

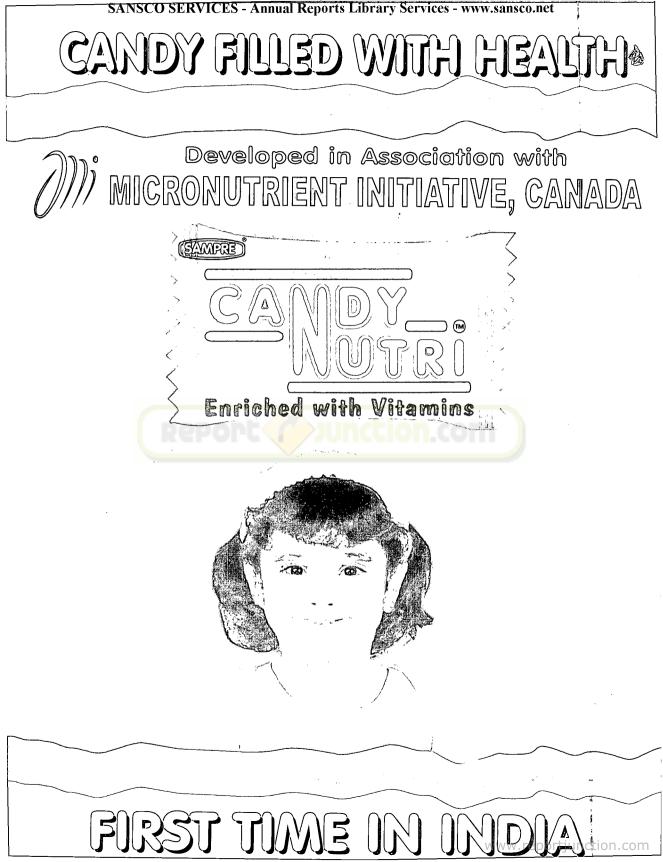


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# SAMPRE NUTRITIONS LTD

# SIXTEENTH ANNUAL REPORT 2006-2007

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# SIXTEENTH ANNUAL REPORT

BOARD OF	DIRE	CTORS
SRI B K GURBANI	: .	Chairman and Managing Director
SMT MEERA B GURBANI	:	Director
MS SARITHA B GURBANI	•	Director
SRI HARANAM R BHATIJA		Director
SRI B JAYAPRAKASH REDDY	:	Director
SRI ANIL SIDHANI	:	Additional Director (w.e.f 30.07.2007)
SRI T V N PRASAD	•	Director (up to 09.02.2007)

### AUDITORS

#### BANKER

M Sesha Rao & Co. # 6-3-200/A, "Moparthy Towers" 1st Floor, Prem Nagar, Road No. : 1, Banjara Hills, Hyderabad - 500 004. State Bank of India UTI Bank Limited

WORKS: REGISTERED OFFIC

133, APIIC Industrial Estates, Medchal-500 401, Ranga Reddy Dist Andhra Pradesh. Phone: 08418 22427/28 Fax: 08418 22429 100, Sarojini Devi road, Secunderabad – 500 003 Andhra Pradesh, INDIA Phone: 040-27846320, 27841778 Fax: 040-27813931 E-Mail: <u>grbani@satyam.net.in</u> Website: <u>www.gurbanigroup.com</u>

BIG SHARE SERVICES PRIVATE LIMITED G-10, Left Wing, Amrutha Ville, Opp Yashoda Hospitai, Somajiguda Raj Bhavan Road,

REGISTRARS & TRANSFER

Hyderabad – 500 082.

Bombay Stock Exchange Limited The Hyderabad Stock Exchange Limited

LISTING AT.

### NOTICE

NOTICE is hereby given that the 16<sup>th</sup> Annual General Meeting of the members of the company will be held on **SATURDAY**, 29<sup>TH</sup> **SEPTEMBER**, 2007 at 10.00 AM at Lions Club Conference Hall, LIC Building, 2<sup>nd</sup>Floor, Paradise Circle, Secunderabad, Andhra Pradesh to transact the following items of business:

#### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
- 2. To appoint a director in place of Smt Saritha B Gurbani who retires by rotation and expressed her unwillingness for re-appointment.
- **3.** To appoint auditors to hold the office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

#### **SPECIAL BUSINESS:**

#### 4. TO APPOINT SRI ANIL SIDHANI AS DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Sri Anil Sidhani who was co-opted as an Additional Director by the Board at their meeting held on 30<sup>th</sup> July, 2007 and who holds office as such up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation."

#### 5. TO APPOINT SRI GEORGE KURIAN AS A DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Sri George Kurian, in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation."

#### For and on behalf of the Board

Sd/-**B K GURBANI** Chairman and Managing Director

Place : Hyderabad Date : 28th August, 2007

## NOTES:

- AMEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAND OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- 2) An Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from **TUESDAY 25<sup>th</sup> SEPTEMBER, 2007 to SATURDAY 29<sup>th</sup> SEPTEMBER, 2007** (both days inclusive).
- 4) Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
- 5) Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.

## EXPLANATORY STATEMENT

#### (Pursuant to section 173(2) of the Companies Act, 1956)

#### ITEM NO.4

#### APPOINTMENT OF SRI ANIL SIDHANI AS DIRECTOR OF THE COMPANY:

A CONTRACT TO A CONTRACT

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Company proposed to broad base the board for better governance and to comply with Clause 49 of the Listing Agreement, the Board of Directors of the Company appointed Sri Anil Sidhani as Additional Director of the company at their meeting held on 30<sup>th</sup> July, 2007 and he will hold office up to the date of this Annual General Meeting.

Due to his vast experience, the Board feels his appointment as a director of the company will immensely benefit the company. Further the company has received a notice in writing from a member along with the deposit of Rs 500/- under section 257 of the Companies Act, 1956.

Pursuant to provisions of Section 257 of the Companies Act, 1956 any appointment of director requires the approval of the members in their meeting, hence this resolution commended for your approval.

None of the Directors is interested in this resolution.

#### ITEM NO. 5 :

#### APPOINTMENT OF SRI GEORGE KURIAN AS DIRECTOR OF THE COMPANY

Company is in receipt of special notice of under section 257 of the Companies Act 1956, proposing candidature Mr. Geoege Kurian for the post of the Director of the Company. Considering his vast experience in confectionary industries, Board recommend his appointment and is of opinion of the Board, it would further professionalise Board.

Pursuant to provisions of Section 257 of the Companies Act, 1956, appointment of the Director and requires the approval of the members in their meeting, hence this resolution commended for your approval.

None of the Directors is interested in this resolution.

#### For and on behalf of the Board

Place : Hyderabad Date : 28th August, 2007 Sd/-B K GURBANI Chairman and Managing Director

# DIRECTORS' REPORT

#### To

The Members,

Your Directors have pleasure in presenting herewith the 16<sup>th</sup> Annual Report of Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2007

#### FINANCIAL RESULTS:

(Rs.in lakhs)

PARTICULARS	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006	
Income Received	1040.95	547.89	
Expenditure	960.82	472.58	
Profit before depreciation and Income tax	80.13	75.31	
Depreciation	54.63	51.85	
Net profit before tax	25.50	23.46	
Provision for taxation	•		
a. Current tax	14.80	14.73	
b. De <mark>f</mark> erred tax	(3.68)	(5.45)	
Profit after tax	14.38	14.18	
Provision for Dividend and Dividend tax	. 0	. 0	
Profit before transfer to General Reserve	14.38	14.18	
Brought forward from previous year	154.80	140.62	
Transfer to General Reserve	-	_	
Balance carried to balance sheet	169.19	154.80	

#### OVERALL PERFORMANCE OF THE COMPANY:

During the year the Company has a net turnover of Rs. 1040.95 Lakhs as compared to Rs. 547.89 Lakhs during the last financial year. The net profit of the Company has increased to Rs. 25.50 lakhs from Rs. 23.46 Lakhs in the previous year. Inspite of the increase in turnover, the net profit of the Company is not increased due to heavy expenditure in raw material and other expences.

#### DIVIDEND

Your Directors do not recommend any Dividend for the financial year 2006-2007 as the profits are planned to be ploughed back into the business operations.

#### DIRECTORS:

1. Ms. Saritha B Gurbani, retire by rotation at the ensuing Annual General Meeting and expressed her unwillingness for re-appointment as a Director due to her pre occupation.

2. Sri Anil Sidhani who was co-opted as additional director on the board at its meeting held on 30<sup>th</sup> July, 2007 who holds office as such up to the date of Annual General Meeting and on receiving a

notice proposing his candidature for office of director, he is appointed as director of the company who is eligible to retire by rotation.

3. Company has in receipt of special notice under section 257 of the Comapanies Act 1956, for nominating Mr. George Kurian as a Director of the Company. Same is been put before you for approval.

#### PERSONNEL:

None of the Employees of the Company is drawing remuneration exceeding limits prescribed U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors of your company hereby confirm that:

- i. In preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2007 the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2007 and of the profit and loss of the company for that period;
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The directors have prepared the annual accounts on a going concern basis.

#### CORPORATE GOVERNANCE:

A) <u>REPORT ON CORPORATE GOVERNANCE:</u>

Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as **Annexure – II** to this report.

#### B) MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Aspects of Management Discussion and Analysis are enclosed as Annexure - I to this report.

#### AUDITORS:

M/s Sesha Rao & Co Chartered Accountants, the Auditor of your Company who retires at the conclusion of the ensuing Annual General Meeting and expressed their unwillingness for re-appointment due to pre occupation.

Company has received letter from M/s. Yadav Pujara & Shah, Chartered Accountant, that if appointed at the ensuing Annual General Meeting as statutory auditors their appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

#### **REPLY TO AUDITORS OBSERVATION :**

With regards to the Auditors observation for non payment to statutory dues on time, board would like to inform that it was short term delay of the Company and the same has been taken care.

#### SUSPENSION OF TRADING :

Suspension of script of the Company is due to non compliances of listing agreement. Company has complied with all the listing compliances and the matter is pending before listing committee of the Bombay Stock Exchange Ltd., and your Directors are hopeful that the trading in the shares of the Company will be resumed shortly.

#### FIXED DEPOSITS:

Your company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

#### **PUBLIC DEPOSITS:**

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

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information is annexed hereto.

#### Foreign Exchange Earnings & Outgo: (In Rs.)

	2006-07	2006-05
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo		NIL

#### ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their gratitude for the continued support received from valued customer – Cadbury India Limited, Himalaya Drug Company, The Micro Nutrient Initiative, Dabur, etc. Your Directors also acknowledge with deep sense of appreciation the continued support from Shareholders, Investors, Suppliers, Bankers – State Bank of India, UTI Bank Limited, 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

Sd/-B K GURBANI Chairman and Managing Director

Place : Hyderabad Date : 28th August, 2007

## ANNEXURE TO DIRECTOR'S REPORT

FORM - A (See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

Р	Particulars		Current Year (2006-07)	Previous Year (2005-06)
A. Pow	ver and Fuel Consumption	-		
1.	Electricity		·	
. (	(a) Purchased			
	Units	KWH	627704	565293
	Total Amount	Rs.	2541266	1955914
	Rate / Unit	Rs/KWH	4.05	3.46
(	(b) Own Generation			
	(i) Through diesel generation			•
	Units	KWH	17354	41640
	Quantity	Lit.	52063	-
	Total Amount	Rs.	1822204	
	Units per its of diesel oil	KWH/Lit	3.00	3.00
	Cost / Units	Rs/KWH	11.66	<sup>°</sup> 10.20 .
2. 1	(ii) Through steam turbine generation	Jnctio	n.com <sup>-</sup>	
(	(used for generation of steam in boiler)			
	Quantity (tonnes)	-	366.64	-
	Total Cost	Rs.	586624	· _
. /	Average Rate / Ton	Rs.	1600	-
3. 1	Furnace Oil	•		
(	Quantity	Litres	193496	190562
	Total Amount	Rs.	4353669	4764050
· /	Average Rate	Rs/Ltr	22.50	25.00
4B. (	Consumption per unit of production			
	Product (with details) total inKgs.		2983279	1768119
	Electricity	KWH	0.85	1.11
	Furnace Oil	Litres	1.46	2.69
. [	Diesel	Litres	0.61	-
F	Firewood	Kg.	0.2	· _