

BOARD OF DIRECTORS

SRI B K GURBANI	:	Chairman and Managing Director
SRI HARNAM R BATHIJA	:	Director
SMT MEERA B GURBANI	:	Director
SRI B JAYAPRAKASH REDDY	:	Director
SRI ANIL S SIDHANI	:	Director
SRI GEORGE KURIAN	:	Director

AUDITORS:

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

BANKERS:

HDFC Bank Ltd, Tamilnad Mercantile Bank Limited
& 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 222427/28
Fax: 08418 222429

REGISTRARS & TRANSFER AGENTS:

M/s. Big Share Services Private Ltd
306, 3rd Floor, Right Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
Hyderabad – 500 082.
Phone : 040-23374967

NOTICE

NOTICE is hereby given that the **Twenty Second Annual General Meeting** of the Members of the Company will be held at 11:00 Hrs on **SATURDAY, 28TH SEPTEMBER, 2013** at Lions Club Conference Hall, LIC Building, 2nd Floor, Paradise Circle, Secunderabad – 500 003 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the financial period ended March 31st 2013, the Balance Sheet as at that date, & the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Anil Santumal Sidhani who retires by rotation being eligible offer himself for re-appointment.
3. To appoint a Director in place of Sri George Kurian who retires by rotation being eligible offer himself for re-appointment.
4. To appoint Auditors to hold the office from conclusion of this Annual General Meeting to conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. SHIFTING OF REGISTERED OFFICE FROM SECUNDERABAD TO MEDCHAL:

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

“RESOLVED THAT pursuant to provisions of Section 146 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Members of the Company be and is hereby accorded to shift the Registered office of the company from 100, 3rd Floor, Kiran Arcade, Sarojini Devi Road, Secunderabad – 500 003 to Plot No. 133, Industrial Estate, Medchal, Ranga Reddy Dist - 501401.”

“FURTHER RESOLVED THAT Mr. B K Gurbani, Managing Director of the Company be and is hereby authorised to intimate the aforesaid change to the Registrar of Companies, Andhra Pradesh in the specified form and to carry out all necessary steps in this connection.”

For and on behalf of the Board
For SAMPRE NUTRITIONS LIMITED

Sd/-

B K GURBANI

Chairman and Managing Director

Place: Secunderabad.
Date: 27.08.2013

NOTES

1. A member entitled to attend & vote is entitled to appoint a Proxy to attend and vote instead of himself and the 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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business in Item No. 5 is annexed hereto.
4. The Register of Members and Share transfer books of the Company will remain closed from **Thursday, 26th September, 2013 to Saturday, 28th September, 2013** (both days inclusive)
5. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
6. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.
7. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.
8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its members in the electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.

EXPLANATORY STATEMENT

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

ITEM NO. 5

Your Board of Directors has decided to shift the registered Office from Secunderabad to Medchal for the ease in carrying on operations of the company.

The Present Registered office of the company is at 100, 3rd Floor, Kiran Arcade, Sarojini Devi Road, Secunderabad – 500 003.

As per provisions of Section 146 of the Companies Act, 1956 Shifting of registered office of the company outside the city limits requires the approval of the members by passing special resolution. Hence your board of directors recommends the resolution as set out above for your approval.

None of the directors of the company is, in any way, concerned or interested in the said resolution.

For and on behalf of the Board
For SAMPRE NUTRITIONS LIMITED

Sd/-

B K GURBANI

Chairman and Managing Director

Place: Secunderabad.
Date: 27.08.2013

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting herewith the Twenty Second Annual Report of together with the Audited Accounts for the financial year ended 31st March, 2013

FINANCIAL RESULTS

(Rs.in lakhs)

PARTICULARS	Current Year 2012-13	Previous Year 2011-12
Income		
Revenue from operations	1081.34	816.88
Other Income	2.10	0.91
Total Income	1083.44	817.79
Expenditure	1062.47	785.73
Net profit before tax	20.97	32.06
Provision for taxation		
a) Current tax	17.31	17.41
b) Deferred tax	(13.26)	(2.95)
c) Fringe Benefit Tax	—	—
Profit after tax	16.92	17.60

OVERALL PERFORMANCE OF THE COMPANY:

During the financial year under review, your Company has recorded a turnover of Rs.1081.34 Lakhs and incurred a net profit after tax of Rs. 16.92 Lakhs compared to Turnover of Rs. 816.88 Lakhs and net profit after tax of Rs. 17.60 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 2012-13.

DIRECTORS:

Sri Anil Santumal Sidhani and Sri George Kurian retire 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 31st March, 2013 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 judgements 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 31st March 2013 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 for financial year 2013-14.

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.

The 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 (Kraft Foods), The Himalaya Drug Company & Alkem Laboratories Limited. Your Directors also acknowledge with deep sense of appreciation the continued support from Shareholders, Investors, Suppliers, Bankers' – HDFC Bank Ltd, AXIS Bank Limited and Tamilnad Mercantile Bank Limited 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
For SAMPRE NUTRITIONS LIMITED

Place: Secunderabad.
Date: 27.08.2013

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**

A. POWER AND FUEL CONSUMPTION	Current Year	Previous Year
	2012-13	2011-12
1.Electricity		
a) Purchased Unit(Kwh)*	6,46,213	5,53,278
Total Amount Rs.	40,71,140	29,09,207
Rate/Unit Rs.	6.30	5.26
b) Own Generation		
i. Through Diesel Generator:		
Units Generated (Kwh)	1,06,189	87,126
Total Cost	58,72,268	39,23,280
Cost/Unit Rs.	55.30	45.03
ii. Through steam turbine/generator	-	-
2. Fire Wood (for Boiler)		
Used for Generation of Steam in Boiler		
- Quantity - Tons	1,159	2,505
- Total Amount - Rs.	61,43,733	56,35,266
- Average Rate - Rs.	5,300	2,250
3. Furnace Oil		
- Quantity- Liters	Nil	Nil
- Total Amount- Rs.	Nil	Nil
- Average Rate- Rs.	Nil	Nil
4. Other/internal generation	Nil	Nil

B. CONSUMPTION PER KG OF PRODUCTION

Particulars	2012-13	2011-12
Total Production (Kgs.)	48,57,169	59,72,253
Electricity (Kwh)	0.83	0.56
Furnace Oil	NIL	NIL
Fire Wood(Kgs)	1.26	1.24
Diesel (ltrs)	1.20	0.66

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.5 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.)

	2012-13	2011-12
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	759,817

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

There are a number of trends within the chocolate industry that are driving growth; and Increasing disposable incomes as well as changing public sentiments regarding health and our global community are the driving forces behind this growth in innovation.

Premium and specialty items have shown strong growth over the long-term. During the recession, there had been a shift away from premium items, but as the economy has continued to recover, sales of premium items have taken the lead again. High-end varieties can be baked on the premises, come from a renowned region or have a hidden secret recipe. Seasonal and boxed assorted chocolates have been experiencing the fastest growth, and sales are expected to expand 13% between 2010 and 2015.

Over the last several decades there has been increased understanding of what constitutes a healthy diet, and there has been a dramatic increase in sales of sugar free, reduced fat and reduced calorie offerings. Dark chocolate is known to lower both blood pressure and cholesterol, and has nearly 8 times the number of antioxidants as found in strawberries. A recent survey found that 35% of respondents believe dark chocolate to be healthier.

INDIAN CHOCOLATE INDUSTRY AT A GLANCE IN 2012 - 2013

The Indian chocolate industry may surpass the Rs 7,500-crore mark by 2015 with the help of growing consumption in the urban and semi-urban areas, according to the industry chamber Associated Chambers of Commerce and Industry of India (ASSOCHAM). Currently, the Indian chocolate market is worth around Rs 4,500 crore. The Indian chocolate industry is registering a compound annual growth rate of 25 per cent at present. The demand for chocolates in India has clocked about 35% rise as against last year primarily in urban areas due to the rising shift to chocolates from traditional mithai around the festival season.

High income levels in the urban sector is a good reason for the rapid growth of the chocolate industry in India. More than 65% of the consumption occurs in the urban market. Today, the Indian confectionery industry is one of the fastest growing in the world with an estimated market size of over Rs 2,000 crore per annum accounting for an annual growth of 18-20 per cent.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Chocolate Industry Franchise Opportunities

There are a wide variety of chocolate industry opportunities available for the franchisee, based on location, clientele, and affluence. Franchises exist in storefront or online variety and for shipping or hand delivery; specialty stores provide high-end treats and bulk candy stores offer large quantities of varying quality!

The chocolate industry has proven both resilient during the recession and innovative to meet changing consumer tastes and criteria. Growth will remain strong as chocolate gains in popularity in new markets and the global economy powers ahead. Healthier varieties are gaining market share and discerning consumers are willing to pay a premium for ethical production, but through it all, chocolate demand continues to grow.

Chocolate Leads the Way

One of the primary demand drivers for chocolate and other sweets is consumer taste, and consumers continue to love chocolate! Long a beloved treat in the western world, a recent study in Great Britain showed that 91% of females and 87% of males consume chocolate products. But the taste for chocolate is now expanding into highly populated nations with a growing middle class, such as China and India. Rising disposable incomes and changing tastes will continue to drive growth in the industry overseas, just as improving domestic economic conditions increase sales at home.

The candy and confectionery industry remained strong through the recent recession, with the chocolate industry in particular having strong sales despite belt tightening. considered a luxury, chocolate surprised many industry observers with continued sales strength over the last several years. Though people spent less on big ticket items like vacations, consumers refused to give up the little ways they spoil themselves at home. A chocolate bar is often considered an “affordable luxury.”

Profitability for large confection and candy producers is derived from manufacturing and supply chain efficiency, as well as effective marketing. Smaller companies look to offer premium or specialty products. For all companies involved in the chocolate industry, however, rising commodity prices can be cause for concern. Cocoa prices can be exceedingly variable as it is largely grown in developing nations with often unstable political situations. Recent turmoil in the Ivory Coast, the largest producer of cocoa, has caused prices to skyrocket for the beans. Lack of access to modern insecticides and fertilizers also makes production less predictable. Large producers of cocoa manage and absorb much of this risk, but will begin to pass on higher prices beyond a certain point.

PRODUCT PERFORMANCE:

During the year under review your company has reached a turnover of Rs.1081.34 Lakhs. This contributes major income from contract manufacturing.

Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' Development initiatives which have very positive impact on the moral and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

Your Company's human resource management systems and processes are designed to enhance employee engagement, organizational capability and vitality so as to ensure that our businesses is positioned world class for competitive superiority and capable of achieving your Company's ambitious plans for growth. A key component of your Company's human resource strategy is the unique strategy of organization that ensures that each business is enabled to focus on its own product market while at the same time, leverages the synergies of a multi-business conglomerate. This unique strategy of organization also focuses on developing and nurturing distributed leadership and ensures that each of your Company's businesses is managed by a team of competent, passionate and inspiring leaders, capable of building a future-ready organization through continuous learning, innovation and world class execution.