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SSDN
ELEVENTH ANNUAL REPORT
2001-2002



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SAMPRE NUTRITIONS LIMITED

FIRST INDIAN COMPANY TO RECEIVE
ISO 9002 & HACCP ACCREDITATION

Certificate of Approval

Awarded to

Sampre Nutritions Ltd.

Plot No 133, 1E Medchal - 501401, RR District, Andhra Pradesh, INDIA

*The HACCP-system has been assessed by
Bureau Veritas Quality International B.V. and found
to be in accordance with the standard defined by the
"Centraal College van Deskundigen HACCP":*

STANDARD

*"Criteria for the evaluation of an operational HACCP-system,
dated September 1998."*

SCOPE OF SUPPLY

*Manufacture and storage of sugar boiled confectionery, caramel
products and candy based medicated cough lozenges.*

Original approval date: 30th November 2001

*Subject to the continued satisfactory operation of the supplier's HACCP-system,
this Certificate is valid for a period of three years from:*

30th November 2001

Date 8th March 2002

For Bureau Veritas Quality International B.V.



Certificate N°. H1302

Accredited by the Dutch Council for Accreditation

SF06.NL/HACCP98/UK

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SAMPRE NUTRITIONS LIMITED

Registered Office: 100, Sarojini Devi Road, Secunderabad - 500 003. A.P.

ATTENDANCE SLIP

ELEVENTH ANNUAL GENERAL MEETING
SATURDAY, THE 28TH SEPTEMBER, 2002 AT 10-00 AM

Registered Folio No./Demat Account No. (Client ID)	
DP ID No.	
Name of Shareholder	
Number of shares held	

I/We hereby record my/our presence at the ELEVENTH ANNUAL GENERAL MEETING of the Company at the Conference Hall, LIC Building, First Floor, Paradise Circle, Secunderabad - 500 003.

Member's / Proxy's Signature

- NOTES:
1. Shareholder or Proxy holder attending this meeting must bring this attendance slip to the meeting and handover at the entrance duly signed.
 2. Shareholder or Proxy holders are requested to bring their copy of the Annual Report for reference at the meeting.

SAMPRE NUTRITIONS LIMITED

Registered Office: 100, Sarojini Devi Road, Secunderabad - 500 003. A.P.

PROXY FORM

Registered Folio No./Demat Account No. (Client ID)	
DP ID No.	
Name of Shareholder	
Number of shares held	

I/We _____ of _____ in the district of _____ being a Member / Members of SAMPRE NUTRITIONS LIMITED, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my / our Proxy to vote for me / us on my / our behalf at the ELEVENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday the 28th September, 2002 at 10-00 a.m. at Lions Club Conference Hall, LIC Building, First Floor, Paradise Circle, Secunderabad - 500 003 and any adjournment thereof.

Signed this _____ day of _____ 2002

Signature _____

Affix
30 Paise
Revenue
Stamp

- NOTE:
1. The Proxy Form shall be completed and signed by the shareholder across the revenue stamp as per the specimen signature registered with the company.
 2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

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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
SARITA B GURBANI (KUM.) Director	MEERA B GURBANI (SMT.) Director
HARNAM R. BHATIJA Director	

AUDITORS	BANKERS
M. Sesha Rao & Co. Chartered Accountants Flat No.410, 'D' Wing Vijaya Hills, AC Guards Hyderabad - 500 004.	UTI 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

SHARE TRANSFER AGENTS	STOCK CODES
Ikon Vision Private Limited 33, Sanali Heavens 8-3-948, Ameerpeth Hyderabad - 500 073 Tel: 3744356, 3744138	MUMBAI STOCK EXCHANGE HYDERABAD STOCK EXCHANGE The Company shares are compulsorily traded in the demat form and the ISIN No. allotted is INF 375C01014.

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NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SAMPRE NUTRITIONS LIMITED WILL BE HELD ON SATURDAY THE 28TH SEPTEMBER, 2002 AT 10-00 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, 2002 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. Appointment of Auditors and to fix their remuneration.

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

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Kum. Sarita B Gurbani who was appointed as an Additional Director of the Company with effect from 4th January, 2002 under Article 106 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company".

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

B K GURBANI

Chairman and Managing Director

30 July, 2002

Registered Office:

100, Sarojini Devi Road ,
SECUNDERABAD-500 003.

closed from 25th September, 2002 to 28th September, 2002 (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.

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

ITEM NO 4 :

The Board of Directors have appointed Kum. Sarita B Gurbani as Additional Director of our company by the Board of Directors Resolution with effect from 4th January, 2002. In accordance with Article 106 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 this Director will hold office upto the date of forthcoming Annual General Meeting of the company. Notice along with a deposit of Rs. 500/- in respect of this Director as required by the Companies Act, 1956 has been received by the Company from a member proposing the appointment of Kum. Sarita B Gurbani as Director of the Company.

Except the above mentioned Director to the extent of her appointment, the Director Smt.Meera B Gurbani and the Chairman & Managing Director Shri B K Gurbani, no other Director is concerned or interested in this resolution. Your Directors commend the appointment of Kum. Sarita B Gurbani as Director of the Company.

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

B K GURBANI

Chairman and Managing Director

30 July, 2002

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



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DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the ELEVENTH ANNUAL REPORT of the Company together with Audited Balance Sheet and Profit and Loss Account for the period ended 31st March 2002.

1. FINANCIAL HIGHLIGHTS

	2001-2002	2000-2001
	(Rupees in lakhs)	
Profit before		
Interest	75.50	80.83
Depreciation & Taxes		
Less : Interest	22.42	32.61
Profit before Depreciation and Taxes	53.08	48.22
Less : Depreciation	43.66	43.43
Profit before Tax	9.42	4.79
Add : Profit/Loss/B/I/		
from previous year	115.47	111.68
Profit before Tax	124.89	116.47
Less : Provision for		
Tax	1.75	1.00
Deferred Tax	87.39	0.00
Net Profit carried to		
Balance Sheet	35.75	115.47

2. PERFORMANCE OF THE COMPANY:

During the year under review your Company has reached a turnover of Rs.700.13 lakhs, as against Rs.662.90 lakhs achieved during the previous Financial year. Your Company's turnover comprises of Sales of Rs.521.99 lakhs and income from processing charges

of Rs.178.14 lakhs corresponding to Sales of Rs.453.36 lakhs and income of Rs.209.54 lakhs respectively netted in the previous year. Your company has concentrated more on direct marketing of its own products resulting in further increase in its sales turnover. Your company has been able to increase its market share and also spread its wings into more new territories in the domestic market in its efforts to firmly establish 'Sampre' as a brand. Though your company had forecast higher turnover for the year under review but was greatly impacted by recessionary trends and sagging economic scenario in the global markets in general and domestic confectionery market in particular. Some statutory changes in payment of excise duty structure also had a bearing in its over all performance.

Your company has added a new prestigious customer Morepen Laboratories Limited during the year under review and received substantial orders for manufacturing of their brand of product known as C-Candy. This has even contributed to sizeable increase in turnover of your company. Your company has got the supply orders renewed with Indian Airlines Limited and has performed creditably well in manufacturing candies and toffees products for supply to the reputed national carrier thus adding to its turnover substantially. Your company has earned income from processing charges from its major customer i.e. Cadbury India Limited for whom your company manufactures their various brand of products like Googly, Nice

cream, Gollum, Mr.Pops & Dairy Milk Eclairs on Loan License basis. Your company has improved its profitability significantly during the year. The profit before tax of your company is Rs.9.42 lakhs as against Rs.4.79 lakhs during the previous financial year. Notwithstanding further strain on financial resources of your company due to increased expenditure in marketing, the over all performance of your company has remained satisfactory during the financial year under review.

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

Equity shares of your company have been listed on the following Stock Exchanges and your company has paid the Annual Listing fee to each of the Stock Exchanges :

1. The Hyderabad Stock Exchange Limited
3-6-275, Himayatnagar
Hyderabad 500 029.
2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

4. OUTLOOK FOR THE CURRENT YEAR:

The economic scenario over all is showing notable signs of recovery with the on set of current financial year. It is a redeeming feature in otherwise dull business scenario.

Your company is therefore, more confident of improving its performance and feels quite optimistic with its forecast for the current financial year. Even in the face of increased competition and entry of market players, your company is continuing to strive very hard to sustain a good growth rate and increase its market share. Your company, being an ISO 9001 and HACCP accredited, has more responsibility to maintain highest standards of quality. Your company has very ambitious and optimistic forecast for a higher rate of growth during the current financial year. It has got the backing of its major customers like Morepen Laboratories Limited, Cadbury India Limited and India Airlines Limited in achieving its set targets of turnover. Your company is fully poised to achieve full capacity utilization and for the purpose has prospective orders in place to show much better performance in the current financial year. Your company is also having coherent plans to increase its network and strengthen its marketing set up.

The confectionery market has seen the entry of a new product - Deposited Candy - an innovative product resulting out of technology driven advancement. Presently there are only 2 manufacturers for deposited candies in India - both multinational companies. The product has a great demand and consumer acceptability in India. Encouraged by growing market for deposited candies, your company has also decided to manufacture this product at its facilities. Your company is therefore, actively involved

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in creating infrastructure facilities at its Plant for manufacture of the new product. Your company plans to introduce the new product in the domestic market under its own brand 'Sampre' besides manufacturing the product for its principal customers as well. Your company is quite hopeful to derive maximum mileage out of this new development which will give a tremendous boost to its turnover.

5. RAJIV GANDHI NATIONAL QUALITY AWARD AND HACCP CERTIFICATION:

Your Directors take pleasure in informing you that the company has been awarded the prestigious Rajiv Gandhi National Quality Award instituted by Bureau of Indian Standards for quality standards. Your Chairman and Managing Director had the honor of receiving the award from Shri. Shanta Kumar, honorable Union Minister on behalf of your company at a ceremony held at New Delhi. Your company has thus added another feature to its cap by bagging this coveted award. It is nothing but vindication of the quality policies pursued by your company & practiced at all levels.

Your directors further take pride in sharing with you that your company has become the first company in the country for having been accredited with HACCP certification by BVQI, Netherlands in the year under review, a rare honor.

6. DIRECTORS:

Smt. Saraswati B Gurbani, Director resigned on 4th January 2002. Your Directors wish

to place on record their deep appreciation of the services rendered by Smt. Saraswati B Gurbani.

Smt. Meera B Gurbani who retires by rotation during the forthcoming Annual General Meeting being eligible, offers herself for reappointment as Director.

Your Directors have appointed Kum. Sarita B Gurbani as Additional Director of our company on 4th January 2002.

Your Directors commend the appointment of Kum. Sarita B Gurbani as Director of the company in the forthcoming Annual General Meeting.

7. 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 the ensuing Annual General Meeting, the Members will be requested to appoint the Auditors for the current year and fix their remuneration.

8. PARTICULARS OF EMPLOYEES:

Particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1999 are NIL.

9. PUBLIC DEPOSITS:

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

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10. OTHER INFORMATION:

The particulars as required under Section 217 (1) (c) 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 part of this report.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements 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 and of the profit of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the directors had prepared the annual accounts on a going concern basis.

12. ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their gratitude for the continued support received from its Principal Customers - Cadbury India Limited, Morepen Laboratories Limited, Indian Airlines limited, Ranbaxy Laboratories Limited, Aurobindo Pharma Limited, Cipla Limited, Nicholas Piramal India Limited, The Maharaja Organization Limited, super stockists and C&F Agents. Your Directors also acknowledge with deep sense of appreciation the continued support from Shareholders, Investors, Suppliers, Bankers-UTI Bank Limited, Hyderabad, Financial Institutions and various Departments of Central and State Governments.

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

B K Gurbani
CHAIRMAN &
Secunderabad 30 JULY 2002
MANAGING DIRECTOR