



SAMPRE NUTRITIONS LIMITED



Report Junction.com

**NINTH ANNUAL REPORT
1999 - 2000**

GURBANI GROUP



SAMPRE NUTRITIONS LIMITED**NINTH ANNUAL REPORT****BOARD OF DIRECTORS**

B. K. GURBANI
CHAIRMAN & MANAGING DIRECTOR

R. MALHOTRA
FINANCE DIRECTOR

K. KAMESWARA RAO
DIRECTOR - COMMERCIAL

R. P. MODI
DIRECTOR

V. S. N. MURTHY
DIRECTOR

SARASWATI B. GURBANI (Kum.)
DIRECTOR

MEERA B. GURBANI (Smt.)
DIRECTOR

HARNAM R. BHATIJA
DIRECTOR

AUDITORS	BANKERS
M. SESA RAO & CO. CHARTERED ACCOUNTANTS FLAT NO. 410, 'D' WING VIJAYA HILLS, AC GUARDS HYDERABAD 500 004	UTI BANK LIMITED THE VYSYA BANK LIMITED

WORKS	REGISTERED OFFICE
133, INDUSTRIAL ESTATE MEDCHAL 500 402 RANGA REDDY DISTRICT ANDHRA PRADESH, INDIA TEL : 22427, 22428 FAX : (08418) - 22429	100, SAROJINI DEVI ROAD SECUNDERABAD 500 003 ANDHRA PRADESH, INDIA TEL : 7841778 / 1967 / 6320 Email : gurbani@satyam.net.in URL : www.gurbanigroup.com

SAMPRE NUTRITIONS LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SAMPRE NUTRITIONS LIMITED WILL BE HELD ON SATURDAY THE 9TH SEPTEMBER, 2000 AT 10-30 A.M. AT THE LIONS CLUB CONFERENCE HALL, LIC BUILDING, FIRST FLOOR, PARADISE CIRCLE, SECUNDERABAD-500 003.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Meera B Gurbani , who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Smt. Saraswathi B Gurbani , who retires by rotation, and being eligible, offers herself for re-appointment.
4. Appointment of Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309, 311, and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and subject to such other approvals in law including approval of the Central Government if necessary and under the loan agreements with the Financial Institutions / Banks as may be required, the Company hereby accord its approval for appointment of Shri R Malhotra as Finance Director of the Company with effect from 1st October, 2000, and to the payment of the following remuneration and to the provision of the following benefits and amenities with liberty to the Board of Directors to alter and vary such salary and perquisites so as not to exceed the limits specified in Part I or II of the Schedule XIII to the Companies Act, 1956 or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors and Shri R Malhotra:

1.	Salary :	Rs.12,500/- per month
2.	Commission :	One per cent of the net profits of the company subject to a ceiling of 50% of the salary.

SAMPRE NUTRITIONS LIMITED

3.	Perquisites	Perquisites will be in addition to salary and commission
A	(i) Housing	a) House Rent Allowance : He will be paid 60% of his salary as house rent allowance over and above 10% payable by him. b) Provision of gas, electricity, water and furnishings valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of his salary.
	(ii) Medical Reimbursement	Expenses incurred for self and family, subject to a ceiling of one month's salary per year.
	Leave	On full pay and allowances in accordance with the Rules of the Company but not exceeding one month's leave for every eleven months of service.
	Leave Travel Concession	For self and family once in a year
4.	Club Fees	Fees of clubs subject to a maximum of two clubs.
5.	Personal Accident Insurance	For self and family not exceeding premium of Rs.5,000
6.	Telephone	Free use of telephone at residence
7.	Car	Free use of car with driver, the monetary value of which may be evaluated as per the Income Tax Rules.
8.	Reimbursement of expenses	Reimbursement of all entertainment and other expenses properly incurred for the business of the Company.
The following perquisites shall not be included in the computation of ceiling on perquisites.		
9.	Gratuity	One month's salary for each completed year of service.
10.	Provident Fund and Superannuation Fund	Contribution in accordance with the Rules of the Company
11.	Encashment of Leave	Encashment of leave at the end of term of office.

"RESOLVED FURTHER THAT Shri R Malhotra, Finance Director shall, subject to the supervision, control and direction of the Board, be vested with substantial powers of management."

SAMPRE NUTRITIONS LIMITED



"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to this Resolution."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner:

After Articles 24, insert the following Heading and Article as Article 24 A:

Dematerialisation of Securities

(I) for the purpose of this Article

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

"Depository" means a company formed and registered with the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board Act, 1992;

"SEBI" means Securities and Exchange Board of India;

"Security" means such security as may be specified by SEBI from time to time.;

(II) Dematerialisation of Securities:

Notwithstanding any thing contained in the Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

(III) Options for investors:

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold security with a depository, the Company shall intimate such depository the details of allotment of security, and on receipt of the information, the depository should enter in its record the name of the allottee as the beneficial owner of the security.

SAMPRE NUTRITIONS LIMITED**(IV) Securities in Depositories to be in fungible form:**

All Securities held by a depository shall be dematerialised and be fungible form. Nothing contained in Sections 153, 153A, 153B, 187C, 372A of the Act shall apply to a depository in respect of the Securities held by it on behalf of the beneficial owner.

(V) Right of Depositories and Beneficial Owners:

- a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose effecting transfer of ownership of security on behalf of the beneficial owner.
- b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

(VI) Service of Documents:

Notwithstanding anything contained in the Act or these Article to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.

(VII) Transfer of Securities:

Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the company.

(VIII) Allotment of Securities dealt with by a Depository:

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof immediately on allotment of such securities.

SAMPRE NUTRITIONS LIMITED



(IX) Distinctive Numbers of Securities held in a Depository:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

(X) Register and Index of beneficial owners:

(XI) The Register 'and Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

15th July, 2000
for SAMPRE NUTRITIONS LIMITED

BY ORDER OF THE BOARD

Registered Office:
100, Sarojini Devi Road ,
SECUNDERABAD-500 003.

B K GURBANI
Chairman and Managing Director

NOTES:

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
2. 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.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2000 to 9th September, 2000 (both days inclusive.)
5. Members' Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting,
6. Members are requested to notify any change in their registered address/residential status immediately to the Registered Office of the Company,
7. Shareholders are requested to kindly bring their copies of the annual report to the meeting. Please note that copies of the report will not be distributed at the annual general meeting.

SAMPRE NUTRITIONS LIMITED**ANNEXURE TO NOTICE**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

Item No 5:

The Board of Directors have appointed Shri R Malhotra as Additional Director of our company with effect from 1st April, 2000 vide Board Resolution dated 29th January, 2000. Since our company has been availing financial facilities from Banks and financial institutions from time to time, it has been felt that an independent person in the position of Director is necessary to exclusively look after the financial & accounting aspects of our company. In view of this, it has now been proposed to appoint the Shri R Malhotra as Finance Director for a period of five years with effect from 1st October, 2000. The appointment of Finance Director is treated as whole-time Director and therefore, necessary resolutions are required to be passed by the Board of Directors and the shareholders in the ensuing Annual General Meeting.

None of the Directors are considered to be interested or concerned in resolution under item No: 5.

The Board of Directors commend the resolution for adoption

Item No 6 :

With the introduction of the Depositories Act, 1956, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of a Company. The Securities Exchange Board of India (SEBI) has directed that the equity share of our company have been brought under compulsory dematerialisation (demat) with effect from 26th February, 2001. It is therefore proposed that the our Company's Article of Association be suitably altered, as set out in the Resolution to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such system.

None of the Directors is concerned or interested in the said resolution.

The Board of Directors commend the resolution for adoption

15th July, 2000

BY ORDER OF THE BOARD

for SAMPRE NUTRITIONS LIMITED

Registered Office:

100, Sarojini Devi Road,
SECUNDERABAD-500 003.

B K GURBA,
Chairman and Managing Director

SAMPRE NUTRITIONS LIMITED**SAMPRE****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the NINTH ANNUAL REPORT of the Company together with Audited Balance Sheet and Profit and Loss Account for the period ended 31st March 2000.

1. FINANCIAL HIGHLIGHTS:

	<u>1999-2000</u>	<u>1998-1999</u>
(Rupees in lakhs)		
Profit before Interest	80.29	71.52
Depreciation & Taxes		
Less : Interest	27.22	19.92
Profit before Depreciation and Taxes	53.07	51.60
Less : Depreciation	38.99	34.66
Profit before Tax	14.08	16.94
Add : Profit/Loss/B/F		
From previous year	99.60	108.44
Profit before Tax	113.68	125.38
Less : Prior period adjustment—		23.78
Less : Provision for Tax	2.00	2.00
Net Profit carried to		
Balance Sheet	111.68	99.60

2. PERFORMANCE OF THE COMPANY:

During the year under review the Company has achieved a production of 1961 MT as against 2210 MT during the previous year. The income from operations rose from Rs.325.70 Lakhs in the previous year to Rs.369.58 Lakhs during the year. The growth achieved is considered satisfactory considering nature of its operations and the fact that your company is a multi product company. The company has performed well after having entered into direct marketing of SAMPRE brand of products in the last quarter of the previous financial year by achieving sales of Rs.147.10 Lakhs in the

year under review thus registering an increase of 48% over the previous year. The company set up its own C&F depots in the States^s of Tamilnadu and Kerala to streamline its marketing operations. The marketing office for these States operated from the base at Chennai which greatly helped the company in quickly acclimatizing to the new markets and create a place for its own products.

Your Company has added a prestigious customer during the year under review by entering into a manufacturing contract on Principal to Principal basis with Joyco India Limited, a multi national company for manufacture of their AQTIMINT brand of products for domestic market. The sales turnover of the company thus reflects the production undertaken for the new customer as well.

As you are already aware that your company has been manufacturing candy products for its major customer-Cadbury India Limited since August 1996. The Principal Customer has reposed utmost faith in your company's abilities for producing high quality confectionery products that it has undertaken extensive expansion plans for manufacture of its other products as well from the company. Your Directors are pleased to inform you that your company has successfully commissioned two new projects for the Principal Customer for which manufacturing agreements were entered into in the previous year i.e. for manufacture of Jelly in cups under the brand name "GOLLUM" and "Mr POPS", during the financial year under review. The commercial production for Mr Pops and Jelly cups commenced from August 1999 and December 1999 respectively. These agreements are backed up by Minimum Guaranteed production off-take for all the products by the Principal Customer which ensures optimum