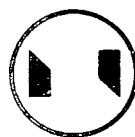


SSDN

SEVENTH ANNUAL REPORT 1997 -98



SAMPRE NUTRITIONS LIMITED





SAMPRE NUTRITIONS LIMITED

SEVENTH ANNUAL REPORT

BOARD OF DIRECTORS :

B. K. Gurbani, Chairman and Managing Director

Preetam B. Lalwani, Executive Director

K. Kameswara Rao, Wholetime Director

R.P. Modi

V.S.N. Murthy

Meera B. Gurbani

Harnam R. Bhatija

Saraswathi B. Gurbani

Sampath H. Pawar

BANKERS :

The Vysya Bank Limited

UTI Bank Ltd

AUDITORS :

M. Sessa Rao & Co.

Chartered Accountants

Flat No. 410, 'D' Wing

Vijaya Hills, A.C. Guards

Hyderabad - 500 004.

REGISTERED OFFICE :

100, Sarojini Devi Road

Secunderabad 500 003.

WORKS :

133, IDA Medchal,

Ranga Reddy District,

Andhra Pradesh.

22/6/04



SAMPRE NUTRITIONS LIMITED

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of SAMPRE NUTRITIONS LIMITED will be held on the Tuesday 29th September, 1998 at 10.30 A.M. at Jaikishan Bhojwani Hall, Sindhi Colony, Prenderghast Road, Secunderabad - 500 003. to transact the following business :

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the period ended on that date and the Report of the Directors and the Auditors thereon.

July 28, 1998

Registered Office:

100, Sarojini Devi Road

SECUNDERABAD - 500 003

BY ORDER OF THE BOARD
for **SAMPRE NUTRITIONS LIMITED**

BRAHMA K GURBANI
CHAIRMAN AND MANAGING DIRECTOR

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Instrument of Proxy for use at the Meeting must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 1998 to 29th September, 1998 (both days inclusive).
4. Members/ Proxies should bring their attendance slip sent herewith duly filled in for attending the Meeting.
5. Members are requested to notify any change in their registered address / residential status immediately to the Registered Office of the Company.



SAMPRE NUTRITIONS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the SEVENTH ANNUAL REPORT of the Company together with Audited Balance Sheet and Profit and Loss Account for the period ended 31st March, 1998.

1. FINANCIAL HIGHLIGHTS :

	Rupees in Lakhs	
	1997-98	1996-97
Profit before Interest,	87.50	63.88
Depreciation & Taxes	19.62	6.24
Less : Interest		
Profit before Depreciation and Taxes	67.88	57.64
Less : Depreciation	32.80	27.24
Profit before Tax	35.08	30.40
Add : Profit/Loss/B/F from previous year	78.11	51.64
Profit before Tax	113.19	82.04
Less : Provision for Tax	4.75	3.93
Net Profit carried to Balance Sheet	108.44	78.11

2. PERFORMANCE OF THE COMPANY :

During the year under review the Company has achieved a production of 2335.20 MT as against 1318.82 MT during the previous year. Thus, income from operations rose from 226.69 lakhs in the previous year to 274.73 lakhs during the year. The growth of the company is considered as satisfactory considering that it is a multi product company and has manufacturing contracts on loan licence basis with majority of its customers.

Your company continues its production for manufacture of well reputed products for its Principal Companies like Cadbury India Limited

for their brand of products called "GOOGLY & MOCKA", Aurobindo Pharma Limited for their brand of Cough Drops called "PHARYNGOPILS", Fermentapharma Biotech Limited for their brand of Cough Drops called "ASTRASEPT", Gepach International for their brand of Cough Drops called "GORPILS" on Loan Licence basis and CHERICOF Cough Lozenges for Ranbaxy Laboratories Limited on Principal to Principal basis as before.

3. EXPORTS :

Your Company has made a significant breakthrough in December, 1997 by entering into a manufacturing agreement with another prestigious customer - The Maharaja Organisation Limited of Sri Lanka for manufacture of their KIKX brand of candies and CHESTO Drops on Principal to Principal basis. With this, new vista has opened up for your company in the field of exports which is attributed to your company's commitment to quality. The manufacturing agreement with the new customer is executed initially for a period of three years on renewable basis. The Maharaja Organisation Limited is multi-faceted group with diversified interests in different fields and is well known in Sri Lanka. This association will provide an opportunity to your company to drive a considerable mileage by exporting candy products. The Company has already started the manufacturing activity for the foreign buyer and the first shipment left the Indian shores in the month of April, 1998 after which the company is having running order on hand for exports.

4. PERIODICAL AUDITS BY BVQI:

Your Company was bestowed with ISO-9002 accreditation by BVQI, U.K. in the year 1995. As a matter of routine procedure, your company



SAMPRE NUTRITIONS LIMITED



is being subjected to surveillance audits by the concerned authority once in half year. It is a testimony to your Company's efforts put in regard to maintaining highest quality standards as it has shown by passing through such audits successfully. Also, the company has not received any adverse report from the concerned authority.

5. DISCLOSURE AS PER CLAUSE NO. 43 OF LISTING AGREEMENT WITH THE STOCK EXCHANGES:

During the year under review, your Company has achieved Sales and Other Income of Rs. 274.73 lakhs and Profit after Tax of Rs. 30.33 lakhs as against projections of Rs. 720.00 lakhs and Rs. 188.18 lakhs of Sales and Profit after Tax respectively mentioned in your Company's prospectus.

The quantum of total sales and other income shown above is lower since the company has undertaken manufacturing on licence basis for Principal Companies as against direct sales as envisaged in the Prospectus which has resulted into lower profits. The company is also engaged in other business activities which are not shown above.

6. OUTLOOK FOR THE CURRENT YEAR:

The progress made by your company with regard to capacity utilisation has been quite remarkable during the year under review. It could achieve near total capacity utilisation because of increased orders on hand from its Principal Customers as was projected for the year. Your Company looks ahead with further improved performance as a result of upward revision in orders from its major customers like Cadbury India Limited and The Maharaja Organisation Limited. This will boost the performance of your Company for the current financial year. Your company is emphasizing more in increasing the exports that will have two way benefits enabling the Company to earn valuable foreign exchange as well as improve its profitability.

Your Directors are happy to inform you that your Company has entered the domestic market with lot of enthusiasm for its own brand of candy products with a number of varieties being launched. Your company has set-up its own marketing department that shall help the Company to establish in this highly competitive market. It has laid lot of emphasis and accorded highest priorities to the quality aspects of the products to steer the market. Being a recognised facility for high quality candy products, your Company does not foresee any stiff competition in entrenching itself well and capturing a sizeable share in the domestic market. It has started well by launching intensive marketing drive to achieve its target set in this segment. Your Directors are quite optimistic that it will not be before long that your company makes a mark in this field. In addition to these efforts your company is also exploring the possibilities of entering other export markets for its own products as a new avenue for expansion and development.

7. DIRECTORS:

Shri Sampath H. Pawar, Director and Shri Harnam R. Bhatiji retires by rotation during the forthcoming Annual General Meeting being eligible offers themselves for reappointment as Directors.

8. AUDITORS:

M/s. M. Sesha Rao & Co. Chartered Accountants who are the Statutory Auditors of the Company, will retire at the Annual General Meeting and being eligible offer themselves for reappointment. At ensuing Annual General Meeting, the Members will be requested to appoint the Auditors for the current year and fix their remuneration.



SAMPRE NUTRITIONS LIMITED

9. PARTICULARS OF EMPLOYEES :

Statement of Particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1988 is given in Annexure to this Report.

10. PUBLIC DEPOSITS :

During the year under review the Company has neither invited nor received any deposits from the public.

11. OTHER INFORMATION:

The particulars as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy ,technology absorption, foreign exchange earnings and outgo are given in Annexure attached hereto which forms a part of this Report.

12. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their gratitude for the continued support received from its **Principals - Cadbury India Limited, Ranbaxy Laboratories Limited, Fermentapharma Biotech Limited, Aurobindo Pharma Limited, Gepach International and The Maharaja Organisation Limited.** Your Directors also acknowledge with deep sense of appreciation the continued support from **Shareholders, Investors, Suppliers, Bankers - The Vysya Bank Limited, Secunderabad, UTI Bank Limited, Hyderabad, Financial Institutions and various Departments of Central and State Government.**

Your Directors also wish to convey their thanks and place on record their appreciation for the sincere efforts put in by the employees at all levels for the progress of the company.

For and on behalf of the Board of Directors

July 28, 1998
Secunderabad

BRAHMA K GURBANI
CHAIRMAN

**SAMPRE NUTRITIONS LIMITED****ANNEXURE TO THE DIRECTOR'S REPORT**

Information as per Section 217(2A) of the Companies Act, 1956, Read with the Companies (Particulars of Employees) Rules 1988, and forming part of the Directors report for the year ended 31st March 1998.

S.No.	Name of the Employee	Age	Qualification	Designation and Nature of duties of the employee	Experience in years	Date of commencement of employment	Remuneration received (Rupees)	Previous experience
A. EMPLOYED FOR WHOLE YEAR :								
1.	B.K GURBANI	44 Yrs	B. Com	Chairman & Managing Director	22 Years	1.11.1994	2,97,000/-	Director Naturalle Health Products Pvt. Ltd

B. EMPLOYED FOR PART OF THE YEAR : NIL

- The above wholetime employee was employed in the Company on contractual basis.
- Remuneration received includes salary and other allowances, perquisites etc.
- The aforesaid employee is related to Mrs. Meera B. Gurbani & Miss Saraswati B. Gurbani Directors of the Company.

For and on behalf of the Board of Directors

Secunderabad
July 28, 1998

BRAHMA K GURBANI
CHAIRMAN