ownership interest held by the non controlling interest	
		Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2024	Year Ended 31st March, 2023
<b>a) Holding company</b>					
Sriveda Sattva Pvt Ltd	India	74.37	74.37	25.63	25.63
<b>a) Key Management Personnel(KMP)</b>	NA	NA	NA	NA	NA

#### II. Transactions carried out with related parties referred to in I(a) to I(b) above

Nature of transaction	Key Management	Enterprise over which KMP or their relative have significant influence	Holding Company	Key Management	Enterprise over which KMP or their relative have significant influence	Holding Company
	Personnel (KMP) Year Ended 31st March, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2024	Personnel (KMP) Year Ended 31st March, 2023	Year Ended 31st March, 2023	Year Ended 31st March, 2023
<b>Sale of Goods</b>						
Sriveda Sattva Pvt Ltd	0.00	2533.95		0.00	1899.55	
<b>Purchase of Goods</b>						
Sriveda Sattva Pvt Ltd	0.00	164.99		0.00	76.80	

### 31 Details of Remuneration to KMP

Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22: Not applicable
- Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 23-24 is as follows: (₹ in Lakhs)

Name	Designation	Remuneration		Increase/Decrease
		2023-24	2022-23	
Mr Arvind Varchaswi N	Managing Director	12.22	12.22	0%
Mr Tejagna K Katpitia	Whole time Director	0.00	0.00	NA
Mr R Ramachandra	Chief financial officer (from 19.12.2022)	39.16	10.71	NA
Mrs. Ruchi Chowdhury	Company Secretary (from 06.04.2023)	6.98	0.00	NA

- Percentage increase/decrease in the median remuneration of all employees in the financial year: NA
- Number of permanent employees on the rolls of the Company: 33
- Average percentage increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

	Increase/Decrease
Average percentage increase in the remuneration of all employees (Other than managerial personnel)	
Average percentage increase in the managerial remuneration.	the Directors of the Company for the financial year ended March 31, 2023 and March 31, 2024. Hence, this rider is not applicable

- Affirmation  
Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.



## Significant accounting policies

### a) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognized based on transaction price which is at arm's length. Unearned and deferred revenue ("contract liability") is recognized when there are billings in excess of revenues

Provision for breakage is recognized when the Company expects to be entitled to a breakage amount in a contract liability. The Company recognizes the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Company does not expect to be entitled to a breakage amount, it recognizes the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

### Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, etc. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period. The Company considers indicators such as how customer consumes benefits as services are rendered.

#### i. Revenue from products

Revenue from sale of products is recognized upon transfer of control to buyers (i.e. on delivery) and when no uncertainty exists regarding the amount of consideration that will be derived from sale of products and is recorded net of trade discounts and indirect tax (Goods and Services tax).

#### ii. Interest income or expense

Interest income or expense is accounted basis effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets, or the amortized cost of the financial liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

#### iii. Dividend income

Dividend income is recognized when the right to receive payment is established.

### (b) Inventories

Raw materials, packing materials, stores, spares and consumables are valued at lower cost and net realizable value. However, these items are realizable at cost if the finished products in which they will be used are expected to be sold at or above cost.

Finished goods, stock-in-trade and work-in-progress are valued at lower of cost and net realizable value. Cost is ascertained on weighted average method and in case of finished products and work-in-progress, it includes appropriate production overheads and duties.

### (c) Employee benefits

#### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia/ bonus are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### ii. Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### iii. Post-employment benefits

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the

defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Gratuity liability is covered by payment thereof to Gratuity fund. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### iv. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

- a. when the Company can no longer withdraw the offer of those benefits; and
- b. when the entity recognises costs for a restructuring that is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.
- c. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### d. Provisions

Provisions for legal claims, etc. are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

#### e. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

##### I. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted as at the reporting date and applicable to the reporting period.

Current tax assets and liabilities are offset only if the Company:

1. has a legally enforceable right to set off the recognized amounts; and
2. intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. In case of tax losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against

which such deferred tax asset can be realised.

Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### **(f) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

#### **(g) Cash and cash equivalents**

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within other current financial liabilities in the balance sheet.

#### **(h) Financial instruments**

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

Classification and subsequent measurement

#### **I) Financial assets**

##### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or

2. The Company has transferred its rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.
3. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
4. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

1. Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. Others

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### **ii) Financial liabilities Classification**

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held – for - trading, or it is a derivative or it is designated as such on initial recognition.

Initial recognition and measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

#### **(I) Property, plant and equipment**

Items of property, plant and equipment are measured at historical cost, less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets incurred up to the date the asset is ready for its intended use.

#### **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

<b>Asset</b>	<b>Life of Assets</b>
Office equipment	1-5 Years
Plant and equipment	1-7 Years
Furniture and fixtures	1-9 Years
Leasehold improvements	9 years or lease period whichever is less

The useful lives have been determined based on technical evaluation done by the management's internal expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within Other income / Other expenses.

#### **(J) Intangible assets**

Intangible assets purchased are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer software - 3 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues; if not, it is impaired or changed prospectively basis revised estimates.

Internally generated:

Research and development Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

#### **(K) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of fiscal year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### **(I) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **(M) Earnings per share**

##### **i. Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the net profit/loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the fiscal year

##### **ii. Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **(N) Statement of cash flows**

The Company's statement of cash flows is prepared using the Indirect method, whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **34. Additional regulatory information required by Schedule II**

#### **i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

## ii) Borrowing secured against current assets

The Company has sanctioned limit against overdraft facility, letter of credit and bank guarantee but the same has not been utilized during the year.

No security has been provided against these limits. No disclosure required against the sanctioned limits.

## iii) Wilful defaulter

Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act 1956 durring the financial year 2023-24

## v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013

## vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

## vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the ultimate beneficiaries

**The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:**

- 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

## viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

## ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

## x) Revaluation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

## 35. Defined benefit plan:

### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972, Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India.

<b>As at 31 March 2023</b>	<b>52.38</b>
Total amount recognised in profit or loss	<b>-5.89</b>
<b>As at 31 March 2024</b>	<b>46.49</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached  
**For M/s Srinaga & Giridharan**  
Chartered Accountants

**S R Srinaga**  
Partner  
Membership No.022767

Firm Registration No.0040135  
UDIN: 24022767BKDMVB5336  
Place : Bangalore | Date: 24-05-2024

For and on behalf of the Board of Directors  
**Source Natural Foods and Herbal Supplements Ltd**  
(CIN: L24231KA1995PLC101742)

**Arvind Varchaswi N**  
Managing Director  
DIN:00143713

**Narayanan Narasimhan**  
Director  
DIN:00143620

**R. Ramachandra**  
Chief Financial Officer

**Ruchi Chowdhury**  
Company Secretary







## **Source Natural Foods and Herbal Supplements Limited**

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