

**GURBANI**



**GROUP**

**SAMPRE NUTRITIONS LIMITED**

(CIN: L15499TG1991PLC013515)

**BOARD OF DIRECTORS:**

<b>SRI B K GURBANI</b>	:	Chairman and Managing Director
<b>SMT MEERA BRAHMA GURBANI</b>	:	Director
<b>SRI BANALA JAYAPRAKASH REDDY</b>	:	Director
<b>SMT UMRA SINGH SIROHI</b>	:	Director
<b>SRI GEORGE KURIAN</b>	:	Director (Upto 19.03.2015)

<b>SRI VAMSHI SRINIVAS VEMPATI</b>	:	Chief Financial Officer
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<b>AUDITORS</b>	:	<b>M/s. RRK &amp; Associates</b> Chartered Accountants H.No. 6-3-1117, Flat No. 511 5th Floor, Maruthi Sadan, Begumpet, Hyderabad - 500 016.
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<b>BANKERS</b>	:	Cosmos Co-operative Bank Ltd. Secunderabad.
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<b>REGISTERED OFFICE &amp; WORKS</b>	:	Plot No. 133, Industrial Estate, Medchal – 501 401 R.R. District, Telangana, India Phone: 08418 - 222427/28 Fax: 08418 - 222429 E-Mail: gurbani@gurbanigroup.in Website: www.sampreltd.com
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<b>REGISTRARS &amp; TRANSFER AGENTS</b>	:	M/s. Big Share Services Private Limited 306, 3 <sup>rd</sup> Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda Hyderabad – 500 082.
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### **NOTICE**

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of the Members of the Company will be held on **Tuesday, 29<sup>th</sup> September, 2015** at 11.00 A. M. at Lions Club Conference Hall, LIC Building, 3rd Floor, Paradise Circle, Secunderabad – 500 003 to transact the following items of business:

#### **ORDINARY BUSINESS:**

**1. Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2015 along with the reports of the Directors and Auditors thereon.

**2. To appoint a Director in place of Mrs. Meera Gurbani who retires by rotation and being eligible, offers herself for re-appointment.**

**3. Ratification of Appointment of Auditors:**

To ratify the appointment of Auditors of the Company, who were appointed at the Twenty Third Annual General Meeting to hold office for a period of five years till the conclusion of the Annual General Meeting of the company to be held in the Financial year 2019 and to authorize the Board of Directors to fix their remuneration.

#### **SPECIAL BUSINESS:**

**4. To Adopt New Articles of Association of The Company.**

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

#### **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the Articles of Association of Company be and is altered by replacing existing regulation No. 1 to 186 with the new regulations 1 to 105 and adopted as Articles of Association of the Company.”

Place: Medchal  
Date: 08.08.2015

By Order of the Board  
For **SAMPRE NUTRITIONS LIMITED**

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than 50 members and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10% ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business in Item No.4 is annexed hereto.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2015 to 29<sup>th</sup> September, 2015 (both days inclusive)
6. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.
7. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchange in respect of Directors seeking appointment/re-appointment at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
8. In terms of sections 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
9. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for receiving the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
10. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants

with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

**12. Voting through electronic means:**

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Karvy Computershare Pvt. Ltd. ('Karvy').

**The instructions for e-voting are as under:**

- i. Use the following URL for e-voting: Karvy website: <http://evoting.karvy.com>.
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 19<sup>th</sup> September, 2015 may cast their vote electronically.
- iii. Enter the login credentials i.e. User ID and password mentioned in the attendance slip attached with the Annual Report. Please follow the instructions given in the e-voting portal.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to compulsorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT, i.e. Sampre Nutritions Limited.
- viii. On the voting page, enter the number of shares as **on the date of voting** under FOR/ AGAINST or You may also choose the ABSTAIN option as provided therein.
- ix. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: [vasanth@vkbajajassociates.com](mailto:vasanth@vkbajajassociates.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the evoting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO".

- xiii. The Portal will be open for voting from 9 A.M. on 26<sup>th</sup> September, 2015 to 5 P.M. on 28<sup>th</sup> September, 2015.
- xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at Tel No. 1800 345 4001 (toll free).
- II. The Company has appointed Mr. Vasanth Kumar Bajaj, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- III. The results of e-voting will be announced by the Company on Karvy Evoting website and also informed to the stock exchanges.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

### **EXPLANATORY STATEMENT**

*(Pursuant to Section 102 of the Companies Act, 2013)*

#### **Item No. 4**

Existing regulations of the Articles of Association are proposed to be replaced by the new set of regulations 1 to 105 and adopted as new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013. Consent of the shareholders by way of a Special Resolution is required in this regard. The entire set of proposed articles of association is available in the website of the company. The shareholders of the Company can also obtain a copy of the same from the Secretarial Department at the registered office of the Company.

Pursuant to provisions of Section 14 of the Companies Act, 2013 any Alteration in Articles of Association required approval of member by passing special resolution. The Directors recommend the aforesaid resolution for the approval by the members.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

By Order of the Board  
For **SAMPRE NUTRITIONS LIMITED**

Place: Medchal  
Date: 08.08.2015

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

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

### 1. REVIEW OF PERFORMANCE:

Particulars	March 31 <sup>st</sup> , 2015	March 31 <sup>st</sup> , 2014
Income (Including Other Income)	10,24,83,613	15,41,45,010
Expenses (Including exceptional items)	10,03,77,352	14,97,20,007
Profit/(Loss) before Interest, Depreciation & Tax (PBITDA)	1,38,03,479	1,62,63,602
Finance Charges	46,95,027	28,58,728
Depreciation & amortization	1,16,97,218	1,18,38,599
Net Profit/(Loss) Before Tax	21,06,261	44,25,003
Provision for tax including Deferred Tax	8,14,477	10,34,405
Net Profit/(Loss) after tax	12,91,784	33,90,599
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-
Add / (Less): Minority Interest - Share of Profit / (Loss)	-	-
Net Profit / (Loss)	12,91,784	33,90,599
EPS		
Basic	0.27	0.70
Diluted	0.27	0.70

### 2. Operational Review:

During the year under review the company continued the manufacturing of "Eclairs" for M/s. Mondelez India Foods Pvt Limited (formerly known as Cadbury India Ltd).

During the financial year 2014-15, your Company recorded turnover of Rs. 1025 Lakhs and earned a Net Profit after tax of Rs. 12.92 Lakhs compared to Turnover of Rs. 1541 Lakhs and Net Profit after tax of Rs. 33.91 Lakhs during the previous financial year.

Apart from above, the Company has also entered into manufacturing and supply agreement with M/s. Dharampal Satyapal Ltd, Gurgaon.

### 3. DIVIDEND:

Due to insufficiency of profits your directors do not recommend any dividends for the financial year 2014-15.

### 4. DEPOSITS:

Your company has not accepted any deposits falling under Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, during the year.

### 5. SUBSIDIARY/ASSOCIATE COMPANIES:

Your Company did not have any subsidiary or Associate Company for the financial year ended on March 31, 2015.

### 6. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

Declarations have been given by all the Independent Directors of the Company that they comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and Section 149(6) the Companies Act, 2013.

**7. PARTICULARS OF EMPLOYEES:**

There are no employees whose particulars are required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the remuneration of none of the employees has exceeded the limits specified therein.

Some of the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Form MGT-9 forming part of the Annual Report.

Having regard to the provisions of sections 136(1) read with its relevant provisions of the companies act 2013, the annual report excluding part of the above said information is being sent to the member of the company. The said information is available for inspection at the Registered Office of the company during working hours and any member interested in obtaining such information may write to the company and the same will be furnished without any fee and free of cost.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors of your Company hereby confirm that:

- a) In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with the proper explanation relating to material departures if any.
- b) 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, 2015 and of the profit and loss of the Company for that period;
- c) 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;
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9. BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS:**

**a. Board Meetings**

The Board of Directors of the Company met Seven times during the year 2014-15. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013.

**b. Changes in Directors & Key Managerial Personnel.**

During the year Mr. George Kurian resigned from the directorship of the company w.e.f 19.03.2015, the Board puts on record its appreciation for services rendered by him as



director of the Company. Further Mr. Vamshi Srinivas Vempati was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 27.03.2015.

**c. Re-Appointment.**

Mrs. Meera Gurbani, Director of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The following Independent Directors who were appointed in the 23<sup>rd</sup> Annual General Meeting held on 27<sup>th</sup> September 2014 for a period of Five (5) years, will continue to be on the Board till the conclusion of Annual General Meeting to be held in the calendar year 2019.

1. Banala Jayaprakash Reddy
2. Umra Singh Sirohi

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

**d. Board Committees.**

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee.
3. Stakeholders' Relationship Committee.

**Sub-committees:**

**Share transfer Committee**

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

**e. Remuneration policy**

The policy framed by the Nomination and Remuneration committee under the provisions of Section 178(4) of the Act, is as below:

The remuneration policy of the Company has been so structured in order to match the market trends of the confectionary industry. The Board in consultation with the Nomination and Remuneration Committee decides the remuneration policy for directors. The company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration / Commission payable to Directors is determined by the contributions made by the respective directors for the growth of the company.

**f. Board Evaluation**

As required under the provisions of Section 134(3)(p) and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under.

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration Committee shall carry out evaluation of director's performance.



The criteria of evaluation is exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors/ Committees of which he is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board etc.

**g. Vigil Mechanism**

The Company has established a whistle-blower policy and also established a mechanism for Directors and employees to report their concerns. The details of the same is explained in the Corporate Governance Report.

**h. Related Party Transactions.**

Company has not entered into any transactions with related parties during the financial year. Hence requirement of disclosure under section 134(3) (h) r/w Rule 8 of the Companies (Accounts) Rules, 2014 not applicable.

**10. AUDITORS:**

At the 23<sup>rd</sup> Annual General Meeting held on 27<sup>th</sup> September, 2014, M/s. RRK & Associates., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019. In terms of the first proviso of Section 139 of the Companies Act, 2013 and the Rules framed there under, the appointment of the Auditors shall be placed for the ratification at every AGM and members to authorize the Board of Directors to fix their remuneration. Accordingly, the appointment of M/s. RRK & Associates, as Statutory Auditors of the Company is placed for ratification by the shareholders.

**11. SECRETARIAL AUDITOR:**

In accordance with the provisions of Section 204 of the Companies Act, 2013 and as a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s. V K Bajaj & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report for Financial year 2014-15 is herewith appended as **Annexure 1** to the Board's report With reference to remarks of secretarial auditors regarding appointment of Company Secretary as Key Managerial Person, your Board of Directors would like to bring to your kind notice that Company is putting all efforts to recruit a Company Secretary at the earliest.

With regards to advances to sister concerns Board would like to inform you that those advances are given in the ordinary course of business.

**12. AUDIT COMMITTEE RECOMMENDATION:**

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

**13. EXTRACT OF ANNUAL RETURN:**

The extract of the Annual Return in Form MGT 9 is annexed herewith as **Annexure 2**.

**14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:**

Company has neither made any investments nor given any guarantee during the financial year except outstanding advances to the Associate Companies.

**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the **Annexure 3** to this Report.

**16. PERFORMANCE OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

In accordance with Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014, your Directors have reviewed and evaluated the performance of the Board of Directors and their committees, along with performance of individual Director in the light of Company's performance. The performance of the Directors individually and collectively and performance of committees are found satisfactory.

With the spirit of wealth creation for the shareholders of the Company, your Directors are committed to give their best efforts towards the development of the Company.

**Corporate Governance report, Management Discussion & Analysis Report :**

As per clause 49 of the listing agreements entered into with the stock exchanges, management Discussion and Analysis report and Corporate Governance report along with auditor's certificate thereon are attached and form part of this report, as **Annexure 4 & 5**.

**RISK MANAGEMENT:**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The company has in place an Anti Sexual Harassment policy in line with the requirement of the Sexual Harassment women at work place (Prevention Prohibition and Redressal) Act, 2013. The internal complaints committee ("ICC") has been setup to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

During the year there were no complaints referred to the ICC.

**ACKNOWLEDGEMENTS:**

Your Directors have pleasure in recording their appreciation for the assistance extended to the Company by various officials of the Central and State Governments and Commercial Banks.

Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Investors, Suppliers, Bankers for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the Company.

By Order of the Board  
For **SAMPRE NUTRITIONS LIMITED**

Place: Medchal  
Date: 08.08.2015

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

**ANNEXURE – 1**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**SAMPRE NUTRITIONS LIMITED**  
Plot No. 133, Industrial Estate  
Medchal – 501 401

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SAMPRE NUTRITIONS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. SAMPRE NUTRITIONS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company subject to the following observations:

- a) Company has not yet appointed Company Secretary one of the Key Managerial Person.
  - b) Company has given advances to sister concerns in non-compliance with the provisions of the Act.
- v. We further report that, after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
- (a) Food Safety and Standards Act, 2006.
  - (b) Water (Prevention & Control of Pollution) Act, 1961
  - (c) Drugs and Cosmetics Rules, 1945
  - (d) The Andhra Pradesh Commodities Dealers (Licensing & Distribution) Order 1982
  - (e) Standards of Weights & Measures (ENF) Act, 1985

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not Applicable as not notified during the year under review.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members's views are captured and recorded as part of minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad

Date: 08.08.2015

For **V K Bajaj & Associates**  
Company Secretaries

Sd/-  
**Vasanth Kumar Bajaj**  
Company Secretary  
FCS 6868 C P No. 5827

To,  
The Members,  
**SAMPRE NUTRITIONS LIMITED**  
Plot No. 133, Industrial Estate  
Medchal – 501 401.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 08.08.2015

For **V K Bajaj & Associates**  
Company Secretaries

Sd/-  
**Vasanth Kumar Bajaj**  
Company Secretary  
FCS 6868 C P No. 5827

**ANNEXURE - 2****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	<b>L15499TG1991PLC013515</b>
2. Registration Date	03.12.1991
3. Name of the Company	<b>SAMPRE NUTRITIONS LIMITED</b>
4. Category / Sub-Category of the Company	Company Limited by Shares
5. Address of the Registered office and contact details	Plot No. 133, Industrial Estate, Medchal – 501 401 Telephone: 08418 - 222427/28 Fax: 08418 - 222429 Website : <a href="http://www.sampreltd.com">www.sampreltd.com</a>
6. Whether listed company Yes / No	YES
7. Name, Address and Contact details of Registrar and Transfer Agent	M/s. Big Share Services Private Limited 306, 3 <sup>rd</sup> Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 Phone: 040 – 23374967 Fax: 040 – 23370295 e-mail: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>S No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1.	Manufacture of other cocoa, chocolate, sugar confectionery products etc.,	10739	100

### III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2014				No. of Shares held at the end of the year i.e. 31/03/2015				% Changes during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2572563	0.00	2572563	53.39	2572563	0.00	2572563	53.37	-0.02
b) Central Govt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Bank/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any Other...	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub – Total (A) (1):-	2572563	0.00	2572563	53.39	2572563	0.00	2572563	53.37	-0.02
(2) Foreign									
a) NRIs –Individual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other...	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub - Total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	2572563	0.00	2572563	53.39	2572563	0.00	2572563	53.37	-0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Govt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Sate Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others(specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(I-a) Foreign Portfolio Investor -II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B) (1):-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



<b>2.Non- Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	67154	2600	69754	1.45	62189	2600	64789	1.34	-0.11
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>b) Individual</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	992860	462222	1455082	30.19	955055	454522	1409577	29.24	-0.95
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	442603	0.00	442603	9.18	500971	0.00	500971	10.39	1.21
<b>c) Other (specify)</b>									
(c-i) Clearing Members	748	0.00	748	0.02	700	0.00	700	0.01	-0.01
(c-ii) Non-Resident Indians	58450	219800	278250	5.77	52900	218500	271400	5.63	-0.14
<b>Sub - Total (B) (2):-</b>	<b>1561815</b>	<b>684622</b>	<b>2246437</b>	<b>46.61</b>	<b>1571815</b>	<b>675622</b>	<b>2247437</b>	<b>46.63</b>	<b>0.02</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>1561815</b>	<b>684622</b>	<b>2246437</b>	<b>46.61</b>	<b>1571815</b>	<b>675622</b>	<b>2247437</b>	<b>46.63</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4135378</b>	<b>684622</b>	<b>4820000</b>	<b>100.00</b>	<b>4144378</b>	<b>675622</b>	<b>4820000</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters:**

S. No.	Names of the Shareholders'	Share Holding at the beginning of the year[As on 01 <sup>st</sup> April, 2014]			Share Holding at the end of the Year[As on 31 <sup>st</sup> March, 2015]			% change in share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Brahma K Gurbani	9,16,016	19.00	0.00	9,16,016	19.00	0.00	0
2.	Saritha B Gurbani	7,61,762	15.80	0.00	7,61,762	15.80	0.00	0
3.	Meera B Gurbani	5,30,762	11.01	0.00	5,30,762	11.01	0.00	0
4.	Saraswathi Gurbani	2,23,023	4.63	0.00	2,22,023	4.61	0.00	(0.02)
5.	M. RatnaLahwani	1,42,000	2.95	0.00	0.00	0.00	0.00	(2.95)
6.	DeepaGurbani	0.00	0.00	0.00	1,42,000	2.95	0.00	2.95
<b>Total</b>		<b>25,73,563</b>	<b>53.39</b>	<b>0.00</b>	<b>25,72,563</b>	<b>53.37</b>	<b>0.00</b>	<b>(0.02)</b>

iii) Change in Promoters' Shareholding:

S. No	Names of the Shareholders'	Shareholding at the beginning of the year		Reason for Increase / Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the company
1.	<b>SaraswathiGurbani</b>					
	At the beginning of the Year	223023	4.63	Transfer	223023	4.63
	Decrease in Shares on 28.11.2014	(1000)	0		222023	4.61
	At the end of the Year	0	0		222023	4.61
2.	<b>DeepaGurbani</b>					
	At the beginning of the Year	0	0	Transfer	0	0
	Increase in Shares on 12.09.2014	75000	1.56		75000	1.56
	Increase in Shares on 14.11.2014	67000	1.39		142000	2.95
	At the end of the Year	142000	2.95		142000	2.95
3.	<b>M. RatnaLalwani</b>					
	At the beginning of the Year	142000	2.95	Transfer	142000	2.95
	Decrease in Shares on 12.09.2014	(75000)	1.56		(67000)	1.39
	Decrease in Shares on 14.11.2014	(67000)	1.39		0	0
	At the end of the Year	0	0		0	0

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Names of the Shareholders	Particulars	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
			No. of shares	% of total shares		No. of shares	% of total shares
1.	Hitesh RamjiJaveri	At the beginning of the year	140000	2.90	01.04.2014	140000	2.90
		At the end of the year	140000	2.90	31.03.2015	140000	2.90
2.	Harsha Hitesh Javeri	At the beginning of the year	93788	1.95	01.04.2014	93788	1.95
		At the end of the year	100000	2.07	31.03.2015	100000	2.07
3.	Raj Kumar Lohia	At the beginning of the year	59677	1.24	01.04.2014	59677	1.24
		At the end of the year	59677	1.24	31.03.2015	59677	1.24
4.	Dheeraj Kumar Lohia	At the beginning of the year	36221	0.75	01.04.2014	36221	0.75
		At the end of the year	76774	1.59	31.03.2015	76774	1.59
5.	BhagyanagarIndia Limited	At the beginning of the year	29000	0.60	01.04.2014	29000	0.60
		At the end of the year	0	0	31.03.2015	0	0
6.	Jaya NareshMansharmani	At the beginning of the year	20602	0.43	01.04.2014	20602	0.43
		At the end of the year	19299	0.40	31.03.2015	19299	0.40
7.	SurendraKancheti	At the beginning of the year	20000	0.41	01.04.2014	20000	0.41
		At the end of the year	20000	0.41	31.03.2015	20000	0.41
8.	Sunitha Reddy Kyatham	At the beginning of the year	18000	0.37	01.04.2014	18000	0.37
		At the end of the year	0	0	31.03.2015	0	0
9.	Narsi Reddy Goluguri	At the beginning of the year	13900	0.28	01.04.2014	13900	0.28
		At the end of the year	13900	0.28	31.03.2015	13900	0.28
10.	NipunKishorchandraMahida	At the beginning of the year	13149	0.27	01.04.2014	13149	0.27
		At the end of the year	0	0	31.03.2014	0	0

**v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	For Each of the Directors and KMP	Shareholding		Date	Increase / Decrease in Share Holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares at the beginning/ end of the year	% of total shares of the company
1.	Brahma K Gurbani	9016016	19.00	01.04.2014	0	No change	9016016	19.00
		9016016	19.00	31.03.2015			9016016	19.00
2.	Meera B Gurbani	5,30,762	11.01	01.04.2014	0	No Change	5,30,762	11.01
		5,30,762	11.01	31.03.2015			5,30,762	11.01
3.	Banala Jayaprakash Reddy	0	0	01.04.2014	0	NA	0	0
		0	0	31.03.2015			0	0
4.	Umra Singh Sirohi	0	0	01.04.2014	0	NA	0	0
		0	0	31.03.2015			0	0
5.	Vamshi Srinivas Vempati	0	0	01.04.2014	0	NA	0	0
		0	0	31.03.2015			0	0

**IV. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,36,16,571	59,75,046	-	1,95,91,617
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,36,16,571</b>	<b>59,75,046</b>	<b>-</b>	<b>1,95,91,617</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition/(Reduction)	2,07,96,041	(59,75,046)		(1,48,20,995)
<b>Net Change</b>	<b>2,07,96,041</b>	<b>(59,75,046)</b>	<b>-</b>	<b>(1,48,20,995)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,44,12,612	-	-	3,44,12,612
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,44,12,612</b>	<b>0.00</b>	<b>-</b>	<b>3,44,12,612</b>

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In ₹)**

S. no.	Particulars of Remuneration	B K Gurbani Managing Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	15,00,000	15,00,000
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	--	--
5.	Others, please specify	--	--
<b>Total (A)</b>		<b>15,00,000</b>	<b>15,00,000</b>
<b>Ceiling as per the Act*</b>		<b>42,00,000</b>	<b>42,00,000</b>

**B. Remuneration to other directors:**

(In ₹)

Sl. No.	Particulars of Remuneration	BanalaJaya prakash Reddy	George Kurian	Meera B Gurbani
1.	Independent Directors			
	• Fee for attending board / committee meetings	30,000	25,000	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (1)</b>	<b>30.000</b>	<b>25.000</b>	<b>-</b>
2.	Other Non-Executive Directors	-	-	-
	Fee for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>30.000</b>	<b>25.000</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>30.000</b>	<b>25.000</b>	<b>-</b>
	<b>Overall Ceiling as per the Act*</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*\* Mr. George Kurian resigned from the directorship of the Company w.e.f 19.03.2015.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

S. No.	Particulars of Remuneration	Vamshi Srinivas Vempati Chief Financial Officer	Total
1.	<b>Gross salary (a+b+c)</b>	<b>7,20,000</b>	<b>7,20,000</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	7,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total</b>	<b>7.20.000</b>	<b>7.20.000</b>

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties or punishments levied on the company during the year. Also, there was no necessity for the company to compound any offence.

### **ANNEXURE – 3**

#### **Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow**

[Clause (m) of sub-section (3) of Section 134 of the Act,  
r/w Rule 8 of the Companies (Accounts) Rules, 2014]

##### **A. CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy:  
Company is taking steps to conserve energy to the extent possible, one of them being  
\* Using Briquettes in Boiler.
- (ii) The steps taken by the Company for utilizing alternate source of energy:  
Company is looking to install solar panels for its lighting requirement where ever it is feasible.
- (iii) The Capital Investment on energy conservation equipments:  
Amount spent on conservation of energy is not significant compared size of the balance sheet.

##### **B. TECHNOLOGY ABSORPTION:**

- (i) the efforts made towards technology absorption.
- (ii) the benefits derived like product improvement, cost reduction, production development or import substitute.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not Applicable)
  - a. the details of technology imported
  - b. the year of Import
  - c. whether the technology been fully absorbed
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and.
- (iv) the expenditure incurred on research and development.  
The Company has invested in additional upgradation of the equipment to deliver high quality of "ECLAIRS" product of its principle customer M/s. Mondelez India Food Pvt Limited, for which the cream center filling equipment is replaced by a new one including 3 tier conveyer was installed to maintain the 80C temperature for cooling the product at 1 ton per hour.

##### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(IN ₹)

<b>Particulars</b>	<b>March 31, 2015</b>
Foreign exchange earnings	Nil
Foreign exchange outgo	Nil



**ANNEXURE - 4**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Indian Sugar Confectionery Industry is benefiting from the Country's economic boom and growth in consumer spending. The strong economic growth of the last few years and increasing brand consciousness among the new wealthy Indian middle class combined with a greater exposure to western lifestyle has created hunger for branded sugar confectionery products in the Country. This higher consumer spend is also driven by the new sound shopping mall culture.

Over the past five years the Indian Sugar Confectionery has been growing at a rapid pace and is expected to sustain its growth in the coming years.

**Chocolate Industry in 2015 at a Glance**

The chocolate industry offers a wide variety of opportunities for the small business owner, weathers economic recession well and is growing despite increased health-consciousness and calorie counting. Growth will be driven by population growth as well as expansion into new markets, product innovation and rising disposable income levels leading to greater purchasing of premium offerings.

Chocolate is widely popular for individual consumption, gift giving and cooking. Due to the dominance of large-scale production dynasties, franchises and small businesses tend to focus on unique or specialty items or services. Unique chocolates may be from a region famous for a particular technique, baked on-site or offer a different take on tradition, while specialty services tend to focus on gift-packaging or delivery.

India's Confectionery market is expected to grow by almost three-quarters in 4 years as the burgeoning middle class consumes more gums and jellies, and chocolate still dominates.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS:**

Economic growth and development has resulted in rising disposable incomes, especially among the middle-class.

**Chocolate Industry Franchise Opportunities:**

With the boom in the software industry and other economic activities of the present day, the earning levels of the people in general at both urban and rural levels have recorded a discernible improvement in India. This has resulted in ever growing demand for the confectionery products entailing immense potential for the chocolate industry. This apart, there are multinational companies operating in the market are outsourcing their production needs to a few selected processing companies. Our company has been successfully catering to such requirements of some of the multi-national companies.

The chocolate industry is characterized by a high level of consolidation and fierce competition between the companies on all levels of the value chain. This competition has resulted in erosion of prices and margins. Further, availability of major raw material suffers from seasonal fluctuation. By adopting effective cost control measures and also advance planning methods in procurement of the material, the company can overcome these threats.

**PERFORMANCE:**

During the year under review your company has reached a turnover of ₹ 1024 Lakhs. This contributes major income from contract manufacturing.

We are glad to share with you that, Sampre Nutritions has been awarded “Best in Class” among the manufacturing facilities with Mondeleze International, in the Asia Pacific Region. Also, Sampre has successfully upgraded facilities in Plant by installing additional equipments for reduction of cost.

**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 competitive superiority and capable of achieving your Company’s ambitious plans for growth.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

An Internal Auditor carries out the internal audit of the Company operations and reports its findings to the Audit Committee on a regular basis. Internal Audit also evaluates the functioning and quality of internal controls, and provides assurance of its adequacy and effectiveness through periodic reporting.



## **ANNEXURE - 5** **REPORT ON CORPORATE GOVERNANCE**

The following are the details furnished in the form as required under the Listing Agreement.

### **1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE:**

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligation to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to enhance the trust and confidence of the stakeholders.

Given below is a brief report on the practice followed at Sampre Nutritions Limited towards achievement of good Corporate Governance.

### **2. BOARD OF DIRECTORS:**

The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures:

#### **Composition of the Board of Directors as on March 31, 2015.**

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The present strength of the Board consists of Four Directors, Two of them are Independent Directors, and one is promoter Non-Executive Director, one is promoter Executive Director. Your Company has taken all necessary steps to strengthen the Board with optimum combination of independent and promoter directors.

#### **During the financial year 2014-15, Seven (7) Board Meetings were held on the following dates:**

Attendance of each director at the board meeting and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director / Member (as on the date of Directors' Report):

29.05.2014	08.08.2014	28.08.2014	21.10.2014	13.11.2014	14.02.2015	27.03.2015
------------	------------	------------	------------	------------	------------	------------

#### **Board of Directors' attendance for the Board & Committee Meetings held during the year 2014-15:**

S No	Names of the Directors	Category	Attendance at AGM	Attendance		Other Boards	
				Board Meeting Held	Board Meeting Attended	Directorship	Committees
1	B K Gurbani	Promoter & Executive	YES	7	5	1	-
2	Meera B Gurbani	Promoter & Non-Executive	NO	7	7	1	-
3	Banala Javaprakash Reddy	Independent Director	YES	7	6	2	-
4	George Kurian*	Independent Director	YES	7	6	1	-
5	Umra Singh Sirohi**	Independent Director	YES	4	4	-	-

\* Mr. George kurian resigned from the directorship of the company w.e.f 19.03.2015 and consequently various committees of Board are re-constituted.

\*\*Ms. Umra Singh Sirohi was appointed as director on the Board of the Company w.e.f 27.09.2014.

### 3. AUDIT COMMITTEE:

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency in financial reporting. The Company has a qualified and independent Audit Committee comprising of Independent & Promoter Directors. The Chairman of the Committee is an Independent Director.

#### Composition:

Audit Committee of your Company as on date consists of following Non-executive Independent Directors:

- |                                 |   |                           |
|---------------------------------|---|---------------------------|
| 1. Mr. Banala Jayaprakash Reddy | - | Chairman                  |
| 2. Mrs. Meera Gurbani           | - | Member (w.e.f 28.08.2014) |
| 3. Mrs. Umra Singh Sirohi       | - | Member (w.e.f 27.03.2015) |
| 4. Mr. George Kurian            | - | Member (upto 19.03.2015)  |

The committee met Four times during the financial year 29.05.2014, 08.08.2014, 13.11.2014 and 14.02.2015 attendance of each Member of Committee is as follows.

S. No.	Names of the Member	Designation	No. of Meetings held	No. of Meetings attended
1	Banala Jayaprakash Reddy	Chairman	4	4
2	Meera Gurbani	Member	2	2
3	George Kurian	Member	4	3
4	Umra Singh Sirohi	Member	--	--

#### Terms of Reference:

- The recommendations for appointment, remuneration and terms of appointment of auditors of the Company
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statement and auditor's report thereon.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of intercorporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- evaluation of internal financial control and risk management systems.
- Monitoring the end use of funds and related matters.
- others task as may be assigned by the board.

#### Review of information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, as defined by the Committee, submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the Chief Internal Auditor

### 4. NOMINATION AND REMUNERATION COMMITTEE:

#### Brief description of terms of reference

The Nomination and Remuneration Committee is vested with the powers relating to formulating the criteria for determining qualifications, attributes, independence of a directors, recommend to the board policies for executive directors and senior managements.

The Committee shall also identify & screen candidates who qualify to become directors and may be appointed in senior management with the criteria laid down, evaluation of director's performance, approving and evaluating the compensation plans, policies and programs for executive directors and senior managements.

#### **Composition**

The Nomination & Remuneration Committee constitutes of following directors:

1. Mr. Banala Jayaprakash Reddy - Chairman
2. Mrs. Meera Gurbani - Member (w.e.f 28.08.2014)
3. Mrs. Umra Singh Sirohi - Member (w.e.f 27.03.2015)
4. Mr. George Kurian - Member (up to 19.03.2015)

#### **Meetings and Attendance during the year:**

The committee met two times during the financial year on 08.08.2014 & 28.08.2014, attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
1	Banala Jayaprakash Reddy	Chairman	2	2
2	Meera Gurbani	Member	1	1
3	Umra Singh Sirohi	Member	—	—
4	George Kurian	Member	2	2

#### **Details of remuneration paid to the Directors:**

The remuneration policy of the Company has been so structured in order to match the market trends of the confectionery industry. The Board in consultation with the Nomination and Remuneration Committee decides the remuneration policy for Directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration/ Commission payable to Directors is determined by the contributions made by the respective Directors for the growth of the Company.

Presently, the Non-Executive Directors do not receive any remuneration from the Company except sitting fees.

The aggregate value of salary and perquisites for the year ended 31.03.2015 to Managing Director is as under:

Name	Designation	Remuneration paid/to be paid for Financial year 2014-15 (in ₹.)		
		Salary & Perks	Commission	Total
B K Gurbani	Chairman & Managing Director	15.00 Lakhs	—	15.00 Lakhs

#### **4. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Composition of Stakeholders Relationship Committee is as follows.

S. No.	Name	Designation
1.	Meera B Gurbani	Chairman
2.	Banala Jayaprakash Reddy	Member

The role of Stakeholders' Relationship Committee is as follows:

1. Considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
2. Ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee;

3. Evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;

**OTHERS:**

(a) **Name and designation of Compliance officer :** B K GURBANI, Managing Director

(b) **Details of Investor complaints received and redressed during the year:**

Particulars	Financial Year 2014-15		
	Received	Resolved	Pending
Investor Complaints	5	5	Nil

5. **General Body Meetings of the Company:**

**Location and time where the last three AGMs held:**

Year	Location	Date	Time (A.M.)	No. of Special Resolutions
2013-14	Lions Club Conference Hall, LIC Building, 2nd Floor, Paradise Circle, Secunderabad – 500 003.	27.09.14	11.00	1
2012-13	Lions Club Conference Hall, LIC Building, 2nd Floor, Paradise Circle, Secunderabad – 500 003.	28.09.13	11.00	1
2011-12	Lions Club Conference Hall, LIC Building, 2nd Floor, Paradise Circle, Secunderabad – 500 003.	28.09.12	11.00	Nil

One Special Resolution each were passed in the Annual General Meeting held for FY 2013-14 and FY 2012-13.

No Special Resolutions were passed through postal ballot at the Last Annual General Meeting (AGM) and no Special Resolutions are proposed through postal ballot at the ensuing Annual General Meeting.

6. **DISCLOSURES:**

**a. CEO and CFO Certification:**

The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

**b. Related Party Transactions:**

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large:

Transactions with related parties were disclosed in the Notes to Accounts in the Annual Report

**c. Compliance with the Governance Framework**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement including CEO/CFO certification. As required under Clause 49, a certificate signed by CEO & CFO of the Company has been placed before the Board of Directors and the same has been provided elsewhere in this report. Further, a certificate from the Statutory Auditors, certifying the compliance of clause 49 of the Listing agreement was adhered/adopted has also been provided elsewhere in this report.

Clause 49 also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements are given below:-

**i) Whistle Blower Policy:**

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2014-15, no employee has been denied access to the Audit Committee.

**ii) Insider Trading Policy:**

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 an Insider Trading Policy of the company is in force. The policy guides a mechanism for regulating transactions of the shares of the company and enforces a code of conduct and internal procedures.

**iii) Details of Non Compliance and Penalties:**

There was no non-compliance by the Company during the last 3 years on any matter relating to capital markets and there were no penalties, strictures imposed on the Company by stock Exchange or SEBI or any statutory authority.

**7. Means of Communication:**

**a. Investor Information:**

Investors are being provided with timely information on all Company related matters, Media release, all our media releases are posted on the Company's website: [www.sampreltd.com](http://www.sampreltd.com).

**i) Quaterly Results:**

Quarterly results and Annual Results of the Company are normally published in Telugu & English Newspaper. Further all material information which will have some bearing on the operation of the Company is sent to stock exchanges concerned.

**ii) Annual Report:**

Annual Report containing audited standalone accounts, financial statements together with Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto either in physical copy or through email.

**iii) Website:**

The Company's website contains a separate dedicated section "Investor Relations" where information sought by shareholders and the presentations made to the investors are available. The Annual Report, Media release and financial reports of the company are available on the website in a user-friendly and downloadable form at [www.sampreltd.com](http://www.sampreltd.com)

**b. Management Discussion And Analysis Report:**

As required by Clause 49 of the Listing Agreement, The Management Discussion And Analysis Report gives an overview of the Industry, Company's business, its financials etc., and the same is provided elsewhere in this report, which forms a part of the Directors' Report.

**• GENERAL SHAREHOLDER INFORMATION:**

**AGM:** The 24<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, **29<sup>TH</sup>** September, **2015** at 11.00 A.M at Lions Club Conference Hall, LIC Building, 3<sup>rd</sup> Floor, Paradise Circle, Secunderabad – 500 003.

**Financial Calendar:**

First Quarter Results	First week of August, 2015
Second Quarter Results	First week of November, 2015
Third Quarter Results	First week of February, 2016
Audited Results	Last week of May, 2016

**Book Closure Date :**

Friday, 25<sup>th</sup> September, 2015 to Tuesday, 29<sup>th</sup> September, 2015 (inclusive of both days)

**E-voting Date :**

From Saturday, 26<sup>th</sup> September, 2015 9 A.M. to Monday, 28<sup>th</sup> September, 2015 5 P.M.

**Listing on Stock Exchanges:** The shares of the Company are listed on the **BSE Limited** and Your Company has paid the Annual Listing Fee to BSE Limited.

**Scrip Code :** BSE Limited - 530617

**Market Price Data :**

High/Low during each month in last financial year on the Stock Exchange is as follows:

Month	BSE Limited	
	High	Low
April 2014	10.96	9.50
May 2014	12.12	11.00
June 2014	12.14	9.50
July 2014	10.96	9.48
Aug 2014	10.00	9.50
Sep 2014	11.52	9.03
Oct 2014	10.39	8.13
Nov 2014	10.86	9.41
Dec 2014	11.29	9.63
Jan 2015	12.05	10.43
Feb 2015	12.50	12.00
Mar 2015	11.40	8.40

**ISIN No. for NSDL & CDSL:** INE375C01014

**Registrar and Transfer Agents**

M/s. Big Share Services Private Limited  
306, 3<sup>rd</sup> Floor, Right Wing, Amrutha Ville,  
Opp. Yashoda Hospital, Raj Bhavan Road,  
Somajiguda, Hyderabad – 500 082.  
E-mail: [accounts5@bigshareonline.com](mailto:accounts5@bigshareonline.com)

**Share Transfer System:**

All the physical share transfers received are processed by the Share Transfer agents, M/s. Big Share Services Private Limited. The Company's shares are being traded in compulsory De-mat form. The Company has already entered into agreement with both the depositories i.e. NSDL and CDSL, for dematerialization of shares, which enables the shareholders to hold and transfer shares in electronic form.

### **SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2015**

S. No	Category	No. of Shares	% of Share Holding
1	Indian Promoters	2431500	50.45
3	Mutual Funds & UTI	-	-
4	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non-Govt. Institution)	-	-
5	Foreign Institutional Investors	-	-
6	Private Corporate Bodies	65489	1.36
7	Indian Public	2051611	42.56
8	NRI's / OCB's (Including Depository Receipts)	271400	5.63
<b>TOTAL</b>		<b>48,20,000</b>	<b>100</b>

### **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015**

S. No	Category From-To	No. of Share Holders	% of total Share Holders	No. of Shares	% of total Capital
1	Upto - 5,000	2693	79.82	571699	11.86
2	5,001 - 10,000	401	11.89	349424	7.25
3	10,001 - 20,000	140	4.15	222410	4.61
4	20,001 - 30,000	38	1.13	99702	2.07
5	30,001 - 40,000	23	0.68	85709	1.78
6	40,001 - 50,000	29	0.86	138375	2.87
7	50,001 - 1,00,000	30	0.89	232147	4.82
8	1,00,001 and above	20	0.59	3120534	64.74
<b>TOTAL</b>		<b>3,374</b>	<b>100.00</b>	<b>48,20,000</b>	<b>100.00</b>

#### **Dematerialization of shares and liquidity:**

The Shares of the Company are under compulsory demat trading. The Company has already entered into necessary agreements with NSDL and CDSL for demat facility.

85.98% of total equity capital of the Company is held in dematerialization form with NSDL and CDSL as on 31<sup>st</sup> March, 2015.

#### **Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil**

#### **Address for correspondence:**

M/s. Big Share Services Private Limited  
306, 3<sup>rd</sup> Floor, Right Wing,  
Amrutha Ville, Opp. Yashoda Hospital  
Raj Bhavan Road, Somajiguda  
Hyderabad – 500 082.  
E-mail: accounts5@bigshareonline.com



## CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

To  
The Board of Directors  
**Sampre Nutritions Limited**  
Medchal.

We, Brahma Kishanchand Gurbani, Managing Director and Vamshi Srinivas Vempati, Chief Financial Officer of Sampre Nutritions Limited ("Company") hereby certify that:-

- (a) We have reviewed financial statements and the Cash Flow Statement of the company for the financial year ended March 31, 2015 and that to the best of our knowledge and belief.
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee.
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Medchal  
Date: 08.08.2015

Sd/-  
B K Gurbani  
**Managing Director**

Sd/-  
Vamshi Srinivas Vempati  
**Chief Financial Officer**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**AUDITORS' CERTIFICATE**

To  
The Members  
**Sampre Nutritions Limited**

We have examined the compliance of conditions of Corporate Governance by **M/s. Sampre Nutritions Limited** for the period ended on 31<sup>st</sup> March 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for insuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended 31<sup>st</sup> March, 2015, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 08.08.2015

Sd/-  
For **RRK & Associates.**  
Firm Reg No. 009785S  
Chartered Accountants

To  
The Members  
**Sampre Nutritions Limited**

**Sub: Declaration by the CEO under Clause 49 (I) (D) (ii) of the Listing Agreement.**

Sampre Nutritions Limited has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and Directors of the Company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I, Brahma Kishanchand Gurbani, Managing Director of Sampre Nutritions Limited to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2015.

Place: Medchal  
Date: 08.08.2015

Sd/-  
**B K Gurbani**  
**Chairman & Managing Director**

## **INDEPENDENT AUDITORS' REPORT**

TO  
THE MEMBERS OF  
**SAMPRE NUTRITIONS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of SAMPRE NUTRITIONS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we given in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For RRK & Associates**

Chartered Accountants

**R.Radha Krishna**

M.No.210777

FRN.09785S

Date: 29/05/2015

Place: Hyderabad.

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**  
**(This is the Annexure referred to in our Report of even date)**

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. All fixed assets have been physically verified by the Management during the year, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- ii.
  - a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
  - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has granted working capital loan to one of its associate company covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weaknesses have been noticed in Internal controls in these areas.
- v. The Company has not accepted any deposits from the public .
- vi. In our opinion, and according to the information and explanations given to us, the company is not required to maintain cost records and accounts as provided under sub section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a. According to the records provided to us, the Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities and according to the information and explanations given to us, no undisputed amounts payable in respect of Income- tax, Sales-tax, Wealth-tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - b. According to the records of the Company and on the basis of the information and explanations given to us, the following are the particulars of dues in respect of sales tax, Income Tax, customs duty, wealth tax that have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where pending
			Various Years covering the period	
Central Excise Act, 1944	Excise Duty	Excise Duty Rs.74, 45,614/-, & Penalty of Rs.74, 45,614/-.	From April-2007 To March-2011	CESTAT, Bangalore, Final Order no: 20533-20535/ 2014, dated: 7/4/2014. Remand back to Commissioner of Central Excise Appeals- Attended PH during June -2015. Waiting for final Order
Central Excise Act, 1944	Excise Duty	Excise Duty Rs.20, 03,700/-, & Penalty of Rs.60, 00,000/-.	From April-2011 To January-2012.	CESTAT, Bangalore, OIA 42/2013 submitted on 31-1-2014, Remand back to Commissioner of Central Excise Appeals Attended PH during June -2015. Waiting for final Order
Central Excise Act, 1944	Excise Duty	Interest Paid is Rs.5,92,478/- & is Rs.2,232/- & Excise Duty Paid of Rs.13,41,403/-	FY 2008-09	Sampre Won the case. NO penalties levied on Sampre
Central Excise Act, 1944	Excise Duty	Excise Duty Paid is Rs.3, 40,194/- & Interest and Penalty paid of Rs.1, 25,872/- & Rs.85, 049/-.	From April-2008 To March-2009	CESTAT, Bangalore, OIO No.04/2012 Dated: 12.03.2012 Waiting for final Order
Central Excise Act, 1944	Excise Duty	Excise Duty of Rs.21, 83,993/- and Penalty of Rs.2, 00,000/-.	From February-2012 To September-2012.	Remand back to Commissioner of Central Excise Appeals O.R.No.34/2013. Attended PH during June -2015. Waiting for final Order
Central Excise Act, 1944	Excise Duty	Excise Duty of Rs.10, 05,000/- .	From September-2012- March 2013.	Remand back to Commissioner of Central Excise Appeals. Attended PH during June -2015. Waiting for final Order
Central Excise Act, 1944	Excise Duty	Excise Duty on Freebies Paid Rs. 63, 49,974/-.	From June-2008 To January-2013	Commissioner of Central Excise O.R.No.127/2013.Dated:02.07.2013 appeal filed
Central Excise Act, 1944	Excise Duty	Excise Duty on Freebies Paid Rs. 11, 54,946/-.	From January-2013- Dec 2013	SCN:40/2014 issued 3-3-2014. Appeal filed.
Income Tax Act 1961	Income Tax	Income Tax on additional income- Rs. 53Lakhs ( approx)	For AY 2005-06	Appeal filed with Commissioner of Income Tax Circle 3 ( 1), Hyderabad. Personal hearing date given is 10-9-2015



- c. The Company is not required to transfer any amount to investor education and protection fund during the year in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company has no accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
- x. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion, Term Loans were applied for the purpose for which the said loans were obtained.
- xii. As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

**For RRK & Associates**

Chartered Accountants

**R.Radha Krishna**

M.No.210777

FRN.09785S

Date: 29/05/2015

Place: Hyderabad

**SAMPRE NUTRITIONS LIMITED**  
**BALANCE SHEET AS ON 31.03.2015**

Amount in Rupees

PARTICULARS	Notes	AS ON 31.03.2015	AS ON 31.03.2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	48,200,000	48,200,000
Reserves and surplus	4	37,594,251	36,302,466
		<b>85,794,251</b>	<b>84,502,466</b>
<b>Share application money pending allotment</b>	-	-	-
<b>Non-current liabilities</b>			
Long-term borrowings	5	16,579,292	3,616,571
Long-term provisions	6	-	-
Deferred Tax Liability (net)	11	4,804,486	5,554,834
		<b>21,383,779</b>	<b>9,171,405</b>
<b>Current liabilities</b>			
Short-term borrowings	7	17,833,320	15,975,046
Other current liabilities	8	39,587,975	34,401,146
Short-term provisions	6	1,564,825	2,315,062
		<b>58,986,120</b>	<b>52,691,254</b>
<b>TOTAL</b>		<b>166,164,150</b>	<b>146,365,125</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	96,887,694	101,468,973
Intangible assets	10	-	-
Intangible assets under development			
Non-current investments	-	-	-
Deferred tax assets (net)	-	-	-
Long-term loans and advances	-	-	-
Other non-current assets	-	-	-
		<b>96,887,694</b>	<b>101,468,973</b>
<b>Current assets</b>			
Current investments		100,000	-
Inventories	14	14,009,335	265,520
Trade receivables	15	36,939,466	33,621,881
Cash and bank balances	16	367,626	373,756
Short-term loans and advances	12	16,984,700	9,662,404
Other current assets	13	875,330	972,589
		<b>69,276,458</b>	<b>44,896,151</b>
<b>TOTAL</b>		<b>166,164,150</b>	<b>146,365,125</b>

Summary of significant accounting policies 1,2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For RRK & Associates**

Chartered Accountants

Firm No. : 009785S

Sd/-

**R.Radha Krishna**

Partner

M.No.210777

Place: Medchal

Date: 29/05/2015

for and on behalf of the Board

**Sampre Nutritions Limited**

Sd/-

**(B K GURBANI)**

Chairman & Managing Director

Sd/-

**(MEERA B GURBANI)**

Director

Sd/-

**(V. VAMSHI SRINIVAS)**

Chief Financial Officer

**SAMPRE NUTRITIONS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2015**

		<i>Amount in Rupees</i>	
<b>PARTICULARS</b>	<b>Notes</b>	<b>Year ended 31.03.2015</b>	<b>Year ended 31.03.2014</b>
<b>A. Income</b>			
Revenue from operations	17	100,901,340	153,218,680
Other income	18	1,582,273	926,330
<b>Total revenue (I)</b>		<b>102,483,613</b>	<b>154,145,010</b>
<b>Expenses</b>			
Raw Material Consumed	19	13,927,999	37,648,249
Manufacturing Expenses	20	53,377,752	76,204,322
Increase or Decrease in WIP & Finished Goods	21	-	-
Employee benefit expenses	22	4,383,858	4,759,716
Finance costs	23	4,695,027	2,858,728
Other expenses	24	12,295,498	16,410,394
Depreciation and amortization expense	25	11,697,218	11,838,599
Preliminary Exp written off		-	-
<b>Total expenses (II)</b>		<b>100,377,352</b>	<b>149,720,007</b>
<b>(Loss) / profit before tax (III)=(I)-(II)</b>		<b>2,106,261</b>	<b>4,425,003</b>
<b>Tax expenses</b>			
Current tax		1,564,825	2,315,062
Deferred tax		(750,348)	(1,280,657)
(Excess)/short provision of tax relating to earlier years		-	-
<b>Total tax expense (IV)</b>		<b>814,477</b>	<b>1,034,405</b>
<b>(Loss) / profit for the year (III)-(IV)</b>		<b>1,291,784</b>	<b>3,390,599</b>
Less/Add: Prior Period Expenditure		-	-
<b>Balance carried to Balance Sheet</b>		<b>1,291,784</b>	<b>3,390,599</b>

**Earnings per equity share**

<b>Basic (Computed on the basis of total (loss) / profit for the year)</b>	<b>0.27</b>	<b>0.70</b>
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<b>Diluted (Computed on the basis of total (loss) / profit for the year)</b>	<b>0.27</b>	<b>0.70</b>
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Summary of significant accounting policies 1,2

The accompanying notes are an integral part of the financial statements

**For RRK & Associates**

Chartered Accountants  
Firm No. : 009785S

for and on behalf of the Board  
**Sampre Nutritions Limited**

Sd/-  
**R.Radha Krishna**  
Partner  
M.No.210777

Sd/-  
**(B K GURBANI)**  
Chairman & Managing Director

Sd/-  
**(MEERA B GURBANI)**  
Director

Place: Medchal  
Date: 29/05/2015

Sd/-  
**(V. VAMSHI SRINIVAS)**  
Chief Financial Officer

**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>3. Share capital</b>		
<b>Authorized shares</b>		
60,00,000 (March 31, 2015: 60,00,000 ) equity shares of	60,000,000	60,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
48,20,000 (March 31, 2015: 48,20,000) equity shares of Rs.10/- each fully paid up	48,200,000	48,200,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>48,200,000</b>	<b>48,200,000</b>

**(a) Reconciliation of the shares outstanding at the  
beginning and at the end of the reporting year**

**Equity shares**

	31-Mar-2015		31-Mar-2014	
	No. of Shares	(in Rs)	No. of Shares	(in Rs)
At the beginning of the year	4,820,000	48,200,000	4,820,000	48,200,000
Issued during the year – Additional Issue	-	-	-	-
Issued during the year – Stock options	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4,820,000</b>	<b>48,200,000</b>	<b>4,820,000</b>	<b>48,200,000</b>

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company**

Equity shares of Rs.10 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
1. B K Gurbani	916,016	19.00%	916,016	19.00%
2. Saritha. B. Gurbani	761,762	15.80%	761,762	15.80%
3. Meera B. Gurbani	530,762	11.01%	530,762	11.01%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>4. Reserves and surplus</b>		
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	31,102,467	26,084,381
Add: Profit/ (Loss) for the year	1,291,784	3,390,599
Less: Share of profit of firm already transferred	-	-
Add / Less : Transfer of Balances		1,627,487
<b>Net surplus/ (deficit) in the statement of profit and loss</b>	<b><u>32,394,251</u></b>	<b><u>31,102,467</u></b>
 State Subsidy	 <b>1,500,000</b>	 1,500,000
Share Premium	<b>3,700,000</b>	3,700,000
<b>Total reserves and surplus</b>	<b><u>37,594,251</u></b>	<b><u>36,302,467</u></b>
<b>5. Long-term borrowings</b>		
<b>Term Loans -</b>		
<b>From banks (Secured)</b>		
- Term Loan (The Cosmos Co-Op Bank Ltd.)	18,771,426	-
- Vehicle Loans	2,481,570	3,616,571
	<b>21,252,996</b>	<b>3,616,571</b>
Less : Current Maturity shown under Other current Liabilities	4,673,704	-
	<b><u>16,579,292</u></b>	<b><u>3,616,571</u></b>
<b>Notes</b>		
1). Term Loan taken from The Cosmos Co-Op Bank Ltd has been secured by way of charge on Industrial Land & Factory building of the company as collateral security.		
2). The loan is repayable in 60 Months from date of sanction and rate of interest is prescribed time to time as per banker policy.		
3). There has no continuing default in repayment of loan and interest as at Balance Sheet.		
<b>6. Provisions</b>		
<b>Long Term Provisions</b>		
Provision for Taxation	-	-
<b>Short term provisions</b>	-	-
Provision for taxation (Net of advance tax)	1,564,825	2,315,062
Other provisions	-	-
	<b><u>1,564,825</u></b>	<b><u>2,315,062</u></b>
<b>7. Short-term borrowings</b>		
<b>Loan repayable on demand</b>		
The Cosmos Co-Op Bank Ltd & Others	17,833,320	10,000,000
<b>Other loans and advances</b>		
Loan against Deposits	-	-
Unsecured borrowings	-	5,975,046
	<b><u>17,833,320</u></b>	<b><u>15,975,046</u></b>
<b>The above amount includes</b>		
Secured borrowings	<b>17,833,320</b>	10,000,000
Unsecured borrowings	-	5,975,064

**Notes :** Cash Credit availed from The Cosmos Co-op Bank Ltd has secured by way of hypothecation of Raw Materials, Work-in-progress, Finished goods and book debts of the company and also secured by way of charge on collateral securities provided by the company.

**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>8. Other current liabilities</b>		
Trade payables (including acceptances and no MSME payables)	9,846,988	5,356,631
Others Trade payables (including acceptances and no MSME payables)	2,079,207	-
Audit Fee Payable	153,540	340,956
<b>Other liabilities</b>		
Advance from Customers	15,399,993	17,520,000
Employee benefit payable	3,386,374	4,205,596
Statutory dues payable	1,299,715	3,334,732
Expenses and other payable	2,748,455	3,643,230
Current Maturity of Long Term Borrowing	4,673,704	-
	<u>39,587,975</u>	<u>34,401,146</u>
<b>10. Intangible assets</b>	<b>NIL</b>	<b>NIL</b>
<b>11. Deferred tax asset/ (liability) (net)</b>		
Opening Balance	(5,554,834)	(6,835,491)
Deferred Tax Asset / Liability for the period	750,348	1,280,657
<b>Deferred tax asset (net)</b>	<u>(4,804,486)</u>	<u>(5,554,834)</u>
<b>12. Loans and advances</b>		
<b>A. Security deposits</b>		
Electricity and other Deposits	2,546,875	3,595,995
	<b>(A) <u>2,546,875</u></b>	<b><u>3,595,995</u></b>
<b>B. Advances recoverable in cash or kind</b>		
Capital Advances	-	-
Receivables from Directors	-	-
Unsecured, considered doubtful	-	-
Provision for doubtful advances	-	-
	<b>(B) -</b>	-
<b>C. Other loans and advances</b>		
Employee Loans, Advances (Secured, considered good)	8,890,164	499,950
Loans to Others (Unsecured, considered good)	-	-
<b>Balances with Revenue Authorities</b>	-	-
Balances with Revenue Authorities Excise Duty	-	-
Balances with Revenue Authorities Vat	1,477,335	729,855
Balances with Revenue Authorities Income Tax TDS	3,619,127	4,436,604
Advance income tax	-	-
Prepaid expenses (Chit Loss)	451,200	400,000
Other Advances	-	-
	<b>(C) <u>14,437,825</u></b>	<b><u>6,066,408</u></b>
<b>Total (A+B+C)</b>	<u>16,984,700</u>	<u>9,662,403</u>

Block Name	Gross Block			Depreciation			Net Block	
	209,809,982	7,115,936	-	216,925,918	108,341,006	11,697,218	120,038,224	96,887,694
	As at 01.04.14	Additions during the period	Deletions during the period	As at 31.03.15	Up to 31.03.14	For the period	Adjustments due to deletions during the period	Up to 31.03.15
FREE HOLD LANE	2,124,163	-	-	2,124,163	-	-	-	2,124,163
BUILDINGS	54,286,684	4,428,059	-	58,714,743	16,929,239	2,670,224	-	39,115,280
OFFICE AND CANTEEN	2,237,920	-	-	2,237,920	708,281	66,988	-	1,462,651
PLANT AND MACHINERY	106,576,177	952,261	-	107,528,438	55,813,097	7,061,513	-	44,653,828
AIR CONDITIONERS	6,364,471	169,969	-	6,534,440	6,212,970	27,786	-	293,684
ELECTRICAL EQUIPMENTS	6,449,408	751,049	-	7,200,457	5,744,053	97,864	-	1,358,540
FURNITURE AND FIXTURES	4,588,300	231,387	-	4,819,687	4,220,024	58,444	-	541,219
LABORATORY EQUIPMENT	1,829,027	254,774	-	2,083,801	1,373,403	64,277	-	646,121
OFFICE EQUIPMENT	1,971,190	3,000	-	1,974,190	1,857,217	26,963	-	90,010
COMPUTERS AND PRINTERS	370,300	5,700	-	376,000	287,380	39,186	-	49,434
VEHICLES	20,494,739	184,737	-	20,679,476	13,043,995	1,381,061	-	6,254,420
GENERATOR	1,916,407	135,000	-	2,051,407	1,836,960	12,934	-	201,513
MISC FIXED ASSETS	601,196	-	-	601,196	314,387	189,977	-	96,832
<b>Total</b>	<b>209,809,982</b>	<b>7,115,936</b>	<b>-</b>	<b>216,925,918</b>	<b>108,341,006</b>	<b>11,697,218</b>	<b>-</b>	<b>96,887,694</b>
								<b>101,468,976</b>



**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>13. Other assets</b>		
Interest Reserve	-	-
Misc Expenditure to the extent not written off	875,330	972,589
	<b>875,330</b>	<b>972,589</b>
Provision for doubtful others	-	-
	<b>875,330</b>	<b>972,589</b>
<b>14. Inventories</b>		
(a) Raw materials	9,182,940	265,520
(b) Packing Materials	4,826,395	-
(c) Work-in-progress	-	-
(d) Finished goods	-	-
	<b>14,009,335</b>	<b>265,520</b>
<b>15. Trade receivables</b>		
Receivables(Outstanding for a period of more than six months)	-	-
Other receivables (Outstanding for a period less than six months from the date they are due for payment)	7,933,312	-
<b>Within Group Receivable</b>	29,006,154	33,621,881
Unsecured, considered good	-	-
Doubtful	-	-
Provision for doubtful trade receivables	-	-
	<b>36,939,466</b>	<b>33,621,881</b>
<b>16. Cash, bank balances &amp; cash equivalents</b>		
Balances with banks:		
On current accounts	(12,213)	310,750
Deposits with original maturity of less than three months	-	-
Cash on hand	379,839	63,006
	<b>367,626</b>	<b>373,756</b>
<b>Other bank balances</b>		
Margin money deposit	-	-
	-	-
Amount disclosed under non-current assets	-	-
	<b>367,626</b>	<b>373,756</b>

**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>17. Revenue from operations</b>		
Sale of products	29,210,032	41,534,749
Processing Charges	71,691,308	111,683,931
	<u>100,901,340</u>	<u>153,218,680</u>
<b>18. Other income</b>		
Interest on deposits	1,059,786	409,730
Dividend Income	522,487	516,600
Other non operating income	-	-
	<u>1,582,273</u>	<u>926,330</u>
<b>19. Raw Materials and Packing Materials Consumed</b>		
Opening stock	265,520	2,794,220
Add: Purchases	27,671,814	35,119,549
	27,937,334	37,913,769
Less: Closing stock	14,009,335	265,520
<b>Cost of material consumed</b>	<u>13,927,999</u>	<u>37,648,249</u>
<b>20. Other Manufacturing Expenses</b>		
Fuel & Power Consumption	11,159,966	14,887,808
Factory Salaries and Wages (Including Provident fund and other funds)	21,726,841	31,322,427
Factory Expenses	1,511,153	1,868,372
Transport and Hamali Charges	836,962	321,065
Processing Loss and Other Charges	272,090	125,101
Repairs and Maintenance	2,511,333	2,781,776
Subcontracting Expenses	15,359,408	24,897,773
	<u>53,377,752</u>	<u>76,204,322</u>
<b>21. Increase / Decrease in WIP &amp; Finished Goods</b>	-	-
	<u>-</u>	<u>-</u>
<b>22. Employee benefit expenses</b>		
Salaries and wages including Provident Fund and other funds	2,444,855	3,222,550
Bonus	-	70,375
Gratuity	296,101	566,791
Directors Remuneration	1,642,902	900,000
	<u>4,383,858</u>	<u>4,759,716</u>

**SAMPRE NUTRITIONS LIMITED**  
**NOTES TO BALANCE SHEET**

Amount in Rupees

PARTICULARS	AS ON 31.03.2015	AS ON 31.03.2014
<b>23. Finance costs</b>		
Interest		
On Term Loans & Other Finance Costs	4,281,716	1,349,436
Other finance costs - Vehicle	359,494	1,497,756
Bank charges	53,817	11,536
	<u>4,695,027</u>	<u>2,858,729</u>
<b>24. Other expenses</b>		
Advertisement Expenses	105,856	103,639
AGM Expenses	15,700	9,700
Building Maintenance	429,096	513,613
Business Promotion Expenses	997,366	3,858,654
Chit Loss	1,375,800	540,000
Computer Maintenance	52,816	-
Courior and Postal Charges	56,192	107,668
Donations	20,502	68,668
Electricity Charges	58,139	306,381
General Expenses	1,317,154	1,490,983
Insurance	179,332	280,294
Internet Expenses	-	60,110
Legal and professional	319,923	308,734
Loan Processing Fee	172,006	-
Medical Expenses	144,311	33,634
Membership and Subscription Fee	105,000	-
Miscellaneous expenses	28,033	-
Office Expenses	-	93,418
Payments to auditors	168,540	168,540
Preliminary Expenses written off	97,259	108,065
Printing and stationery	367,063	354,072
Professional Tax	42,900	32,190
Rates and taxes	330,047	234,247
Rental Charges	-	270,000
Repairs and maintenance	224,467	17,153
Service Tax Paid	99,222	225,782
Security Services	483,281	507,749
Sitting Fee	213,401	-
Staff Welfare Expenses	1,704,872	1,723,815
Telephone Expenses	578,457	780,032
Travelling and conveyance	2,169,669	3,904,751
Vehicle Maintenance	439,094	308,502
	<u>12,295,498</u>	<u>16,410,394</u>
<b>25. Depreciation and amortization expense</b>		
Depreciation of tangible assets	11,697,218	11,838,599
	<u>11,697,218</u>	<u>11,838,599</u>

**SAMPRE NUTRITIONS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

PARTICULARS	Year ending 31.03.2015	Year ending 31.03.2014
<b>Cash flow from operating activities</b>		
<b>(Loss) / profit before tax</b>	2,106,261	4,425,003
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization	11,697,218	11,838,599
Non-Operate Income	(522,487)	1,627,487
Deferred Tax Asset / (Liability)	750,348	1,280,657
Finance Cost	4,695,027	2,858,728
<b>Operating (loss) / profit before working capital changes</b>	<b>18,726,367</b>	<b>22,030,474</b>
Movements in working capital :		
Increase/ (decrease) in other current liabilities & Provisions	4,436,592	(11,831,700)
Decrease / (increase) in trade receivables	(3,317,585)	(13,068,282)
Decrease / (increase) in long-term loans and advances	-	-
Decrease / (increase) in short-term loans and advances	(7,322,296)	4,326,952
Decrease / (increase) in other current assets	(13,646,556)	2,636,765
Decrease / (increase) in other non-current assets	(750,348)	(1,280,649)
Cash generated from /(used in) operations	(1,873,826)	2,813,559
Direct taxes paid (net of refunds)	(1,564,825)	(2,315,062)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(3,438,651)</b>	<b>498,497</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work in progress and capital	(7,115,936)	(28,931,651)
Proceeds from Sale of Fixed Assets	-	2,002,542
Purchase of Current investments	(100,000)	-
Dividend from Investments	522,487	-
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(6,693,449)</b>	<b>(26,929,109)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital (including share application money)	-	-
Long-term borrowings (net)	12,962,721	1,610,495
Short-term borrowings (net)	1,858,274	26,746,412
Finance Expenses	(4,695,027)	(2,858,728)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>10,125,968</b>	<b>(25,498,178)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(6,131)</b>	<b>(932,433)</b>
Cash and cash equivalents at the beginning of the year	373,757	1,306,190
<b>Cash and cash equivalents at the end of the year</b>	<b>367,626</b>	<b>373,757</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	379,839	63,006
With banks		
- on current account	(12,213)	310,750
- on deposit account	-	-
Less: Balances in margin money deposits placed to avail loans, Bank Guarantees from banks, financial institutions and as cash collateral in connection with asset assignments / securitization transactions. -	-	-
<b>Total cash and cash equivalents</b>	<b>367,626</b>	<b>373,757</b>

Summary of significant accounting policies 1,2  
The accompanying notes are an integral part of the financial statements

As per our report of even date

for and on behalf of the Board  
**Sampre Nutritions Limited**

**For RRK & Associates**

Chartered Accountants  
Firm No. : 009785S

Sd/-  
**(B K GURBANI)**  
Chairman & Managing Director

Sd/-  
**(MEERA B GURBANI)**  
Director

Sd/-

**R.Radha Krishna**  
Partner  
M.No.210777

Place: Medchal  
Date: 29/05/2015

Sd/-  
**(V. VAMSHI SRINIVAS)**  
Chief Financial Officer

## **Notes 1-2**

### **Corporate information**

The Company is into the activity of manufacturing of Sugar Candies. The principal place of business is situated at 133, TSIIIC Industrial Estate, Medchal, RR Dist, Telangana - 501 401.

### **SIGNIFICANT ACCOUNTING POLICES:**

#### **I BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **II Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### **III Inventories**

The basis for valuation of inventories is as under:

1	Raw Materials & Packing Materials	Cost or realizable value whichever is lower. Cost is computed on the basis of weighted average method including freight and related expenses reduced by CENVAT benefits.
2	Work-in-progress	At cost or net realizable value, whichever is lower (Cost includes materials and related overheads)
3	Finished Goods	At cost or net realizable value, whichever is lower.
4	Stores, spare & consumables	Cost or realizable value whichever is lower. Cost is ascertained on weighted average basis.

#### **IV Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **V Depreciation and amortization**

Depreciation has been provided on the straight-line method as per the life period prescribed in Part "C" of Schedule II of The Companies Act 2013

#### **VI Revenue recognition**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

## **VII Other income**

Interest income is accounted on accrual basis. Dividend income, if any is accounted for when the right to receive it is established.

## **VIII Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

## **IX Government grants, subsidies and export incentives**

Subsidy received is credited to reserves and surplus.

## **X Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

### Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined in accordance with the rules of the Company and are provided for based on the assumptions that such benefits are payable to employees at the end of the accounting year.

## **NOTES ON ACCOUNTS**

### **1. Contingent liabilities not provided for in respect of:**

- a. The company is in receipt of assessment order of Sales Tax for the years 05-06 & 06-07 by not considering the Input tax on the materials which were used in the Job works, against the said assessment order, the company has preferred for appeal before the Deputy Commissioner of Sales Tax, Hyderabad. The Company is expecting a favorable result from the appellate authority.

### **2. Secured Loans:**

- a. Term Loan taken from The Cosmos Co-Op Bank Ltd has been secured by way of charge on Industrial Land & Factory building of the company as collateral security.
- b. Vehicle loans under hire purchase schemes are secured by hypothecation of vehicles owned by the company.
3. The sundry debtors, current assets, loans and advances have a value on realization, in the ordinary course of business, at least equal to the amount at which they are stated by the company.
4. The company has corresponded with old debtors and creditors and the dues which were neither recoverable nor payable have been written off during the year. Still there are some

parties from which the company is yet to receive confirmations in respect of balances outstanding in sundry debtors and creditors.

5. As per the information available with the company, it appears that no dues outstanding for more than 30 days in excess of Rs.1,00,000/- as on 31st March 2015 in respect of Small Scale Industrial Undertakings. It is reported that there are no specific claims on the company from the small scale industrial supplier under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993" during the said year.

**6. Payment to Auditors:**

Particulars	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	(Amount in Rs.)	(Amount in Rs.)
Audit Fee	100,000	100,000
Tax Audit Matters	30,000	30,000
Certification & Other Services	20,000	20,000
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>

**7. Director's Remuneration:**

Particulars	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	(Amount in Rs.)	(Amount in Rs.)
Salary & Allowances to Managing Director	12,50,000	6,60,000
Salary & Allowances to Other Directors	3,92,902	2,40,000
<b>Total</b>	<b>16,42,902</b>	<b>9,00,000</b>

8. There are no debts outstanding as on 31st March 2015 from Directors or other officers of the company other than imprest cash in order to meet running expenses.

**9. Segment Reporting:**

The company's business consists of one primary reportable business segment of manufacturing and sale of sugar boiled candies and toffees with manufacturing facility at single place and consists of major revenue on account of Processing charges, no separate disclosures pertaining to attributable revenues, profits, assets, liabilities and capital employed are given as required under Accounting Standard – 17.

**10. Deferred Tax Liability:**

Deferred tax liability as on 01.04.2015 due to timing differences between financial statements and taxation statements based on the return of income filed by the company as per applicable rate of taxation, estimated has been shown under Deferred Tax Liability in Balance Sheet as per the procedure prescribed in the Accounting Standard – 22.

The movement of Provision of Deferred Tax for the year ended 31-03-2015 is as given below:

Particulars	Asset / (Liability) As on 31.03.2014	Asset / (Liability) for the year	Asset / (Liability) As on 31.03.2015
Timing Differences on account of Depreciation	(55,54,834)	7,50,348	(48,04,486)

**11. Earnings per Share (EPS)**

The earnings considered in ascertaining the company's Earnings per share comprise of net profit after tax. The number of shares used in computing Basic earnings per share is the weighted average number of shares outstanding during the year. The numerators and denominators used to calculate earnings per share.



Particulars	2014-15	2013-14
Profit attributable to Equity Share Holders (A)	12,91,784	21,09,941
Basic / Weighted Average Number of Equity Shares outstanding during the year (No. s) (B)	48,20,000	48,20,000
Nominal value of each equity Share	Rs.10/-	Rs.10/-
Earnings Per share	0.27	0.44
Diluted EPS	0.27	0.44

**12. Taxes on income**

The company made necessary provision for income tax as per the provisions of income tax act, 1961.

**13. Disclosure as required by Accounting Standard 18 (AS – 18)**

"Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

Name of the related parties and description of relationship

- a) Associates: M/s. Royes Industries Limited  
M/s. Natural Health Products Pvt. Ltd.
- b) Key Managerial Personnel Shri Brahma K Gurbani (MD)  
Smt. Meera B Gurbani (Director)

Name of Related Party	Nature of transaction	Transaction Made During the Year	Current Year Outstanding Amount in Rs.	Previous Year Outstanding Amount in Rs.
Royes Industries Limited	Loans	454.75 Lakhs	228.97 Lakhs	256 Lakhs
Shri. Brahma K Gurbani (MD)	Director Remuneration	12.50 Lakhs	1.25 Lakhs	0.75 Lakhs
Smt. Meera B Gurbani (Director)	Director Remuneration	Nil	Nil	0.20 Lakhs

**14. Disclosure as required under Clause 32 of Listing Agreement.**

Loans and Advance to associates and other related parties in normal course of business:

Name of The Party	Amount Outstanding as at 31.03.2015	Highest Outstanding at any time during the Year
Royes Industries Limited	228.97 Lakhs	408.22 lakhs
Natural Health Products Pvt Ltd	61.08 Lakhs	61.08 Lakhs

15. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.
16. Provision for accruing liability for Super Annuation / Retirement benefits have been made in the basis of the liability as actually determined as at the year end.
17. Depreciation has been provided on the straight-line method as per the rates prescribed in Part "C" of Schedule II of The Companies Act 2013.
18. There were no employees drawing remuneration of Rs.60.00 lacs or more per annum or Rs.5.00 lacs or more per month, if employed for part of the year.
19. Paisa is rounded off to nearest rupee.
20. Micro and Medium Scale Business Entities: There are no micro, small and medium enterprises, to whom the company owes, which are outstanding for more than 45 days as at 31st March 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

21. Additional information pursuant to provisions Schedule III of the Companies Act, 2013.

Sl.No.	Particulars	2014-15	2013-14
		Value	Quantity
A	Capacity Production, sales & Stocks		
1	Capacity		
a.	Licensed Capacity	N.A	6000 TPA
b.	Installed Capacity (Single shift basis)	N.A	2600 TPA

(As certified by Management but not verified by auditors being a technical matter)

Particulars	2014-15	2013-14
	Quantity (Kg)	Value
Opening Stock	-	42800
Production (Sugar based candies)	3004475	N.A
Closing Stock	135505	140.93
Sales – Own product (Sugar based candies Confectionery)	278752	415.34
Sales – Job Work	2725722	716.91

The quantitative details indicated above includes production & dispatches made on principal to principal basis and Loan license basis.

Material Consumed	2014-15	2013-14
	Quantity (Kg)	Value
Raw Material (No. / Kgs)		
- Sugar	65700	19.05
- Glucose	84465	23.02
- Flavors & Others	34608	60.84
Total	184773	102.91
Primary packing (Nos) Primary packing (laminare)	15903	27.35
Others	-	-
Total	15903	27.35

B.Value of Imports on CIF Basis	N.A	N.A	N.A	N.A
C.Expences on Foreign Currency	Nil	N.A	N.A	N.A

D. Value of Imported and Indigenous Materials consumed and % of each to total consumption

i. Imported	NIL	NIL
ii. Indigenous	N.A	8.48
iii. Percentage	NA	100 %

As per our report given at even date

**FOR RRK & ASSOCIATES**  
Chartered Accountants

**R.RADHA KRISHNA**  
Partner  
M.No. 210777

for and on behalf of the Board  
**Sampre Nutritions Limited**

Sd/-  
**(B K GURBANI)**  
Chairman & Managing Director

Sd/-  
**(MEERA B GURBANI)**  
Director

Date: 29/05/2015  
Place: Hyderabad.

Sd/-  
**(V. VAMSHI SRINIVAS)**  
Chief Financial Officer

## SAMPRE NUTRITIONS LIMITED

CIN: L15499TG1991PLC013515

Plot No. 133, Industrial Estate, Medchal – 501 401

Email id: gurbani@gurbanigroup.in website: www.sampreltd.com

Tel: 08418 - 222427/28 Fax: 08418 - 222429

### Form No MGT -11

#### Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
E-mail ID	
Folio No. / DP ID and Client ID	

I/We, being the Member(s) of shares of the above named Company, hereby appoint

Name:	E-mail ID:
Address:	Signature:

Or failing him/her

Name:	E-mail ID:
Address:	Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on **Tuesday, 29<sup>th</sup> September, 2015 at 11.00 A.M** at Lions Club Conference Hall, LIC Building, 3<sup>rd</sup> Floor, Paradise Circle, Secunderabad – 500 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	Vote Yes/No
1	Adoption of Financial Statements.	
2	Reappointment of Mrs. Meera Gurbani as Director	
3	Ratification of Appointment of Auditors.	
4	Adoption of New Articles of Association of the Company	

Signed this       day of September, 2015.

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Rs. 1/-  
Revenue  
Stamp

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

## **SAMPRE NUTRITIONS LIMITED**

**CIN: L15499TG1991PLC013515**

Plot No. 133, Industrial Estate, Medchal – 501 401

Email id: gurbani@gurbanigroup.in website: www.sampreltd.com

Tel: 08418 - 222427/28 Fax: 08418 - 222429

### **ATTENDANCE SLIP**

#### **24<sup>TH</sup> ANNUAL GENERAL MEETING**

**Tuesday, 29<sup>th</sup> September, 2015 at 11.00 A.M.**

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 24<sup>th</sup> Annual General Meeting of the company at Lions Club Conference Hall, LIC Building, 3<sup>rd</sup> Floor, Paradise Circle, Secunderabad – 500 003



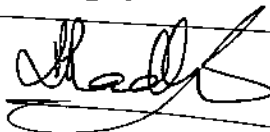
Shareholder's / Proxy's Signature

Share holder or Proxy holder attending this meeting requested to bring this attendance slip to the meeting and hand over at the entrance duly filed and signed.

CIN: L15499TG1991PLC013515

**FORM A**

(In compliance with SEBI circular CIR/CFD/DIL/7/2012 dated 13.08.2012)

1.	Name of the Company:	SAMPRE NUTRITIONS LIMITED
2.	Annual financial statements for the year ended	31.03.2015
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	Nil
5.	To be signed by-	
	Mr. B K Gurbani, Chairman & Managing Director	
	Mr. Vamshi Srinivas Vempati, CFO	
	Mr. R. Radha Krishna - Auditor of the company	
	Mr. Banala Jayaprakash Reddy, Audit Committee Chairman	