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**SAMPRE NUTRITIONS LTD**

***TWENTIETH ANNUAL REPORT  
2010-2011***

**FIRST TIME IN INDIA**



**FORTIFIED VITAMINIZED CANDY**

**CANDY FILLED WITH HEALTH**

## **BOARD OF DIRECTORS**

SRI B K GURBANI	:	Chairman and Managing Director
SMT MEERA B GURBANI	:	Director
SRI HARANAM R BHATIJA	:	Director
SRI B JAYAPRAKASH REDDY	:	Director
SRI ANIL SIDHANI	:	Director
SRI GEORGE KURIAN	:	Director

## **AUDITORS:**

M/s KJD Srinivas & Co.  
Chartered Accountants  
Plot No.67, Paigah Colony,  
SP Road,  
Secunderabad -500003

## **BANKERS:**

State Bank of India  
AXIS Bank Limited

## **REGISTERED OFFICE:**

100, 3rd Floor, Kiran Arcade  
Sarojini Devi road,  
Secunderabad – 500 003  
Andhra Pradesh, India  
Phone: 040 – 27841778  
Fax: 040-27813931  
E-Mail: gurbani@sify.com  
Website: www.gurbanigroup.com

## **WORKS:**

133, APIIC Industrial Estate,  
Medchal-500 401,  
Ranga Reddy Dist, AP.  
Phone: 08418 22427/28  
Fax: 08418 22429

## **REGISTRARS & TRANSFER AGENTS:**

M/s. Big Share Services Private Ltd  
306, Right Wing, Amrutha Ville,  
Opp. Yashoda Hospital,  
Raj Bhavan Road, Somajiguda,  
Hyderabad – 500 082.  
Phone : 040-23374967

## **NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held on **MONDAY, 31<sup>ST</sup> OCTOBER, 2011** at **11.00 A M** at Lions Bhavan Trust, Behind LIC Office, Paradise Circle, Secunderabad – 500 003 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, 2011 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 Mr. Banala Jayaprakash Reddy who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint a director in place of Mr. Harnam Rajalsingh Bathija who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint auditors to hold the office from conclusion of the Annual General Meeting to conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board  
**For SAMPRE NUTRITIONS LIMITED**

Place: Secunderabad.  
Date: 29.09.2011

Sd/-  
**B 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 HIM SELF 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. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 26<sup>th</sup> October 26, 2011** to **Monday 31<sup>st</sup> October, 2011** (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.
6. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting herewith the Twentieth Annual Report of together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2011

### **FINANCIAL RESULTS**

(Rs.in lakhs)

<b>PARTICULARS</b>	<b>Current Year 2010-11</b>	<b>Previous Year 2009-10</b>
Income Received	1044.53	435.44
Expenditure	1010.09	426.04
Profit before depreciation and Income tax	114.35	85.21
Depreciation	80.73	75.81
Net profit before tax	33.62	9.40
Provision for taxation		
a. Current tax	10.00	3.00
b. Deferred tax	-	-
c. Fringe Benefit Tax	-	-
Profit after tax	23.62	6.40
Brought forward from previous year	210.40	204.56
Transfer to General Reserve	-	-
Balance carried to balance sheet	234.02	210.96

### **OVERALL PERFORMANCE OF THE COMPANY:**

During the financial year under review, your Company has recorded a turnover of Rs.1044.53 Lakhs and incurred a net profit after tax of 23.62 Lakhs compared to Turnover of Rs. 435.44 Lakhs and net profit after tax of Rs. 6.40 Lakhs during the previous financial year.

Your Board of Directors are hopeful that the performance of the Company will improve in the coming financial years.

### **DIVIDEND**

Due to insufficiency of profits your directors do not recommend any dividend for the financial year 2010-11.

**DIRECTORS:**

Mr. Banala Jayaprakash Reddy & Mr. Harnam Rajalsingh Bathija retires by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

Board recommends their re-appointment.

**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.

**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.

**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, 2011 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 2011 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.

## **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 given in Annexure – 1 attached hereto which forms a part of this report.

## **AUDITORS:**

M/s. KJD Srinivas & Co., Chartered Accountants, statutory Auditors of the Company retire at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

Further Company is in receipt of confirmation from M/s. KJD Srinivas & Co, Chartered Accountants that in the event of their re-appointment as statutory auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

Board recommends their re-appointment.

## **CORPORATE GOVERNANCE:**

### **A) REPORT ON CORPORATE GOVERNANCE:**

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 – III** to this report.

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

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

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to place on record their gratitude for the continued support received from its Principals – Cadbury India Limited, Himalaya Drug Company, Sydlar Remedies Pvt Ltd, Harshey's & Dr. Morpen. Your Directors also acknowledge with deep sense of appreciation the continued support from Shareholders, Investors, Suppliers, Bankers' – State Bank of India, AXIS Bank Limited 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.

**BY ORDER OF THE BOARD  
For SAMPRE NUTRISIONS LIMITED**

Place: Secunderabad.  
Date: 29.09.2011

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



**FORM - "A"****Annexure- I****[ PARTICULARS UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998. ]****CONSERVATION OF ENERGY**

<b>A. POWER AND FUEL CONSUMPTION</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>2010-11</b>	<b>2009-10</b>
<b>1. Electricity</b>		
<b>a) Purchased Unit(Kwh)*</b>	<b>7,91,140</b>	<b>4,92,386</b>
Total Amount Rs.	<b>36,44,501</b>	<b>21,07,411</b>
Rate/Unit Rs.	<b>4.60</b>	<b>4.28</b>
<b>b) Own Generation</b>		
i. Through Diesel Generator:		
Units Generated (Kwh)	<b>38,014</b>	<b>30,783</b>
Total Cost	<b>16,40,312</b>	<b>12,52,240</b>
Cost/Unit Rs.	<b>43.15</b>	<b>40.68</b>
ii. Through steam turbine/generator	<b>-</b>	<b>-</b>
<b>2. Coal (for Boiler)</b>		
- Quantity - Liters	<b>3041</b>	<b>1685</b>
- Total Amount - Rs.	<b>68,42,865</b>	<b>32,85,360</b>
- Average Rate - Rs.	<b>2250</b>	<b>1950</b>
<b>3. Furnace Oil</b>		
- Quantity- Liters	<b>Nil</b>	<b>Nil</b>
- Total Amount- Rs.	<b>Nil</b>	<b>Nil</b>
- Average Rate- Rs.	<b>Nil</b>	<b>Nil</b>
<b>4. Other/internal generation</b>	<b>Nil</b>	<b>Nil</b>

**B. CONSUMPTION PER KG OF PRODUCTION**

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Total Production</b>	<b>47,90,523</b>	<b>32,10,530</b>
Electricity (Kwh)	<b>0.76</b>	<b>0.66</b>
Furnace Oil	<b>NIL</b>	<b>NIL</b>
Fire Wood(Kgs)	<b>1.42</b>	<b>1.02</b>
Diesel (ltrs)	<b>0.34</b>	<b>0.39</b>

## **FORM - "B"**

### **PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

#### **A. RESEARCH AND DEVELOPMENT (R&D)**

:

1. The company is continuously putting the efforts for upgrading the product development and process. Time to time the stability tests and product shelf life is being monitored.
2. Besides of the product Development Company is also putting efforts to train the staff & work force.
3. The vitaminized candy "**CANDY NUTRI**" efficacy studies & effectiveness are conducted and company is improving further to develop this product.
4. Expenditure on R & D:  
Capital - The Company has spent an amount of Rs.1.38 lakhs towards lab equipment

#### **B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:**

The Company has invested in additional upgradation of the equipment to deliver high quality of "**ECLAIRS**" product of its principle customer M/s. Cadbury's India Limited, for which the cream center filling equipment is replaced by a new one including 3 tier conveyer was installed to maintain the 8°C temperature for cooling the product at 1 ton per hour.

#### **FOREIGN EXCHANGE EARNINGS & OUTGO: (IN RS.)**

	<b>2010-11</b>	<b>2009-10</b>
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	25,37,700	Nil